

# Minutes

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## *May 13, 2014- Board Meeting*

On May 13, 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, Mitchell, Ruchti, Fischer, Moe, Jaeger, and Topcik were present. Trustee Monk was absent. Present, as a guest speaker was Mr. Brad West of West's Insurance Agency. Also present were General Manager Albrecht, Operations Manager White, District Attorney Kucera, and Administrative Assistant Karen Johnston.

Chairman Topcik stated that the first order of business was a presentation of the insurance policy renewal recommendations effective June 1, 2014, by Mr. Brad West of West's Insurance. General Manager Albrecht stated that a copy of Mr. West's letter outlining the insurance renewal was in the board packet. Mr. West stated that the District was coming off the last of the three-year rate guarantee, and that One Beacon was again offering the renewal with a three-year rate guarantee. He reviewed the coverages currently carried by the District. He discussed the values carried on the policies as well as the amount of the deductibles. He stated that the blanket property limit had increased to a new limit of \$12,889,000 of above ground structures and \$5,694,000 of below ground structures, based on limits recommended in the letter from the engineering firm of Applied Technologies, Inc. The liability portion of the policy was quoted using an estimated payroll of \$323,400. Mr. West stated the only significant difference was moving the portable generator from the personal property to the inland marine coverage. He indicated that this is a more appropriate coverage as inland marine coverage applies to equipment that is not stationary. The annual premium for the program is \$71,526. A discussion of the coverages and policies followed. Trustee Jaeger made a motion to accept the proposal of \$71,526, which was seconded by Trustee Ruchti and unanimously approved. Mr. West then left the meeting at 5:45.

Chairman Topcik stated that in consideration of the end of the fiscal year, he would like to dispense with the consent agenda. Chairman Topcik then moved on to the reports individually.

- **Minutes** – Chairman Topcik asked if any discussion was desired. There was none and Trustee Jaeger made a motion to approve the minutes of April 8, 2014, which was seconded by Trustee Mitchell and unanimously approved.
- **Disbursements** – General Manager Albrecht briefly discussed that these disbursements were only for Operations and Maintenance. Trustee Fischer discussed the Cimco bill. He asked whether this vendor was closing out, as the District was moving their internet business to AT&T. Operations Manager White stated that there still would be an additional bill. Chairman Topcik asked about the Baxter & Woodman bill for a server. Operations Manager White stated that it was a replacing a current server. Trustee Mitchell made a motion to approve the disbursements, which was seconded by Trustee Fischer and unanimously approved.
- **Treasurer's Report** – The board reviewed the report and discussed the accounts receivable. Trustee Ruchti made a motion to approve the treasurer's report, which was seconded by Trustee Jaeger and unanimously approved.
- **Budget** – Chairman Topcik reviewed this report, which is presented on a cash, rather than accrual basis. He discussed various line items. General Manager Albrecht discussed that electricity was down, but reminded the board that the electrical contract expires in December 2014, and that the costs for electricity could increase at that time. The board reviewed which line items had changed from the previous fiscal year. Trustee Mitchell made a motion to approve the budget, which was seconded by Trustee Ruchti and unanimously approved.

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- MOS** – Chairman Topcik reviewed the water usage for the District’s customers. Operations Manager White discussed the chemical usage for fiscal year 2014. Discussion of this subject followed. Trustee Jaeger made a motion to approve the MOS report, which was seconded by Trustee Fischer and unanimously approved.

### OPERATIONS & MAINTENANCE ACCOUNT May, 2014 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Apr-14	3,533.03
2921	Federal Withholding Taxes	Apr-14	7,492.09
2922	IL Department of Revenue	Monthly Remittance	1,668.13
2923	WI Department of Revenue	Monthly Remittance	516.93
2925	Illinois Unemployment	Monthly Remittance	0.39
7205	FICA Withholding Taxes (ER Portion)	Apr-14	3,533.03
7211	Commonwealth Edison	Electricity	18.93
7211	Integrays	Electricity	17,969.82
7212	No. Shore Sanitary District	Wastewater charges for 09/30/13-12/31/13	2,103.03
7215	McHenry Analytical	Sample Testing	965.00
7221	Hydrite	Chlorine Shipment	866.00
7221	Mosaic	Fluorosilicic Acid	8,674.70
7221	Nalco	Nalclear Shipment	4,834.42
7221	Usalco	Aluminum Sulfate Shipment	6,131.05
7222	Ace Hardware	Misc. Supplies.	28.56
7222	Bearing Headquarters	Misc. Supplies	131.51
7222	CCP Industries	Misc. Supplies	431.72
7222	Grainger, W.W.	Misc. Supplies	74.87
7222	Hach	Lab Supplies	1,268.35
7222	Millipore Corp.	Lab Supplies	2,872.68
7222	Olson Service Co.	Fuel for Generator	1,307.40
7222	Safety Supply Illinois	Misc. Supplies	266.48
7222	Steiner Electric	Misc. Supplies	124.42

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7223	B&B Networks	Telephone System supplies	99.97
7223	Baxter & Woodman	Dell PowerEdge R320 Server	3,767.93
7223	SKF USA	Vibration Test	740.00
7223	Smith Ecological Systems	Maintenance Supplies	274.00
7225	Gordon Flesch	Maintenance Charge	3.97
7225	Klean Korner	Janitorial Services	565.00
7231	GFC Leasing	Copier Lease	307.00
7232	AT&T	Telephone Service	1,007.85
7232	B&B Networks	Telephone Equipment	99.97
7232	Cimco	Telephone Service	1,792.49
7232	DH Wireless Solutions	Telephone Equipment	1,182.92
7232	Verizon Wireless	Cellular Phone Service	447.04
7234	FedEx	Shipping Charges	38.77
7234	GoFlo, Inc.	Web hosting & maintenance FY15	380.00
7234	Staples	Office Supplies	23.77
7234	UPS	Shipping Charges	455.53
7235.1	West's Insurance Agency	Public Officials Bond 2014-2015	1,500.00
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	36.90
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	238.25
7235.2	Euclid Managers (Delta Dental)	Dental Insurance	541.61
7235.2	Humana Choice Care	Monthly Medical Premium	6,243.07
7235.2	Secketa, Nick	Insurance Reimbursement	1,401.29
7236	White, Don	Travel Reimbursement	229.34
7236	Zion Auto Parts	Transportation	11.76
7241	Hamlin, James	Payroll Fees - 04/09/14-05/13/14	221.96
7242	Kucera, Daniel J.	General Legal Services	1,344.25
7251	Aramark Refreshment	Coffee Service	215.46
7251	Zion, City of	Elevator Inspection	75.00

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<b>FIRST BANKCARD</b>			
	Acct. #7222	Misc. Supplies	101.55
	Acct. #7225	Maintenance Service Contracts	19.00
	Acct. #7234	Offices Supplies/Postage	162.75
	Acct. #7236	Transportation	1,141.07
	Acct. #7237	Meetings/Seminars	1,657.65
	Total		<u>\$91,139.66</u>

## *R&R FUND EXPENDITURES*

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7275	Dixon Engineering	Paint Inspection - IMG Reservoir	1,875.00
7277	Tank Industry Consultants	Prof. Services for bidding services - SCU#1	625.00
	Total		<u>\$2,500.00</u>

Chairman Topcik asked if any of committees had reports to present.

**Nominating Committee** – Trustee Moe read this committee’s report. The nominations were Gerold Topcik, Chairman; Vice-Chairman, Doug Jaeger; Donald White, Board Secretary; Arlyn Albrecht, Treasurer/General Manager; District Attorney, Daniel Kucera. Trustee Jaeger made a motion to accept those nominations and the trustee compensation/officer appointment resolution as presented, which was seconded by Trustee Mitchell. Upon a roll call vote, Trustees Mitchell, Fischer, Ruchti, Moe, Jaeger, and Topcik all voted aye, and no nays. Trustee Monk was absent.

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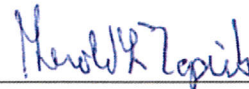
## R E S O L U T I O N

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LAKE COUNTY PUBLIC WATER DISTRICT that:

1. GEROLD TOPCIK be and is hereby elected Chairman of the Board of Trustees for the fiscal year beginning May 1, 2014.
2. DOUGLAS A. JAEGER be and is hereby elected the Vice-Chairman of the Board of Trustees for the fiscal year beginning May 1, 2014.
3. ARLYN E. ALBRECHT be and is hereby elected Treasurer of the District for the fiscal year beginning May 1, 2014. Further, ARLYN E. ALBRECHT be and is hereby appointed General Manager for the District for the fiscal year beginning May 1, 2014 and thereafter until a successor is appointed. Compensation shall be as determined by the Board.
4. DONALD J. WHITE be and is hereby elected Secretary of the Board for the fiscal year beginning May 1, 2014 and thereafter until a successor is elected. Further, DONALD J. WHITE be and is hereby appointed Operations Manager for the District for the fiscal year beginning May 1, 2014 and thereafter until a successor is appointed. The Board determines that compensation shall be determined by the General Manager.
5. DAN KUCERA be and is hereby appointed Attorney for the District for the fiscal year beginning May 1, 2014 and thereafter until his successor is appointed; and that the duties as attorney shall be to supervise the legal affairs of the District; and that the compensation to be paid to the attorney shall be on a reasonable basis.

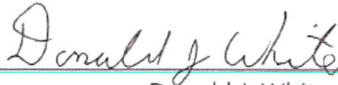
LAKE COUNTY PUBLIC WATER DISTRICT

(CORPORATE SEAL)



Gerold Topcik  
Chairman, Board of Trustees

ATTEST:



Donald J. White  
District Secretary

PRESENTED AND READ: May 13, 2014

APPROVED:

ROLL CALL VOTE:

Trustees voting aye: G. Topcik; D. Mitchell; C. Fischer; M. Ruchti; R.Moe; D. Jaeger

Trustee voting nay: None

Trustees absent: A. Monk

MOTION CARRIED

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

**\* \* \* \* EXECUTIVE SESSION \* \* \* \***

Upon leaving executive session, Trustee Jaeger made a motion to approve a salary increase of 3.0%, and a \$7,500 bonus for General Manager Albrecht, which was seconded by Trustee Mitchell and unanimously approved.

**Long Range Planning Committee** – No report at this time.

## **General Manager's Report**

- **Intake Pipe Project** - General Manager Albrecht included memos regarding letters that he received from the IDNR on the issuance of the permit on this project. He indicated that he had received only the previous day, a packet of information from the IDNR, including forms for a section 404 permit from the Corps of Engineers. He stated that the district is in the 21-day comment period required for issuance of the permit. He included copies of the IDNR permit. In addition, the IDNR is requesting a permit fee, which was requested in a second letter from the IDNR. The amount of fee is 1%, not to exceed \$10,000. Discussion of this subject followed. General Manager Albrecht requested that the board authorize the expenditure of up to \$10,000 for the permitting fee. Trustee Jaeger made a motion to authorize that amount, after consultation with Attorney Kucera, which was seconded by Trustee Mitchell and unanimously approved. Operations Manager White indicated that he would verify with the IDNR that this is a one-time permit processing fee.
- **Solids Contact Unit #1** - General Manager Albrecht reviewed the bid for this unit, which had been presented at last month's meeting. He stated that it had been very high, and were therefore looking at additional options for this project, but was not prepared to make a proposal at this time. Discussion of this subject followed.
- **Cost of Water/Possible Funding** - General Manager Albrecht asked the board to review the Treasurer's Report, particularly the income portion. General Manager Albrecht explained the flow of funds, including the banks used for CD's and checking. He asked the board for their input in perhaps streamlining the report. Discussion of this subject followed. A small bond issue possibility was also discussed.

## **Operations Manager Report**

- **Solids Contact Unit #2** – Operations Manager White stated that the unit had been drained down for warranty repair. He indicated that repairs made last year looked good, however, additional blistering had been found. Operations Manager White, General Manager Albrecht, and Attorney Kucera had discussed the issue and how it could be resolved with

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Tecorp. Operations Manager White stated that he would provide Attorney Kucera with further information. Discussion of this subject followed.

- ➔ **1MG Tank Warranty** – Operations Manager White stated that Era Valdivia was out to make repairs. Dixon Engineering was onsite to inspect as per specifications. The tank was put back into service the previous week. This procedure will occur again next March for a warranty repair inspection. Discussion of this subject followed.

## **Attorney's Report**

- ➔ **Resting Issue** – Attorney Kucera stated that the consultant had been hired for this issue, and that a date of May 28 had been set for his visit. Attorney Kucera indicated he anticipated having a report to present to the board at the June board meeting, following the meeting with the consultant. Discussion of this subject followed.
- ➔ **New Legislation** – Attorney Kucera advised that there is a piece of legislation in the General Assembly, Senate Bill No. 3552, if adopted and signed by the governor, could affect agencies such as the Lake County Public Water District. It has already passed the Senate and is pending in the House. The bill sanctions the counties code of conduct. The significant portion would supersede portions of other statutes including the Water District Act on certain subjects, including fiscal responsibility. It is possible that if the county determines that an appointee, or trustee, is not adhering to this code, they could be removed from their position. Attorney Kucera stated that this legislation could pass and wanted to make the board aware of the legislation. Discussion of this subject followed.

## **New Business**

- ➔ **Carollo Engineering**-General Manager Albrecht stated that a possibility had been discussed to place tube settlers into Solids Contact Unit #2. This would require design work. General Manager Albrecht and Operations Manager White discussed engineering firms that would be appropriate for this work. Their recommendation was Carollo Engineering to prepare the proposal. Their proposal was included in the board packet. General Manager Albrecht requested that the board accept the Carollo Engineering proposal for both the preliminary work and the design work. General Manager Albrecht stated that he felt it was a good proposal. Discussion of the proposal and the work followed. Trustee Jaeger made a motion to proceed with the preliminary study to prepare a design for installing tube settlers in Solids Contact Unit #2, which was seconded by Trustee Mitchell, upon a vote Trustees Topcik, Mitchell, Fischer, Moe, and Jaeger all voted aye; Trustee Ruchti vote nay.
- ➔ **Technical Review Meeting** – General Manager Albrecht stated the technical review meeting had been held with Mr. Ron Colangelo, of Zion, and Mr. John Hogan, of Winthrop Harbor. The meeting went well. However, after the meeting it was discovered that Mr. Hogan was not reappointed in his position with the Village of Winthrop Harbor. General Manager Albrecht stated that he was not sure how this would affect the District's relationship with the Village of Winthrop Harbor. He felt that the District should reach out to the Village of Winthrop Harbor to make a new contact. Discussion of this subject followed.

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- **Possible Grant Assistance** – General Manager Albrecht stated that he had been looking into sources of help for obtaining assistance to find possible grants for future projects for the District. He had contacted one person who was assisting the Village of Winthrop Harbor in their efforts. Discussion of sources of help regarding grants followed. Trustee Fischer stated that he had had contact with staff from State Senator Melinda Bush' office regarding this subject. Additional discussion of this subject followed.
- **Wauconda Water Issue** – General Manager Albrecht included an article regarding this issue. It is still moving forward. Discussion of this subject followed.

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

X 

Donald J. White  
Board Secretary