

Minutes

June 18, 2013 - Board Meeting

On June 18, 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 5:50 p.m. Upon the roll being called, Trustees Jaeger, Ruchti, Monk, Mitchell, and Topcik were present. Trustee Moe was absent. Also present were General Manager Al Albrecht, Operations Manager Don White, District Attorney Dan Kucera, and District Secretary Karen Johnston. Mr. Christopher J. Fischer, prospective trustee, Mr. M. David Cain from Milburn Cain & Company was present as guest speaker.

Chairman Topcik welcomed Mr. Fischer and asked each person at the meeting to introduce themselves to Mr. Fischer.

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, 2013, by Mr. M. David Cain of Milburn Cain & Company. Mr. Cain began his presentation by handing a draft final audit report, rate study, SAS115 letter, which is the auditor's commentary. He started with the SAS115 letter, stating that it was a duplicate of last year with only the dates changing. He stated that the key sentence was the last sentence of the first paragraph of page two. That sentence stated that Mr. Cain's firm did not identify any deficiencies in internal control that he considered to be material weaknesses. He indicated that this is a clean bill of health. Mr. Cain complimented Administrative Assistant Johnston for making entries that his firm normally would handle, and thanked her for that work. 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 \$143,000 (rounded).
- The 2013 demand for water increased 2.1% from 2012 levels, to 974,652 gallons. Demand from State customers declined.
- Cash and Cash Equivalents are down from last year as a result of projects performed by the District during the year, including Intake Pipe Costs being paid out of the O&M account.
- Total Revenue decreased approximately \$46,000, due in large part to a decline in R&R charges.
- Total Operating Expenses before depreciation increased a small amount.
- Personnel costs were up \$23,000 from 2012.
- Depreciation increased \$62,000 from 2012. This number can be expected to go up for the next several years due to improvements that were financed with the bond issue are now all in service.
- Operating income was \$31,783, compared with 2012 of \$161,198.
- Interest income and expenses related to the bond issue are down and will continue to decline as the bonds are retired.
- Pension costs were up \$3,300 from 2012.
- The 2014 delivery rate calculation is \$1.5495 per 1,000 gallons.

Mr. Cain then took questions from the board. Trustee Mitchell then made a motion to accept the pension contribution of \$57,986, which was seconded by Trustee Monk and unanimously approved.

Trustee Ruchti made a motion to accept the audit report as presented, which was seconded by Trustee Jaeger and unanimously approved. A roll call vote to approve the ordinance approving the audit and fixing the

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rates and billing adjustments resulted as follows: Trustees Mitchell, Monk, Ruchti, Jaeger, and Topcik all voted aye. There were no nays. Trustee Moe was absent.

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 Jaeger, and unanimously carried.

- 4) Minutes for May 14, 2013
- 5) Disbursements for June, 2013
- 6) End of month May, 2013 Treasurer's Report
- 7) End of month May, 2013 Budget Report
- 8) End of month May, 2013 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT June, 2013 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	May-13	2,942.75
2921	Federal Withholding Taxes	May-13	6,138.71
2922	IL Department of Revenue	Monthly Remittance	1,373.51
2923	WI Department of Revenue	Monthly Remittance	475.66
7205	FICA Withholding Taxes (ER Portion)	May-13	2,942.75
7211	ComEd	Electricity	16.61
7211	Integrays	Electricity	11,525.48
7215	McHenry Analytical	Sample Testing	77.50
7221	Hydrite	Chlorine Shipment	866.00
7221	Nalco	Nalclear Shipment	5,019.62
7222	Ace Hardware	Misc. supplies	125.36
7222	ESI Power Hydraulics	Misc. supplies	568.22
7222	Hach	Lab Supplies	296.67
7222	Lake County Pipe & Supply	Misc. supplies	178.18
7222	Olson Service	Fuel for Generator	803.69
7222	W.W. Grainger	Misc. supplies	244.33
7223	Brucker Co.	Hoods for vents	755.00
7223	Erickson Landscape, Ken	Seeding & Top Soil	1,548.75
7223	Gordon Flesch	Copier Maintenance	23.76

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7223	HD Supply Waterworks	Meter repair	2,002.34
7223	Illinois Pump	Rebuild of High Lift Pump #1	7,306.00
7223	SKF Reliability	Bimonthly Vibration Test	700.00
7225	K. Erickson Designs	Landscape Maintenance	475.00
7225	Klean Korners	Janitorial Service	565.00
7225	Lakeland/Larsen Elevator	Elevator Maintenance	318.64
7225	Maintenance Assistant, Inc.	Monthly Maintenance	19.99
7231	GFC Leasing	Copier Lease	604.00
7232	Cimco	Telephone Service	2,064.80
7232	Verizon Wireless	Cellular Phone Service	266.51
7234	Quill	Office Supplies	73.97
7234	Stamps.com	Postage Service	24.99
7234	UPS	Shipping Charges	1.41
7234	USPS	Postage	50.00
7235.1	West's Insurance	2013-2014 Insurance Renewal	64,245.00
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	232.75
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	35.10
7235.2	Euclid Managers (Delta Dental)	Dental Insurance	541.61
7235.2	Humana Choice Care	Monthly Medical Premium	5,053.83
7235.2	Illinois Public Risk	Workers' Comp for 3rd quarter 2013	3,765.00
7236	Clark	Fuel for truck	92.09
7236	Seven-Eleven	Fuel for truck	91.34
7236	White, Don	Travel Reimbursement	74.02
7237	Illinois Section	Seminar	100.00
7237	Jewel	Food/supplies for meeting	57.92
7237	Roma Pizza	Food for meeting	80.00
7239	Graybar	Security Camera	1,800.00
7241	James Hamlin & Co.	Payroll Fees - 05/15/13-06/18/13	184.22
7242	Kucera, Daniel J.	General Legal Services	2,022.40
7243	Applied Technologies	Professional services - Intake Pipe	536.00

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7251	Aramark Refreshment Services	Coffee Service	259.55
7251	Correll Co.	Investment & Document Prep Fee	2,080.25
	TOTAL		\$131,646.28

R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7274	Dixon Engineering	No. Solids Contact Unit Repairs	1,895.00
	Total		\$1,895.00

ORDINANCES/RESOLUTIONS:

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

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RESOLUTION

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

WEREAS, 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, 2013, 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 18, 2013

APPROVED:

ROLL CALL VOTE:

Trustees voting aye:

Trustee voting nay:

Trustees absent:

MOTION CARRIED

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

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OLD BUSINESS:

- **Intake Pipe Bent Installation** – General Manager Albrecht stated that the District had contracted for the installation of additional bents along the intake pipe. However, before giving notice to the contractor to proceed, he became aware that a permit could be required to perform work in Lake Michigan. After contacting appropriate parties with the Illinois Environmental Protection Agency (IEPA), Illinois Department of Natural Resources (IDNR), and the Corps of Engineers (COE) it was determined that a permit will be required to perform the work in Lake Michigan. General Manager Albrecht along with Operations Manager White filled out the permit application and forwarded it to the IEPA, IDNR, and COE the previous week. Operations Manager White has already had a conversation with representative from the IDNR and the hope is to expedite the application. General Manager Albrecht also advised the board that he had discussed the situation with Mr. Dave Kadinger of Big Lake Marine, the low bidder on the project. Mr. Kadinger advised General Manager Albrecht that he is willing to leave the bid open for 75 days. General Manager Albrecht also stated that he had advised Mr. Kadinger to proceed with the inspection of the intake pipe, as no permit was necessary for that service. Discussion of this subject followed.
- **Hey & Associates** – General Manager Albrecht included a copy of the proposal from Hey & Associates to perform wetlands and related work. The board approved this proposal last month, and it need only be signed tonight. Discussion of this subject followed.
- **Solids Contact Unit #2** – Operations Manager White included a memo regarding the warranty painting in the board packet. As of the writing of the memo, he had not received confirmation when Tecorp would be out to perform the warranty work. However, in the interim, He received an email from Dixon stating that Tecorp would be onsite to remedy the situation later that week. There was a meeting between Operations Manager White, Tecorp, Dixon, and Tnemec (the paint supplier) to look at the clarifier where the paint was chipping. Tnemec wrote a report, which Operations Manager White only received the day before the meeting, and was not included in the board packet. Operations Manager White stated that the report stated that Tnemec did not know why the paint was chipping, but provided, in their opinion, a solution to the issue. Operations Manager White outlined the scope of the work. Operations Manager White asked for extended warranty on the problem, but had not received an answer as yet. He stated that he would keep asking until he received a satisfactory reply from Dixon. Discussion of this project followed.
- **Stainless Steel Rusting** –Operations Manager White stated that CDM had called General Manager Albrecht and indicated that Westech had ceased working on the passification and HVAC controls as Maxim, the contractor on the project, still owed them money. However Jim Urek advised that they had since been paid and work would begin again. Discussion of this subject followed.

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NEW BUSINESS:

- **Cimco Phone Service** – Operations Manager White stated that the District's contract for phone service expiring next month. He proceeded to discuss the pricing and problems currently experienced by the District. He discussed the possibility of changing to AT&T. Discussion of this subject followed.
- **Baxter & Woodman Service Contract** –Operations Manager White included the proposed renewal Baxter & Woodman service contract. He explained that this covers the support for the SCADA system. He requested that the board approve this contract. Discussion of this subject followed. Trustee Mitchell made a motion to approve the contract in the amount of \$14,000, which was seconded by Trustee Ruchti and unanimously approved.
- **FOIA** – Attorney Kucera advised that there was a bill on the governor's desk permitting FOIA requests by email. Discussion of this subject followed. Attorney Kucera advised that he would let the board know when it passes.
- **News Articles** – General Manager Albrecht included two news articles in the board packet. The first article pertained to water shortages in the west and southwest, with a map showing the affected areas. The second article was regarding the status of the group trying to bring water to the Lindenhurst and Lake Villa areas. Discussion of these subjects 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

Donald J. White
Board Secretary