

Minutes

February 10, 2015- Board Meeting

On February 10, 2015, 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 Topcik, Mitchell, Monk, Fischer, Moe, and Jaeger were present. Trustee Ruchti arrived at 5:45 p.m. Also present were Acting General Manager White, Consultant Arlyn Albrecht, District Attorney Kucera, and Administrative Assistant Karen Johnston.

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 Mitchell and unanimously carried.

- 4) Minutes of January 13, 2015 and Executive Minutes of January 13, 2015
- 5) Disbursements for February, 2015
- 6) End of month January, 2015 Treasurer's Report
- 7) End of month January, 2015 Budget Report
- 8) End of month January, 2015 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT February, 2015 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Jan-15	4,063.86
2921	Federal Withholding Taxes	Jan-15	6,332.43
2922	IL Department of Revenue	Monthly Remittance	1,727.48
2923	WI Department of Revenue	Monthly Remittance	675.40
2925	IL Unemployment	Monthly Remittance	281.67
7205	FICA Withholding Taxes (ER Portion)	Jan-15	4,063.86
7211	Integrays	Electricity	13,984.21
7212	North Shore Water Reclamation Dist.	Wastewater Charges	1,803.70
7215	McHenry Analytical	Sample Testing	92.50
7215	North Shore Water Reclamation Dist.	Sample Testing	148.00
7221	Hydrite	Chlorine Shipment	891.00
7221	Nalco	Nalclear Shipment	4,834.42
7222	Hach	Lab Supplies	661.17
7223	VWF International	Lab Supplies	278.76

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7223	Erickson, K. Designs	Snowplowing	405.00
7223	Lakeland/Larsen Elevator Corp.	Pressure test	210.00
7225	SKF USA, Inc.	Bimonthly vibration/Compressor Balancing	1,015.00
7225	Baxter & Woodman	Annual Win-911 Support Program	369.33
7225	Evoqua	Maintenance Supplies	494.00
7231	Klean Korner	Janitorial Services	565.00
7232	GFC Leasing	Copier Lease	318.00
7232	AT&T	Telephone Service	1,197.30
7234	Verizon Wireless	Cellular Phone Service	554.65
7234	Quill	Office Supplies	34.03
7235.2	Reliable	Office Supplies	19.99
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	259.75
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	86.60
7235.2	Euclid Managers (Delta Dental)	Dental Insurance	541.61
7235.2	Humana Choice Care	Monthly Medical Premium	5,915.44
7235.2	Secketa, Nick	Insurance Deductible Reimbursement	65.00
7236	White, Don	Travel Reimbursement	13.23
7242	Hamlin, James	Payroll Fees - 12/10/14-01/13/14	310.55
7247	Kucera, Daniel J.	General Legal Services	3,572.40
7251	Atkinson Fishery, Inc.	Preventative Ice Breaking	1,800.00
7251	Correll Co.	Investment advisory service fee	553.00
7251	Sun Times Media	Legal Notice for 2015 Monthly Meetings	42.40
7251	Tony's House of Creations	Flowers	90.00
7251	Zee Medical	First Aid Supplies	55.65

FIRST BANKCARD

	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7234	Office Supplies	24.99

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
	Acct. 7236	Transportation	58.90
	Acct. 7237	Meetings/Seminars	193.83
	Acct. 7238	Dues/Subscriptions	85.00
	Total		\$58,326.39

Chairman Topcik included a report in the board packet appointing the following committees:

Nominating Committee:

Chris Fischer, Chairperson
Mike Ruchti

Salary Committee:

Richard Moe, Chairperson
Douglas Jaeger

Long Range Planning:

Dorothy Mitchell
Amos, Monk, Chairperson

The report discussed the current positions, the personnel holding each of those posts, and a statement by the board chairman that the structure needs to be discussed before any nominations could be made for the coming fiscal year. Discussion of this subject followed. Trustee Ruchti arrived at 5:45. Chairman Topcik reviewed what had been discussed for Trustee Ruchti's information. Further discussion followed.

OLD BUSINESS

- ➔ **Intake Pipe Permit** – Acting General Manager White indicated that at the last board meeting, the board had requested that he contact Mr. Dennis White, the District's consultant, regarding the installation of H-piles in lieu of bents for the stabilization of the intake pipe. Acting General Manager White stated that he had contacted Mr. White, and that Mr. White felt at least three H-piles and three bents needed to be installed. Discussion of this subject followed, including details of the pricing structure for four bents including installation costs. The board discussed funding options for this project. Acting General Manager White also discussed the importance of performing this work and the affect storms have had on the structure of the pipeline. He also indicated that he had spoken with Mr. George Krupa of HDR Engineering regarding this project. Further discussion of this project continued.

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- ➔ **Possible Funding** –Acting General Manager White discussed the various essential projects and their effect on the District’s cash flow. He stated that a revenue bond issue may be an option rather than using the funds in the R&R account, causing that account to be depleted. Grant monies were also discussed, but the feeling was that they would be difficult to obtain. Acting General Manager White turned the discussion over to Consultant Albrecht. Consultant Albrecht indicated that he had been discussing the possibility of revenue bonds with Mr. Mike Denev of Gurnee Community Bank. Mr. Denev provided Consultant Albrecht with some tentative costs which were discussed. Consultant Albrecht also indicated that Mr. Denev was willing to come and speak to the board if they were serious. Chairman Topcik stated that would be premature, and would like to have input from the District’s customers first. Discussion of this subject followed.

Trustee Mitchell made a motion to move into executive session to discuss potential litigation, which was seconded by Trustee Ruchti and unanimously approved.

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

The trustees moved out of executive session.

New Business

- ➔ **SCU #2 – Tube Settlers-** Acting General Manager White discussed the contract with Clark Dietz to proceed with the installation of tube settlers in Solids Contact Unit #2. He reviewed the timeline for this work to proceed. He stated that a kick off meeting would be the first step, with a preliminary design available in March, and final designs in April. He also indicated that he anticipated the bidding process to process to take place in July and the work proceeding around October. Discussion of this subject followed. The issue of possible litigation was discussed in conjunction with this project. Attorney Kucera stated that he felt the work could proceed, but would verify with Attorney Babowice, the District’s litigation attorney. Trustee Jaeger made a motion to authorize the contract with Clark Dietz for proceeding with the specifications for the tube settlers, subject to approval by Attorney Babowice, which was seconded by Trustee Mitchell and unanimously approved.
- ➔ **KTA Proposal** - Acting General Manager White included a memo regarding a contract by KTA-Tator for the production of specifications and construction services for recoating of Solids Contact Unit #2. Acting General Manager White passed out a copy of the proposed contract for the board’s review. He then proceeded to explain various issues. He stated that he and Consultant Albrecht reviewed the contract, and were satisfied with the contract. Attorney Kucera had also reviewed the contract and was satisfied. Trustee Jaeger made a motion to accept the KTA-Tator proposal as submitted, which was seconded by Trustee Ruchti, and unanimously approved.

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- **Audit Proposal** - Acting General Manager White included a copy of the audit proposal from Milburn Cain & Co. in the board packet, along with a copy of the audit engagement letter from that firm. He stated that the cost was the same as last year, \$20,000. Acting General Manager White suggested that the board approve this proposal. Trustee Jaeger made a motion to accept Milburn Cain & Co.'s audit proposal, which was seconded by Trustee Ruchti, and unanimously approved.

- **Maximum Funding** – Consultant Albrecht discussed the maximum funding level for the R&R account (and included a Replacement Cost table) showing the plant replacement cost. The chart included a 3.25% increase over last year, per the construction cost index. A discussion of the intake pipe bents and their inclusion in this chart followed. Trustee Mitchell made a motion to include the costs of the bents in the replacement cost of the plant, which was seconded by Trustee Jaeger, and unanimously approved.

- **Cost Projections** – Acting General Manager White included several charts, showing projected funding levels for the R&R account based on estimated water sales, projected out through the end of the fiscal year, the estimated water rate for the coming fiscal year, and anticipated expenses. He stated that these were all estimates. Discussion of this subject followed.

- **Proposed O&M Budget** - Acting General Manager White included a proposed O&M budget for fiscal year 2016. He reviewed the various line items, and included an explanation of the changes in limits for line items. Discussion of this subject followed.

- **Miscellaneous** - Acting General Manager White included an email and chart from Nimec for information purposes regarding the electrical costs. He stated that Nimec is going out for bid in March.

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

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Donald White
Board Secretary