

Minutes

June 22, 2012 – Board Meeting

On June 19, 2012, 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 5:50 p.m. Upon the roll being called, Trustees Jaeger, Ruchti, Monk, Moe, and Topcik were present. Trustee Mitchell was absent. Also present were General Manager Al Albrecht, Operations Manager Don White, District Attorney Dan Kucera, and District Secretary Karen Johnston. Mr. M. David Cain from Milburn Cain & Company was present as guest speaker.

Chairman Topcik stated that the first order of business was a presentation of the annual audit report and supporting documents for fiscal year ending April 30, 2012, by Mr. M. David Cain of Milburn Cain & Company. Mr. Cain began his presentation by handing out an outline and stated that he would hand out the full draft audit report before he left as he wanted to initially concentrate only on the numbers. He stated that the audit went well and he was planning to provide a clean opinion. He further stated that the financial statements fairly present the financial position for the District resulting from operations over the past fiscal year. He then went on to discuss each section of the audit report and highlighted the following:

- Operations for the year resulted in a net loss of \$21,000 (rounded).
- Cash and Cash Equivalents are down from last year as a result of Intake Pipe Costs being paid out of the O&M account.
- Customer Receivables are approximately the same as last year. Higher delivery volume in March and April.
- Construction account is down to \$115,000 from \$705,000 last year. Attributed to construction activity.
- Accounts Payable is also down due to construction activity.
- Leased a new copier for \$294.00 a month, \$200.00 for the equipment and \$94.00 for maintenance. Present value of copier \$9,091.
- Operating income was virtually the same \$161,198 compares with \$169,723 a year ago.
- Personnel costs were up from up \$15,775 from 2011.
- The 2012 demand for water decreased 1% from 2011 levels.
- Repairs and maintenance are down.
- Electricity is down due to new electricity supplier.
- Depreciation increased by \$30,000 to \$570,000. This depreciation figure includes the completed portions of the projects financed by the bond issue.
- Pension costs were up \$1,400 from 2011.
- New delivery rate calculation, increased by 0.0104 cents per 1,000 gallons to a new delivery rate of \$1.4997 per 1,000 gallons.
- New R&R Contribution amount for FY2013 changed to \$1,300,482. A discussion of the ratios owed by each of the District's customers followed.

Mr. Cain then took questions from the board. Trustee Ruchti then made a motion to accept the pension contribution of \$54,682, which was seconded by Trustee Monk and unanimously approved.

Trustee Jaeger made a motion to accept the delivery rate adjustment of \$1.4997 per 1,000 gallons and \$1,300,482 as the new level for the R&R fund, to be contributed by the District's customers, which was seconded by Trustee Monk and unanimously approved.

Minutes

June 22, 2012 – Board Meeting

Trustee Jaeger made a motion to accept the audit report as presented, which was seconded by Trustee Monk and unanimously approved.

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 Jaeger, seconded by Trustee Monk, and unanimously carried.

- 4) Minutes for May, 2012
- 5) Disbursements for June, 2012
- 6) End of month May, 2012 Treasurer's Report
- 7) End of month May, 2012 Budget Report
- 8) End of month May, 2012 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT June, 2012 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	May-12	2,131.63
2921	Federal Withholding Taxes	May-12	6,288.80
2922	IL Department of Revenue	Monthly Remittance	1,361.51
2923	WI Department of Revenue	Monthly Remittance	466.49
7205	FICA Withholding Taxes (ER Portion)	May-12	2,886.21
7211	ComEd	Electricity	17.82
7211	Integrus	Electricity	22,513.56
7212	North Shore Sanitary District	Wastewater Charges	3,090.61
7215	McHenry Analytical	Sample Testing	98.50
7221	Hydrite	Chlorine shipment	866.00
7221	Usalco	Aluminum Sulfate Shipment	12,139.29
7222	Ace Hardware	Misc. supplies	77.22
7222	Grainger, W.W.	Misc. supplies	282.27
7222	Hach	Lab Supplies	534.91
7222	Industrial Scientific	Lab Supplies	525.65
7222	Lake County Pipe & Supply	Misc. supplies	465.81
7222	Millipore	Lab Supplies	1,916.24
7222	Newark	Misc. supplies	314.08
7222	Zion Auto Parts	Misc. supplies	47.88

Minutes

June 22, 2012 - Board Meeting

7223	Fluorecycle	Fluorescent Lamp Recycling	36.06
7223	Mid-Town Petroleum	Maintenance oils	101.05
7225	K. Erickson Designs	Landscaping Maintenance	885.00
7225	Klean Korner	Janitorial Service	565.00
7225	Lakeland/Larsen Elevator	Elevator Maintenance	318.64
7231	GFC Leasing	Copier Lease	297.00
7232	Cimco	Telephone Service	1,412.42
7232	Verizon Wireless	Cellular Phone Service	213.67
7234	Reliable	Office Supplies	163.30
7234	UPS	Shipping Charges	51.20
7235.1	West's Insurance Agency	Public Officials Bond	1,400.00
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	224.25
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	34.20
7235.2	Humana Choice Care	Monthly Med/Dent Premium	5,128.22
7235.2	White, Don	Insurance Deductible Reimbursement	1,509.42
7241	James Hamlin & Co.	Payroll Fees - 05/09-06/19/12	247.80
7242	Daniel J. Kucera	General Legal Services	1,717.40
7251	Correll Co.	Investment Services	342.25
7251	Sun Times Media	Advertisement for Installing 6 Bent Systems	44.00
7251	Zee Medical	First Aid Supplies	89.65

Minutes

June 22, 2012 - Board Meeting

FIRST BANKCARD			
Acct. #7222	Misc. Supplies		3,261.71
Acct. #7234	Offices Supplies/Postage		74.99
Acct. #7236	Transportation		276.12
Acct. #7237	Meetings/Seminars		220.42
Acct. #7238	Dues/Subscriptions		39.95
Acct. #7251	Miscellaneous		
TOTAL			\$74,678.20

CONSTRUCTION FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7274	Dixon Engineering	No. Solids Tank Painting	375.00
	Total		\$375.00

Minutes

June 22, 2012 – Board Meeting

ORDINANCES/RESOLUTIONS:

➔ **Prevailing Wage Ordinance:** The Chairman then presented the following Resolution:

RESOLUTION

WHEREAS, the State of Illinois has enacted the Prevailing Wage Act, 820 ILCS 130/0.01, et seq (1996) ("Act"); and

WHEREAS, the Act requires that the Lake County Public Water District ("District") investigate and ascertain the prevailing rate of wages for laborers, workers and mechanics employed in performing construction of public works of the District, all as such terms are defined in the Act;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LAKE COUNTY PUBLIC WATER DISTRICT AS FOLLOWS:

To the extent and as required by the Act, the general prevailing rate of wages in this locality for laborers, workers and mechanics who become engaged in construction of public works of the District is hereby ascertained to be the same as the prevailing rate of wages for construction work in Lake County area as determined by the Department of Labor of the State of Illinois as of June, 2012, a copy of which determination is attached hereto and incorporated herein. The definition of any terms appearing in this Resolution which are also defined in the Act shall be the same as in the Act.

Nothing contained in this Resolution shall be construed to apply to any work or employment except public works construction of the District to the extent required by the Act.

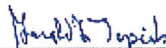
The General Manager of the District shall publicly post or keep available for inspection by any interested party in the main office of the District this determination.

The District Secretary shall promptly file a certified copy of this Resolution with the Illinois Secretary of State.

The District Secretary shall cause to be published in a newspaper of general circulation within Lake County notice of this determination.

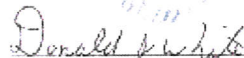
The General Manager of Lake County Public Water District shall mail a copy of this determination to any employer, any association of employers and any person or association of employees who have filed with the District their respective names and addresses requesting copies of any determination stating the particular wage rates and the particular class of workers whose wages will be affected by such rates.

LAKE COUNTY PUBLIC WATER DISTRICT



Gerold L. Topcik
Chairman, Board of Trustees

(CORPORATE SEAL)



Donald J. White
Board Secretary

PRESENTED AND READ: June 19, 2012

APPROVED:

ROLL CALL VOTE:

Trustees voting aye: Amos Monk, Mike Ruchti, Dick Mee, Jerry Topcik

Trustee voting nay:

Trustees absent: Dorothy Mitchell

Trustee Jaeger abstained

NOTION CARRIED

Minutes

June 22, 2012 – Board Meeting

Trustee Monk made a motion to accept the prevailing wage ordinance as presented, which was seconded by Trustee Ruchti. Upon a roll call vote, Trustees Moe, Monk, Ruchti, and Topcik all voted aye, and no nays. Trustee Jaeger abstained. Trustee Mitchell was absent.

OLD BUSINESS:

- **North West Lake Michigan Planning Group:** - General Manager Albrecht stated that he attended the technical committee meeting of this group the previous Thursday. He indicated that there was a fair amount of rehashing of previous discussions. He indicated that the group needed an updated Memorandum of Understanding (MOU) extending the current MOU until December 2012. He stated that there were no monetary considerations and there was no harm in signing the updated document. Trustee Ruchti made a motion to accept and sign the extension of the MOU, which was seconded by Trustee Jaeger and unanimously approved. General Manager Albrecht went on to discuss two news articles he had included regarding the Villages of Antioch and Wauconda and Chairman Topcik informed the board he would be attending the policy committee meeting of the group the following Thursday. General Manager Albrecht discussed that Wauconda seemed to be losing interest in the group, as well as the possibility of other members. He felt that if that happened it would have a detrimental effect on the group. Discussion of the other members of the group followed.
- **Intake Pipe Bent Installation** - General Manager Albrecht stated that bids had been opened on this project on June 15, 2012. He stated that there were three bidders and that the lowest was still higher than had been anticipated. He and Operations Manager White had tried to negotiate a lower price. He indicated that he did not see any savings in trying to go out for bids again. General Manager Albrecht stated that the installation of the bents was an expensive process, but once they were in work would be essentially done on that part of the pipe. Discussion of this project followed. Trustee Jaeger made a motion to accept the bid of the low bidder, Big Lake Marine, of \$285,227.50, which was seconded by Trustee Ruchti and unanimously approved. The board went on to discuss start times for the work and the diver on the project.
- **Solids Contact Unit #2** –General Manager Albrecht stated that as of the previous day the contractor on this project, Tecorp, had finally reached substantial completion. This means that the District can take control of the unit, which they did, but it was not online yet. He indicated that there was still some paperwork to complete as well as landscaping and minor touch up work. General Manager Albrecht indicated that Tecorp had missed a number of deadlines during the course of the project and had been assessed approximately \$50,000 in liquidated damages. He indicated that he was not prepared to discuss recommendations regarding the liquidated damages at this time, but it would need to be addressed in the future. Discussion of this project followed.
- **Additional Land Acquisition** – General Manager Albrecht advised the board that he had finally talked with State Senator Pamela Althoff regarding this subject. She has a connection with the DNR and will look into the matter. Discussion of the subject followed.

Minutes

June 22, 2012 – Board Meeting

- **Stainless Steel Pacification** –Operations Manager White had met with CDM and WesTech to discuss and plan what everyone would be responsible for. CDM has a rough draft plan and WesTech has agreed to provide the chemicals and manpower to perform a pickle and pacify test. Operations Manager White indicated that nothing could be done until after summer, but the application must be received by the EPA within the next 30 to 90 days so that the tank can be brought down in September. Discussion of this subject followed.
- **1,000,000 Gallon Tank Painting** – Operations Manager White stated that the District had requested and received bids which had been opened on June 6, 2012. He included a bid tabulation in the board packet. Era Valdivia was the low bidder with a base bid of \$230,775. However, Dixon Engineering recommends the alternate bid of \$264,775, which includes a thicker coating and would extend the life of the coating five to ten years. Discussion of the bid and the alternate followed. Trustee Jaeger made a motion to accept the alternate bid for the project, which was seconded by Trustee Moe and unanimously carried.
- **Rights of Way** –Attorney Kucera reviewed what had been discussed previously. He indicated that he had talked with the attorney for the DNR and indicated that they would like to have a meeting at the lodge to discuss the issue. He still had not heard back, but would wait a month or so and get in touch with them if he hadn't heard anything. Discussion of this subject followed.

NEW BUSINESS:

- **Jere Lapish Resignation** – General Manager Albrecht stated that Mr. Jere Lapish, marine consultant for the District, had resigned his part-time position with the District. He indicated that as the bid documents were being prepared Mr. Lapish proposed one way to go, General Manager Albrecht, and Operations Manager White proposed another way. Mr. Lapish was unhappy with the changes. General Manager Albrecht talked with him to try to change his mind, which did not happen. General Manager Albrecht accepted his resignation. Mr. Dennis White will still be available to assist on the intake project. Discussion of this subject followed.
- **457 Plan – Roth IRA Option** – General Manager Albrecht included a memo from Mr. Ken Schlott of Correll Co. regarding the above subject. The cost for setting up this type of program for the District's employees would be \$2,100. Discussion of this subject followed.

With no further business to conduct, Trustee Ruchti made a motion to adjourn, which was seconded by Trustee Jaeger and unanimously approved.

X 

Donald J. White
Board Secretary