

Minutes

May 12, 2015- Board Meeting

On May 12, 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, Fischer, Ruchti, Moe, and Jaeger were present. Trustee Monk was absent. Also present were Acting General Manager White, Consultant Arlyn Albrecht, District Attorney Kucera, and Administrative Assistant Karen Johnston. Present as guest speakers were Mr. Brad West and Mr. Brent Jones of West's Insurance Agency and Mr. Mike Deney of Wintrust Bank

Chairman Topcik stated that the first order of business was a presentation of the insurance policy renewal recommendations effective June 1, 2015, by Mr. Brent Jones and Mr. Brad West of West's Insurance. A proposal from Brent Jones outlining the insurance renewal was in the board packet. Mr. Jones stated that the District was entering the second of a three-year rate guarantee with One Beacon on the liability coverages. The property is through Chubb and has a one-year term. 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 been amended to a new limit of \$12,764,000 of above ground structures and \$7,040,000 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 \$352,000. Mr. Jones stated that the renewal quotation included the intake bents, as this option had been discussed with the staff previously. Mr. Jones indicated that the premium for the intake bents was \$741.00 for a limit of \$705,000. The board proceeded to discuss this subject. The annual premium for the program is \$72,559, which represented a 1.9% increase over the previous year. A discussion of the coverages and policies followed. Trustee Jaeger made a motion to accept the proposal of \$72,559 including the coverage for the intake bents, which was seconded by Trustee Moe and unanimously approved. Mr. Jones and Mr. West then left the meeting at 5:50.

Chairman Topcik introduced Mr. Mike Deney from Gurnee Community Bank, part of Wintrust Financial, to discuss the possible revenue bond issue. Mr. Deney indicated that Mr. Steve Trout of Wintrust Financial would be joining the meeting. Mr. Deney stated that he had received a firm commitment from the bank for issuance of revenue bonds up to \$8.6 million. They provided a proposal several months ago with certain rates, which they were able to lock in through July. \$4 million which would be for new projects, \$448,000 of debt service and the refinancing the 2009 revenue callable bonds at the current market rates, which are significantly cheaper. Mr. Deney proceeded to discuss the proposal and commitment letter, which outlined the costs of issuing the bonds, as well as the savings to the District. Acting General Manager White asked how long they could hold the interest rates open. Mr. Deney indicated that the rates were committed through July 15th, but after that, it would be subject to the changes of the market. Discussion of the proposal followed. Steve Trout arrived at 5:55. Mr. Deney advised Mr. Trout that he had gone over the commitment letter, and would like Mr. Trout to go over the cost savings portion of the proposal. Mr. Trout provided another handout for the board and proceeded to go into further detail to explain all of the calculations involved with issuing these bonds. The board discussed the proposal at great length. The proposal indicated that should the board to decide to issue these bonds as suggested, it would be an approximate savings to the District of \$120,000. Discussion of the dates to move forward with the bond proposal followed. Acting General Manager White advised Mr. Deney and Mr. Trout that the District was meeting with the City of Zion to ask for a waiver of the 90-day waiting, and 30-day comment period. Discussion of this subject followed. Mr. Deney and Mr. Trout left at 6:40 p.m.

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.

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- **Minutes** – Chairman Topcik asked if any discussion was desired. There was none and Trustee Ruchti made a motion to approve the regular and executive session minutes of April 14, 2015, which was seconded by Trustee Mitchell and unanimously approved.
- **Disbursements** – Chairman Topcik asked if any discussion was desired. Trustee Jaeger discussed the number of bents for installation this coming year. Trustee Jaeger made a motion to approve the disbursements, which was seconded by Trustee Mitchell and unanimously approved.
- **Treasurer’s Report** – Chairman Topcik reviewed the report with the board, and asked if any discussion was desired. There was none. Trustee Mitchell made a motion to approve the treasurer’s report, which was seconded by Trustee Fischer and unanimously approved.
- **Budget** – Chairman Topcik asked if any discussion was desired. Intake costs and service contracts were discussed. Trustee Jaeger made a motion to approve the budget, which was seconded by Trustee Mitchell and unanimously approved.
- **MOS** – Chairman Topcik asked if any discussion was desired. Finished water was discussed. Trustee Mitchell made a motion to approve the MOS report, which was seconded by Trustee Moe and unanimously approved.

OPERATIONS & MAINTENANCE ACCOUNT May, 2015 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Apr-15	2,710.57
2921	Federal Withholding Taxes	Apr-15	4,157.68
2922	IL Department of Revenue	Monthly Remittance	1,039.30
2923	WI Department of Revenue	Monthly Remittance	490.93
7205	FICA Withholding Taxes (ER Portion)	Apr-15	2,710.57
7211	Commonwealth Edison	Electricity	22.49
7211	Constellation Energy	Electricity	13,089.29
7215	McHenry Analytical	Sample Testing	1,082.50
7221	Hydrite	Chlorine Shipment	891.00
7221	Usalco	Aluminum Sulfate	6,357.12
7222	Ace Hardware	Misc. Supplies	7.99
7222	Applied Industrial Technologies	Maintenance Oils	493.95
7222	Hach	Lab Supplies	317.21
7223	Graybar	Maintenance Supplies	106.00
7223	HD Supply	Maintenance Supplies	369.00

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7223	RelaDyne	Maintenance Oils	79.07
7223	SKF Reliability	Bimonthly Vibration Test	1,505.00
7223	Zion Auto Parts	Maintenance Supplies	11.99
7225	Klean Korner	Janitorial Services	565.00
7232	AT&T	Telephone Service	1,198.56
7231	GFC Leasing	Copier Lease	318.00
7234	Federal Express	Shipping Charges	26.69
7232	Verizon Wireless	Cellular Phone Service	554.73
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	273.00
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	51.20
7235.2	Euclid Managers (Delta Dental)	Dental Insurance	557.88
7235.2	Humana Choice Care	Monthly Medical Premium	6,483.51
7241	Hamlin, James	Payroll Fees - 04/15/15-05/12/15	199.44
7242	Kucera, Daniel J.	General Legal Services	3,457.40
7242	Trobe, Babowice & Associates	Litigation Legal Services	2,104.50
7243	Clark Dietz	Professional Services - Tube Settlers	8,204.00
7247	Lakeside Steel	(4) Bents	19,760.00
7251	Aramark Refreshment Services	Coffee Service	244.32
7251	Zee Medical	First Air Supplies	76.55
	Total		\$79,516.44

FIRST BANKCARD - APRIL*

	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7234	Office Supplies	165.43
	Acct. 7236	Transportation	163.43
	Acct. 7237	Meetings/Seminars	740.54
	Acct. 7238	Dues/Subscriptions	87.00
	Acct. 7242	Legal Fees	197.68
	Total First Bankcard April		\$1,373.08

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FIRST BANKCARD - MAY

	Acct. 7223	Maintenance/Repairs	583.66
	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7234	Office Supplies	74.99
	Acct. 7236	Transportation	71.21
	Acct. 7237	Meetings/Seminars	218.14
	Total First Bankcard - May		\$967.00
		Grand Total	\$81,856.52

*Ratification and approval of April Credit Card Expenses not shown on April Disbursements List

Chairman Topcik stated that reports had been received from the salary and nominating committees last month. The nominations were Gerold Topcik, Chairman; Vice-Chairman, Doug Jaeger; Donald White, Acting General Manager/Operations Manager; Arlyn Albrecht, Treasurer/Pension Trustee; Karen Johnston, Board Secretary; 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. Trustee Mitchell indicated that there were no significant changes for long range planning, however Chairman Topcik asked that committee to provide a report.

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RESOLUTION

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

1. The compensation to be paid to each of the Trustees for the fiscal year beginning May 1, 2015 shall be in the total amount of \$1,200.00, payable in equal monthly installments.
2. GEROLD TOPCIK be and is hereby elected Chairman of the Board of Trustees for the fiscal year beginning May 1, 2015.
3. DOUGLAS A. JAEGER be and is hereby elected the Vice-Chairman of the Board of Trustees for the fiscal year beginning May 1, 2015.
4. ARLYN E. ALBRECHT be and is hereby elected Treasurer/Pension Fund Trustee of the District for the fiscal year beginning May 1, 2015. Further, ARLYN E. ALBRECHT be and is hereby appointed Consultant for the District for the fiscal year beginning May 1, 2015 and thereafter until a successor is appointed. Compensation shall be as determined by the Board.
5. DONALD J. WHITE be and is hereby elected Acting General Manager/Operations Manager for the fiscal year beginning May 1, 2015 and thereafter until a successor is elected. The Board determines that compensation shall be determined by the Board.
6. KAREN L. JOHNSTON be and is hereby elected Secretary of the Board for the fiscal year beginning May 1, 2015 and thereafter until a successor is elected.
7. DAN KUCERA be and is hereby appointed Attorney for the District for the fiscal year beginning May 1, 2015 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.

(CORPORATE SEAL)

LAKE COUNTY PUBLIC WATER DISTRICT



Gerold Topcik
Chairman, Board of Trustees

ATTEST:



Donald J. White
District Secretary

PRESENTED AND READ: May 12, 2015

APPROVED:

ROLL CALL VOTE:

Trustees voting aye: D. Mitchell; C. Fischer; M. Ruchti; R. Moe; D. Jaeger; G. Topcik
Trustee voting nay: None
Trustees absent: A. Monk

MOTION CARRIED

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OLD BUSINESS

- **Intake Pipe** – Acting General Manager White included a memo reminding the board that Big Lake Marine had been awarded the contract for the installation of four bent systems with four support H-piles. He advised the board that he was waiting for insurance and bonding documents from Big Lake Marine, and when those were received, and a funding mechanism was in place, he would go forward with a notice to proceed, subject to favorable weather. He also stated that there was a contract in place with Carl Chase of Chase Commercial Diving to inspect the intake pipe. Discussion of this subject followed.
- **Bond Issue** – Chairman Topcik stated that as the bank had already made their presentation, he would like a motion to approve the commitment from Wintrust Financial, subject to the approval of Zion waiving the waiting period of 90-days, and 30-day comment period. Trustee Ruchti made a motion to approve the bond issue for \$4.48 million for new projects, which is completely callable and the refinance the callable portion of the outstanding bond issue, which was seconded by Trustee Fischer, and unanimously approved. Discussion of this subject followed.
- **Grants** – Acting General Manager White stated that he had been in contact with Sharon Pepin; the grant writer who was investigating IEMA funding had requested further information, which he had provided. He indicated that he was waiting to hear back from her to see where the District is going from on this issue. The other grant writer Seema Wadia had previously advised that this is a lengthy process, 12-18 months, if IEMA approves. Discussion of this subject followed.
- **SCU #2** - Acting General Manager White included a memo as an update to this project. He indicated that he had turned comments into KTA-Tator and Clark Dietz for the bid specifications. Clark Dietz is performing their final review of the specification, which will be returned to Acting General Manager White for his review. Clark Dietz has mailed the permit application, which takes approximately 30-90 days. Discussion of this subject followed.

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

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

The trustees moved out of executive session.

New Business

- **Ground Storage Tank** - Acting General Manager White stated that the ground storage tank had been painted in 2013. There was a warranty inspection in 2014, which found some issues with the painting. Era Valdivia, the contractor on the project repaired those issues. Acting General Manager White went on to explain that by contract, another warranty

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inspection needed to take place this year. KTA-Tator will be performing that inspection. Discussion of this subject followed.

- **SCU #1 Coating & Insulation Inspection** – Acting General Manager White stated that there was some blistering on this tank. He indicated that there was a 10-year warranty on this tank, and that the District is in its eighth year of that warranty. He stated that he had been in contact with the general contractor and the supplier of the products on this unit. Volatile Free, the supplier of the products, has sent an inspector out, who has indicated that they will supply the products and pay for the recoating of the tank. Acting General Manager White stated that he has obtained the opinion of two additional contractors. Both indicated that the coating should be completely removed and redone. Attorney Kucera suggested that the District have KTA-Tator perform an inspection. He indicated that he should have an opinion on the best way to proceed once that is done. Discussion of this subject followed.
- **Zion Presentation** – Acting General Manager White stated that Mr. Dave Knabel, the finance director for the City of Zion, had requested that the District send a representative to the City of Zion's May 19, 2015 board meeting. Mr. Knabel indicated that he would like the spokesperson to address the scope of the District's projects and costs. After that request, Acting General Manager White received a letter from Mayor Al Hill with various questions that the City of Zion would like the District's representative to address at the May 19th meeting. Acting General Manager White included a tentative copy of the presentation he was planning for that meeting in the board's packet. Discussion of this subject followed.
- **Transitional Review** – Chairman Topcik asked for Acting General Manager White opinion on how he felt the transition of some of his previous duties to the operators was progressing. He indicated that Jeremy Thompson was now doing billing, and both Ioan Pintescu and Nick Secketa were performing more operating tasks.

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

X 

Donald White
Board Secretary