

Minutes

March 12, 2013- Board Meeting

On March 12, 2013, the Board of Trustees of the Lake County Public Water District met in a regularly scheduled meeting at the hour of 5:30 p.m. in the conference room of the District, 500 – 17th Street, Zion, Illinois. Chairman Topcik opened the meeting at approximately 5:30 p.m. Upon the roll being called, Trustees, Ruchti, Monk, Moe, Jaeger and Topcik were present. Trustee Mitchell was absent. Present as a guest speaker was Mr. Jason Koperny of West's Insurance Agency. Also present were General Manager Albrecht, Operations Manager White, and Administrative Assistant Karen Johnston.

Chairman Topcik introduced guest speaker, Mr. Jason Koperny who was present at the meeting to discuss the employee health insurance renewal package, effective May 1, 2013. General Manager Albrecht included a memo regarding the pricing of the recommended health insurance renewal. He attached a spreadsheet to the memo with the proposed dental insurance change to Delta Dental. Mr. Koperny proceeded to discuss both of these items. He explained that the Humana rates had gone up approximately 9.4% for the District, however the industry standard was 10-25%. Mr. Koperny explained that he had gone out for alternate quotes and that the Humana was still the best-case scenario for the medical insurance. However, for the dental insurance he proposed moving coverage to Delta Dental as this provided comparable coverage at a savings of approximately \$400 per month. Mr. Koperny went on to discuss the large issue affecting the healthcare industry, the Affordable Healthcare Reform Act. He explained the details of this act, and how it would affect the District's health insurance program. The most significant item in this act is the cap on deductibles that would go into effect in 2014. The act mandates that the maximum deductible will be \$2,000 per person, \$4,000 per family. The District currently has deductibles of \$4,000 per person, \$12,000 per family. He explained that lowering these deductibles could cause a large increase in premium next year. He also stated that many of these laws continued to change, and that he would advise the District as new changes went into effect. Trustee Jaeger then made a motion to accept the Humana medical renewal as recommended and the change to Delta Dental. Trustee Moe seconded the motion, which was unanimously approved. Mr. Koperny left the meeting at 6:00 p.m.

Chairman Topcik stated that he would accept a motion to place the following items on a consent agenda and to accept that consent agenda. The motion was made by Trustee Moe, seconded by Trustee Jaeger, and unanimously carried.

- 4) Minutes of February 12, 2013
- 5) Disbursements of March, 2013
- 6) End of month February, 2013 Treasurer's Report
- 7) End of month February, 2013 Budget Report
- 8) End of month February, 2013 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT March, 2013 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Jan-12	2,919.23
2921	Federal Withholding Taxes	Jan-12	6,313.30
2922	IL Department of Revenue	Monthly Remittance	1,348.85
2923	WI Department of Revenue	Monthly Remittance	488.32
2925	IDES	Monthly Remittance	147.18

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7205	FICA Withholding Taxes (ER Portion)	Jan-12	2,919.23
7211	ComEd	Electricity	16.86
7211	Integrus	Electricity	16,122.55
7215	McHenry Analytical	Sample Testing	65.00
7221	Hydrite	Chlorine Shipment	866.00
7221	Usalco	Aluminum Sulfate Shipment	6,384.35
7222	Ace Hardware	Misc. supplies	164.28
7222	W.W. Grainger	Misc. supplies	199.27
7222	Graybar Electric	Misc. supplies	153.13
7222	Hach	Lab Supplies	542.65
7222	Olson Oil	Fuel for generator	1,175.32
7222	Zion Auto Parts	Misc. supplies	24.99
7223	Erickson, K. Designs	Snowplowing	865.00
7223	Fluke Corp.	Maintenance Parts	277.00
7223	Global Industrial	Replacement Heaters	1,202.00
7223	Gordon Fleisch	Copier Maintenance	9.99
7225	Lakeland Larsen Elevator	Elevator Maintenance for May-May, 2013	318.64
7225	Klean Korner	Janitorial Service	565.00
7225	Maintenance Assistant, Inc.	Monthly Equipment Maintenance Contract	19.00
7232	Cimco	Telephone Service	2,052.63
7232	Verizon Wireless	Cellular Phone Service	206.55
7234	Stamps.com	Monthly Postage Service	24.99
7234	UPS	Shipping Charges	25.77
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	224.25
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	35.10
7235.2	Humana Choice Care	Monthly Med/Dent Premium	5,128.22
7235.2	Illinois Public Risk	2nd Qtr. 2013 Work Comp	3,765.00
7235.2	Pintescu, Ioan	Deductible Reimbursement	198.25
7236	Seven Eleven	Fuel for truck	272.01
7237	Illinois Section AWWA	2013 Watercon Conference	540.00

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7237	Jewel	Food & supplies for meeting	36.03
7237	President Abraham Lincoln Hotel	Springfield meeting	369.57
7238	Illinois Municipal League	Subscription Renewal	30.00
7238	Water Research Foundation	2013-2014 Subscription	1,316.31
7241	James Hamlin & Co.	Payroll Fees - 02/13/13-03/12/13	131.57
7242	Daniel J. Kucera	General Legal Services	2,259.90
7243	Applied Technologies	Professional Services	438.00
7251	Correll Co.	Investment service fee	375.25
7251	Aramark Uniform Services	Uniforms	839.70
7251	Galeton	Safety Equipment	149.64
7251	Zion, City of	Elevator Inspection	50.00
	TOTAL		\$61,575.88

Old Business

- **Proposed FY2014 Budget** – General Manager Albrecht included a copy of the most recent proposed budget for fiscal year 2014. He stated that he had not made any changes, and even though the medical insurance had increased, the dental insurance decrease offset that amount so that there was no need to change that line item. The only significant item that needed discussion was the intake pipe maintenance line item. General Manager Albrecht reviewed the costs associated with the project over the past year. He discussed how the District could recoup these funds from the District’s customers. The aspects of charging the costs to both the Operations and Maintenance account and the R&R account were discussed. Trustee Jaeger made a motion to approve the proposed budget of \$1,920,000 less the line item of \$200,000 for the intake pipe maintenance, which was seconded by Trustee Ruchti and unanimously approved.
- **Solids Contact Unit #1** –General Manager Albrecht included a memo regarding the inspection on Solids Contact Unit #1 along with several pages from the recent report from Tank Industry Consultants. He stated that the report indicates that this unit is not in good shape. The report details the scope of the deterioration and makes recommendations on several options to repair and/or replace this unit. General Manager Albrecht and Operations Manager White discussed with the board the costs, the funding, and the time frame for the repairs involved with this project. No decisions were made at this time.
- **Intake Pipeline Project:** General Manager Albrecht indicated that Dennis White, the consultant for the District, is working on the final draft of a bid document prepared by Don White for this project. The project will be advertised for bidding once Mr. White has made any appropriate changes. Discussion of this subject followed, including funding for this project.

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- ***Rights of Way*** – General Manager Albrecht indicated that there was nothing to report on this subject. Attorney Kucera is still trying to contact the appropriate person(s) at the State of Illinois for discussion.

New Business

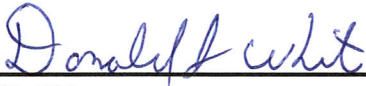
- ***Maximum Funding Level*** – General Manager Albrecht stated that the District, by contract, needed to hire an independent engineer to review the replacement cost of the District's facilities and determine a new R&R account level. Frank Tiefert of Applied Technologies, Inc. (ATI), has provided this service to the District for the past two years, and his letter for this year is included in the board packet. Per his report, the replacement cost values of the District's facilities are valued at \$21,991,000. General Manager Albrecht went on to explain how the funding level for the R&R account was determined from this report. Discussion of this subject followed.
- ***Funding of O&M and/or R&R Projects*** – General Manager Albrecht passed out a table to the board outlining projects showing the effect of depreciation on the rates. Discussion of this subject followed.
- ***Roth 457 Plan*** – General Manager Albrecht included a memo regarding this plan. He advised that there was interest among the employees to provide this type of investment tool. Correll Co. has indicated that the cost to set up the program for the District would be approximately \$1,400, which is an improvement of the previously quoted \$2,100. Chairman Topcik asked if anyone would like to make a motion to approve this plan. Trustee Jaeger made a motion to approve adoption of this Roth 457 Plan for the District's employees, which was seconded by Trustee Monk and unanimously approved.
- ***Water Consultant*** – General Manager Albrecht included a memo regarding Hey and Associates. General Manager Albrecht stated that Attorney Kucera has raised concerns that this firm may be working for the IDNR. If so, that could be a conflict of interest. General Manager Albrecht stated that the person he spoke with at Hey and Associates has indicated that he didn't believe they were working for the IDNR. Discussion of this subject followed. General Manager Albrecht stated that Attorney Kucera would like to be involved in hiring a water consultant. General Manager Albrecht stated he would try to arrange a meeting in the future with Hey and Associates.
- ***Solids Contact Unit #2*** – Operations Manager White stated that this tank has recently been painted. Dixon Engineering recommends a one-year inspection. Dixon will contact Tecorp, the contractor on the project, if they find any issues. Discussion of this subject followed.
- ***Solids Contact Unit #3– Operations*** Manager White has stated that an electrical contractor needs to install the HVAC system on this project. He indicated that Jon Meyer of CDM-Smith stated that Westech would like another quote as the electrical contractor's price was too high. Operations Manager White is waiting for a schedule for the passification and HVAC controls. Discussion of this subject followed.
- ***Tecorp Payment*** – Administrative Assistant Johnston advised the board that Tecorp had cashed the replacement check for the final payment on February 22, 2013.

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- **S&P Bond Rating** – General Manager Albrecht stated that he had heard from Standard and Poor's regarding the District's credit rating. It was maintained at an A+. Discussion of this subject followed.
- **Miscellaneous** – General Manager Albrecht stated that Mr. Bob Trompeter of Risk Resources, the District's insurance consultant, would be present at the April board meeting.

With no further business to discuss, Trustee Ruchti made a motion to adjourn the meeting, which was seconded by Trustee Moe and unanimously approved.

X 

Donald J. White
Board Secretary