

Minutes

April 9, 2013- Board Meeting

On April 9, 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, Mitchell, Ruchti, Monk, Moe, Jaeger, and Topcik were present. was absent. Present, as a guest speaker was Mr. Bob Trompeter of Risk Resources. Also present were General Manager Albrecht, Operations Manager White, Attorney Kucera, and Administrative Assistant Karen Johnston.

Chairman Topcik introduced guest speaker, Mr. Bob Trompeter of Risk Resources who was present at the meeting to discuss the evaluation and insurance proposals for the District's facilities (property and casualty) insurance renewal package, effective June 1, 2013. Mr. Trompeter stated that process was started with the idea that competitive insurance proposals would be obtained on the District's behalf, based on specifications prepared by Mr. Trompeter. He used three separate insurance agencies, the incumbent, West's Insurance Agency, another local agency, Leech-Bridges, and a large downtown agency, Mesirow Financial, suggested by Mr. Trompeter due to their experience with public entity business. He explained that each broker had access to several markets to provide a good cross section of the insurance marketplace in order to provide competitive quotes. In the end, Leech-Bridges was not able to offer a proposal to the District. Mr. Trompeter reviewed the District's current coverages with West's Insurance Agency. As he outlined each coverage, he explained what they provided for the District. He went on to compare the proposals from West's Insurance Agency and Mesirow Financial. He stated that the proposals from a coverage standpoint were comparable. There were some differences, such as flood coverage. He indicated that the District should think about obtaining a quote for coverage through the National Flood Insurance Program. Mr. Trompeter went on to discuss the premiums of both agencies. West's Insurance Agency's quote would be \$70,182 as compared with Mesirow Financial at \$78,284. Mr. Trompeter stated that it his recommendation that District renew with West's Insurance Agency, due to not only premium, but also the business relationship built with West's Insurance Agency. Mr. Trompeter then took questions from the board. Discussion of this subject followed. Mr. Trompeter left the meeting at 6:10 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 Ruchti, seconded by Trustee Mitchell, and unanimously carried.

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

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OPERATIONS & MAINTENANCE ACCOUNT
April, 2013 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Feb-13	4,470.94
2921	Federal Withholding Taxes	Feb-13	9,701.20
2922	IL Department of Revenue	Monthly Remittance	2,096.53
2923	WI Department of Revenue	Monthly Remittance	729.06
2925	IDES	Monthly Remittance	57.58
7205	FICA Withholding Taxes (ER Portion)	Feb-13	4,470.94
7211	ComEd	Electricity	16.86
7211	Integrus	Electricity	15,010.35
7215	McHenry Analytical	Sample Testing	77.50
7221	Hydrite	Chlorine Shipment	1,116.00
7221	Nalco	Polymer	365.77
7222	Drydon Equipment	Misc. supplies	292.99
7222	W.W. Grainger	Misc. supplies	100.45
7222	Graybar Electric	Misc. supplies	290.69
7222	Hach	Lab Supplies	251.95
7222	Millipore	Lab Supplies	502.18
7222	Newark	Misc. supplies	174.43
7222	Walgreens	Misc. supplies	15.50
7223	Bay Insulation	Maintenance Supplies	522.62
7223	Dreisilker Electric Motors	Motor repair, parts and materials	1,500.00
7223	DH Wireless Solutions	Replacement Parts	641.40
7223	Maxim Construction	Repair bearing on clarifier no. 1	2,120.00
7223	National Pump & Compressor	Maintenance Oils	235.75
7223	SKR Reliability	Bimonthly Vibration Test	700.00
7225	Baxter & Woodman	Professional Services & Support Contract	5,037.98
7225	Klean Korner	Janitorial Service	565.00
7225	Maintenance Assistant, Inc.	Monthly Maintenance	19.00

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7231	GFC Leasing	Copier Lease	891.00
7232	Cimco	Telephone Service	2,067.52
7232	Verizon Wireless	Cellular Phone Service	322.32
7234	GoFlo	Web Hosting & Maintenance	350.00
7234	Quill	Office Supplies	73.08
7234	Stamps.com	Postage Service	24.99
7234	UPS	Shipping Charges	1.55
7234	USPS	Postage	50.00
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	224.25
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	35.10
7235.2	Delta Dental	May-13 Dental Insurance	541.63
7235.2	Humana Choice Care	Monthly Med/Dent Premium	5,128.22
7235.2	Illinois Public Risk	Workers Comp Final Audit	1,108.00
7235.2	Sun Life Financial	2nd Qtr. 2013 Disability	1,501.00
7236	Albrecht, Arlyn	Travel Reimbursement	266.68
7236	White, Don	Travel Reimbursement	297.30
7237	Albrecht, Arlyn	Reimbursement for meeting expenses	32.80
7237	Crowne Plaza	Watercon 2013	434.37
7237	Jewel	Food/supplies for meeting	47.85
7237	Roma Pizza	Food for meeting	101.00
7237	White, Don	Reimbursement for meeting expenses	30.28
7238	MHP Engineering News	Subscription Renewal	49.00
7241	James Hamlin & Co.	Payroll Fees - 03/13/13-04/09/13	224.22
7242	Daniel J. Kucera	General Legal Services	1,035.00
	TOTAL		\$65,919.83

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BOND & INTEREST EXPENSES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2955	Deutsche Bank	Principal portion of bond payment	255,000.00
7421	Deutsche Bank	Interest portion of bond payment	88,303.13
7273	Deutsche Bank	Ann'l. Admin. Fee - 2014 - Water Revenue Bonds 2009	350.00
	Total		<u>\$343,653.13</u>

Nominating Committee – Chairman Topcik asked if any of the committees had reports. Trustee Ruchti presented the report for the Nominating Committee. A copy of that report was included in the board packet. Trustee Jaeger made a motion to accept the nominations as outlined in the report, recommending the following officer positions, and adoption of the following resolution. Gerold L. Topcik, Board Chairman, Douglas A. Jaeger, Vice Chairman, Arlyn E. Albrecht, General Manager/Treasurer, and Donald J. White, Operations Manager/Board Secretary. It was also recommended Daniel Kucera as the Attorney for the District. Trustee Jaeger made a motion to accept the report of the nominating committee, which was seconded by Trustee Moe and unanimously approved.

Long Range Planning Committee – No report at this time.

Salary Committee - Trustee Jaeger made a motion to go into executive session to discuss salary issues, which was seconded by Trustee Ruchti and unanimously approved.

* * * * EXECUTIVE SESSION * * * *

Upon leaving executive session, Trustee Jaeger made a motion to approve a salary increase of 2.5%, and an \$8,500 bonus for General Manager Albrecht, which was seconded by Trustee Mitchell and unanimously approved.

Old Business

- ➔ **Proposed FY2014 Budget** – General Manager Albrecht stated that the board had approved the proposed FY2014 budget at the last board, with the exception of the line item for the Intake Maintenance. The previous tentative budget had included an amount of \$200,000 for this item. General Manager Albrecht advised that based on the costs incurred during fiscal year 2013, a limit of \$300,000 was a more accurate estimate. A discussion of this subject followed. Trustee Jaeger made a motion to accept a budget limit of \$300,000 for

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the Intake Maintenance line item, along with an additional \$30,000 in contingency, which was seconded by Trustee Monk and unanimously approved.

- **New Upper Limit for R&R Account** –General Manager Albrecht discussed the replacement value of the plant facilities. He reviewed the how the funding was calculated for the R&R account. He stated that at the last board meeting a memo was presented with the calculation amount of \$1,466,000. Discussion of this subject followed. Trustee Mitchell made a motion to accept the R&R account funding limit of \$1,466,000, which was seconded by Trustee Ruchti and unanimously approved.
- **Projects – Cash Flow** - General Manager Albrecht included a memo outlining various projects that need to be undertaken by the District in the next few years. He discussed how these projects would be financed by the District. He went on to explain the District’s cash flow and rate structure He explained depreciation of various projects and the effect that depreciation has upon the rate structure. The status of the intake pipe work and tank projects were discussed in relation to the cash flow issues. Discussion of these subjects followed. Trustee Jaeger made a motion to pay for the intake pipe work out of the O&M account and the one million gallon tank work out of the R&R account, which was seconded by Trustee Mitchell and unanimously approved.
- **Solids Contact Unit #1** – General Manager Albrecht proposed that this project be put off for a year, due to cash flow issues. Discussion of this subject followed.
- **Roth 457 Plan** – General Manager Albrecht stated that this was being worked on by Correll Co.
- **Intake Pipe Project** - Operations Manager White stated that the bid specification was completed; the advertisement was also completed and would be emailed the next day to the newspaper for publication the next Friday. He has set the bid date as Thursday, May 9th. He will have the results of those bids ready for the May meeting.
- **Solids Contact Unit #2** – Operations Manager White stated that this tank has been drained down for inspection. He stated that the condition of the tank does not look good. He indicated that there is blistering in the paint. Dixon Engineering will be doing the inspection. He hopes to have a report at the next board meeting. Discussion of this subject followed.
- **Solids Contact Unit #3** – Operations Manager White stated that an electrician was out and looked at this tank, and report back to Westech. Westech is supposed to report to CDM, who had not heard anything at yet. Discussion of this subject followed.

New Business

- **CCR (Consumer Confidence Report) - Operations** Manager White stated that that annual Consumers Confidence Report was delivered to our customers on March 29. 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.
- **Fluoridation Award** – General Manager Albrecht stated that Operations Manager White and the operating staff were awarded for controlling the level of fluoridation in the drinking water.

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➤ **Address & Phone List** - The trustees were asked to update the address list.

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

X Donald J. White

Donald J. White
Board Secretary