

Minutes

March 11, 2014 – Board Meeting

On March 11, 2014, 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 Monk, Fischer, Jaeger, and Topcik were present. Trustees Moe and Mitchell arrived at 5:35; Trustee Ruchti arrived at 5:40. Also present were General Manager Albrecht, Operations Manager White, Administrative Assistant Johnston, and District Attorney Kucera.

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

- 4) Minutes of February 11 and Executive Session Minutes of February 11, 2014
- 5) Disbursements for March, 2014
- 6) End of month March, 2014 Treasurer's Report
- 7) End of month March, 2014 Budget Report
- 8) End of month March, 2014 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT March, 2014 – Disbursements

| CCT # | VENDOR NAME | DESCRIPTION | AMOUNT DUE |
|-------|-------------------------------------|--------------------|------------|
| 2920 | FICA Withholding Taxes (EE Portion) | Feb-14 | 3,100.18 |
| 2921 | Federal Withholding Taxes | Feb-14 | 6,480.10 |
| 2922 | IL Department of Revenue | Monthly Remittance | 1,434.55 |
| 2923 | WI Department of Revenue | Monthly Remittance | 549.05 |
| 2925 | Illinois Unemployment | Monthly Remittance | 89.04 |
| 7205 | FICA Withholding Taxes (ER Portion) | Feb-14 | 3,100.18 |
| 7211 | Commonwealth Edison | Electricity | 18.93 |
| 7211 | Integritys | Electricity | 15,934.54 |
| 7215 | McHenry Analytical | Sample Testing | 77.50 |
| 7215 | North Shore Sanitary District | Sample Testing | 123.00 |
| 7221 | Hydrite | Chlorine Shipment | 866.00 |
| 7221 | Nalco | Nalclear Ship | 4,834.42 |
| 7222 | Ace Hardware | Misc. Supplies | 81.92 |
| 7222 | Grainger, WW. | Misc. Supplies | 240.23 |
| 7222 | Hach | Lab Supplies | 448.00 |
| 7222 | USA Blue Book | Misc. Supplies | 118.45 |

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| ACCT # | VENDOR NAME | DESCRIPTION | AMOUNT DUE |
|----------------------------------|--------------------------------|---|--------------------|
| 7223 | B&B Networks | SV8100 Telephone System - Balance Due | 3,364.12 |
| 7223 | Drydon Equipment | Maintenance Supplies | 731.11 |
| 7223 | Erickson Designs, K. | Snowplowing | 627.50 |
| 7223 | Graybar | Maintenance Supplies | 470.60 |
| 7223 | Lakeland Larsen Elevator Corp. | Door restrictor, per Fire Marshall | 2,430.00 |
| 7223 | Newark | Maintenance Supplies | 350.18 |
| 7223 | SKF Reliability | Vibration Testing | 740.00 |
| 7225 | Klean Korner | Janitorial Services | 565.00 |
| 7225 | Lakeland Larsen Elevator Corp. | Elevator Maintenance March-May | 318.64 |
| 7231 | GFC Leasing | Copier Lease | 307.00 |
| 7232 | Cimco | Telephone Service | 1,821.74 |
| 7234 | Verizon Wireless | Cellular Phone Service | 627.39 |
| 7235.2 | Reliable | Office Supplies | 51.01 |
| 7235.2 | AARP Medical | Medical Insurance for Diane Fragassi | 232.75 |
| 7235.2 | AARP Prescription | Prescription coverage for Diane Fragassi | 36.90 |
| 7235.2 | Euclid Managers (Delta Dental) | Dental Insurance | 541.61 |
| 7235.2 | Humana Choice Care | Monthly Medical Premium | 5,078.83 |
| 7235.2 | Illinois Public Risk | Work Comp for 2nd quarter 2014 | 3,982.00 |
| 7236 | Thompson, Jeremy | Insurance Reimbursement | 2,063.45 |
| 7238 | Illinois Municipal League | 2014 Subscription | 30.00 |
| 7239 | Water ISAC | Water Security Network Renewal for 2014 | 499.00 |
| 7241 | Cain, Milburn | Check Fee | 7.50 |
| 7241 | Hamlin, James | Payroll Fees - 02/12/14-03/11/14 | 128.20 |
| 7242 | Kucera, Daniel J. | General Legal Services | 3,047.40 |
| 7243 | Applied Technologies | Replacement Cost Estimate | 300.00 |
| 7247 | Hey & Associates | Intake Material Testing | 1,500.00 |
| 7251 | Correll Co. | Quarterly Services for period ended 1/31/14 | 478.25 |
| 7251 | Tony's House of Creations | Flowers | 115.00 |
| 7251 | Zion, City of | Elevator Inspection | 75.00 |
| | TOTAL | | <u>\$68,016.27</u> |
| R&R FUND EXPENDITURES | | | |

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| ACCT # | VENDOR NAME | DESCRIPTION | AMOUNT DUE |
|--------|-----------------|--------------------------|------------|
| 7277 | Sun-Times Media | Bid Advertisement SCU #1 | 179.20 |
| | Total | | \$179.20 |

Old Business:

- **Intake Pipeline Project - Permit:** General Manager Albrecht stated that representative samples had been sent to a certified laboratory for analysis. The laboratory will write their report and provide the District with that information, hopefully next week. General Manager Albrecht discussed the possible outcome of the sample analysis. He also discussed the status of the bid provided by Big Lake Marine. They are currently holding their bid open. Discussion of this subject followed.
- **Proposed O&M Budget** – General Manager Albrecht included a draft of the proposed O&M budget in the board packet. He discussed the items that affect the budget. The two major items being the intake pipe and solids contact unit #1. Funding for the major projects was also discussed, with the possibility of a loan or small bond sale to fund these large expenditures. He reminded the Board that a budget needs to be approved at their April meeting. Discussion of these subjects followed.
- **Solids Contact Unit #1** – General Manager Albrecht stated that the bid opening occurred on March 5, 2014. He indicated that there had been only one bidder, though he had hoped to have at least two and possibly four. The bid was higher than expected at \$643,475, plus \$190,400 for the alternate fiberglass roof. General Manager Albrecht discussed the reasons why the bid was high. Discussion of this subject followed.
- **Solids Contact Unit #2** - Operations Manager White stated that Tecorp had not answered emails regarding the warranty work on this project. Discussion of this subject followed.
- **Telephone Service** –Operations Manager White advised that the fiber optic had been installed. He also indicated that AT&T would be out sometime later in the week to connect the router. He anticipated that the system would be operational by next week. Discussion of this subject followed.

New Business:

- **1MG Tank** - –Operations Manager White stated that the one year anniversary inspection had been performed on this project. Dixon found some painting faults on the floor and vertical sidewalls. Era Valdivia will be here around April 3 to repair those faults. Dixon will supervise to make sure the work is performed to the District's satisfaction. This project should be completed by mid-May. Discussion of this subject followed.

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- **Rusting Issue** – Trustee Mitchell made a motion to move into executive session to discuss potential litigation regarding the clarifier rusting issue, which was seconded by Trustee Fischer and unanimously approved.

******* EXECUTIVE SESSION *******

Trustee Mitchell made a motion to hire Mr. Gary Coates as a consultant to the District in accordance with a proposal provided to the District by Attorney Kucera, under the financial terms specified by the proposal, which was seconded by Trustee Jaeger and unanimously approved.

- **Bank Loan** –General Manager Albrecht included a memo in the board packet regarding a bank loan to finance needed projects for the District. He estimated that approximately \$1,000,000 would be needed for these projects. He also spoke with Mr. Jamie Rachlin of BMO Capital Markets for a possible small bond issue. Mr. Rachlin advised that the administrative costs could be prohibitive for the District’s needs. In addition General Manager Albrecht spoke with Brad Nickerson and Mike Doney of Gurnee Bank and Trust. They are putting together a proposal for the District. Discussion of whether the District is allowed to make a loan was discussed. Chairman Topcik suggested that the costs be compared from the District’s last bond issue to a possible new bond issue. Discussion of this subject followed.
- **CCR (Consumer Confidence Report)** - Operations Manager White stated that that annual Consumers Confidence Report was delivered to our customers on March 17. It reflects the EPA regulations, which the District passed with no violations and all requirements were met. He enclosed a copy of the CCR in the board packet. Discussion of this subject followed.

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

X 

Donald J. White
Board Secretary