

# Minutes

## July 14, 2015- Board Meeting

On July 14, 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, and Jaeger were present. Trustee Moe arrived at 5:40 p.m. Trustees Monk and Ruchti were absent. Also present were Acting General Manager Don White, Consultant/Treasurer Arlyn Albrecht, and Administrative Assistant/Board Secretary Karen Johnston. District Attorney Dan Kucera was present via teleconference. Present as guest speakers was Mr. George Krupa, HDR Engineering.

Chairman Topcik stated that the guest speaker, Mr. George Krupa would be the first order of business. Mr. Krupa was at the meeting to discuss his reports analyzing the intake pipeline and bents, which were included in the board packet. Mr. Krupa stated that he had been asked to look into two matters, the bents for the intake pipe and whether the pipeline can take being supported at 32-foot intervals. Mr. Krupa discussed the construction and operation of the bents. He also discussed the soil conditions around the bents. Dick Moe arrived at 5:40 p.m. Mr. Krupa reviewed his report at length. He also advised that he had contacted the pipe manufacturer that took over for the previous pipe manufacturer (that had gone out of business), who provided him with adequate information to prepare his report. Mr. Krupa felt that the bent systems are satisfactory for the District's needs. Discussion of this subject followed.

Chairman Topcik stated that he would accept a motion to place the following items on a consent agenda and to accept that consent agenda. He stated that he wanted the Treasurer's Report pulled from the consent agenda. Trustee Jaeger made that motion, which was seconded by Trustee Mitchell and unanimously carried.

- Minutes of June 16, 2015 and Executive Session Minutes of June 16, 2015
- Disbursements for July, 2015
- End of month June 30, 2015 Budget Report
- End of month June 30, 2015 Monthly Operation Summation

Chairman Topcik indicated that the Treasurer's report should reflect the amount of cash in the Operations & Maintenance account as shown on the fiscal year 2015 audit report. The Treasurer's report shows the actual cash in the bank, without taking into consideration the loan from the R&R account. Secretary Johnston indicated that she would correct the report and include a revised copy in the August board packet. Trustee Mitchell made a motion to approve the Treasurers' Report, which was seconded by Trustee Jaeger and unanimously approved.

### OPERATIONS & MAINTENANCE ACCOUNT July, 2015 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Jun-15	2,857.95
2921	Federal Withholding Taxes	Jun-15	4,511.08
2922	IL Department of Revenue	Monthly Remittance	1,101.59
2923	WI Department of Revenue	Monthly Remittance	505.77
7205	FICA Withholding Taxes (ER Portion)	Jun-15	2,857.95
7211	Commonwealth Edison	Electricity	22.29
7211	Dynegy Energy Systems	Electricity	2,991.36

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7212	No. Shore Water Reclamation	Wastewater Charges	2,044.98
7215	McHenry Analytical	Sample Testing	77.50
7221	Hydrite	Chlorine Shipment	891.00
7221	Usalco	Aluminum Sulfate	6,278.13
7222	Ace Hardware	Misc. Supplies	164.45
7222	Cla-Val/Griswold	Misc. Supplies	254.59
7222	Grainger	Misc. Supplies	105.75
7225	Evoqua	Maintenance Supplies	246.00
7225	Klean Korner	Janitorial Services	565.00
7232	AT&T	Telephone Service	1,202.38
7231	GFC Leasing	Copier Lease	330.00
7232	Verizon Wireless	Cellular Phone/Data Service	555.06
7234	Office Depot	Office Supplies	205.52
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	273.00
/235.2	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	6,388.12
7235.2	Sun Life Financial	Disability 3rd Qtr.	1,779.43
7241	Cain, Milburn & Co.	Audit Services	20,000.00
7241	Hamlin, James	Payroll Fees - 06/17/15-07/14/15	175.68
7242	Kucera, Daniel J.	General Legal Services	6,030.00
7251	Zee Medical	First Aid Supplies	76.50

## FIRST BANKCARD - MAY

	Acct. 7222	Misc. Supplies	82.16
	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7234	Office Supplies	74.99
	Acct. 7236	Transportation	92.72
	Acct. 7237	Meetings/Seminars	110.00
	Total First Bankcard		<b>\$378.87</b>
		<b>Grand Total - Operations</b>	<b>\$63,479.03</b>

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## R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7270	White, Dennis	Intake Pipeline inspection	882.00
7278	Chicago Tribune	Bid Ad - Tube Settlers	440.00
7278	KTA-Tator	Prof. Services - Tube Settlers	4,000.00
	Total		<u>\$5,322.00</u>

## OLD BUSINESS

- **Intake Pipe** - Acting General Manager White included a memo in the board packet advising that a notice to proceed had been given to Big Lake Marine on June 18, 2015 for installation of four bents and four intake pipeline stabilization H-piles, for \$248,000. Acting General Manager White stated that he had spoken with the diver, who is concerned that the excavation around the riser may cause it to rotate if it is not stabilized. The diver feels that the solution to this is to place one of the stabilization piles adjacent to riser three with a bracket to hold it in place. This would require a change order for \$6,375. Acting General Manager White felt that this would be a worthwhile addition. Acting General Manager White stated that this would bring the contract amount to \$254,835. Discussion of this subject followed. Acting General Manager White went on to discuss the optional installation of two bents that were included in the bid packet for \$83,850. This would bring the total contract with Big Lake Marine to \$338,685 and the time extension if the option were approved, from September 15 to September 29, without incurring liquidated damages. Discussion of this subject followed. Trustee Jaeger made a motion to purchase two additional pipe collars for approximately \$10,000, which was seconded by Trustee Mitchell and unanimously approved. Trustee Jaeger then made a motion to amend the contract to \$338,685, covering the change order, optional bents, and time extension, which was seconded by Trustee Fischer, and unanimously approved.
- **Bond Issue** - Acting General Manager White stated that the letter from the City Zion waiving the waiting and comment periods had been received on June 30, 2015, and was emailed to Mr. Steve Trout (Wintrust Bank) that same day. He included a memo, which included Steve Trout's bullet list of needed items, with Acting General Manager White's responses. Acting General Manager White also attached a copy of the proposed engagement letter from Chapman & Cutler, which for approval by the Board at this meeting. He indicated that an engineer would be required to approve the 10% coverage amount required by the bond. Acting General Manager White proceeded to discuss all of the bullet points on the list. Discussion of this subject followed. Acting General Manager White stated that if all went according to the timeline, everything should be ready for the August board meeting. At that time, Steve Trout should have an ordinance prepared with a "not to exceed" interest rate. Acting General Manager White is hopeful that the closing date will be around August 26. Discussion of this subject followed.

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- **Grants** - Acting General Manager White stated that there was no new news regarding grants. Seema Wadia has been on vacation and Sharon Pepin is waiting for a response from IEMA.
- **SCU #2** - Acting General Manager White stated that at the last board meeting the District had received bids on this project, the installation of tube settlers and coating of the interior and exterior. He indicated that he had had both the engineer and consultant review the one bid, as it was significantly higher than expected. Mr. Tom Foley, Clark Dietz Engineers, wrote Acting General Manager White a letter outlining what he perceived as the issues on this matter. A copy of the letter was included in the board packet. Mr. Foley recommended waiting until January, when contractors are looking for work, and rebidding the project. Acting General Manager White suggested that the Board not accept this bid. Trustee Mitchell made a motion to not accept the bid, which was seconded by Trustee Jaeger, and unanimously approved.
- **Ground Storage Tank & 2<sup>nd</sup> Warranty Inspection** - Acting General Manager White stated that this is the second warranty inspection. Dixon Engineering performed the first inspection in 2014 and Era Valdivia, the contractor on the project, repaired problem areas that Dixon found. Acting General Manager White had Mr. Ray Tombaugh, KTA-Tator, come in and inspect it again, and he found some additional problem areas. Acting General Manager White stated that he did not yet have a report. He also indicated that Era Valdivia has indicated that they will return in September and will remediate the weld seams in question. Discussion of this subject followed.
- **SCU #1 Coating & Insulation Inspection** – Acting General Manager White stated that he was waiting for the final report from Mr. Ray Tombaugh, the District’s consultant.

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

- **Chapman & Cutler Engagement Letter** - Acting General Manager White included a copy of this letter in the board packet. Chapman & Cutler will be doing the research on the District’s proposed bond issue. They have provided this service for the District on the past bond issues. In addition, the District will have their own bond counsel. Chairman Topcik discussed the necessity of the 10% coverage required in the bond ordinance, which was discussed and Acting General Manager White will investigate. Discussion of this subject followed. Trustee Jaeger made a motion to approve the Chapman & Cutler engagement letter, which was seconded by Trustee Fischer, and unanimously approved.

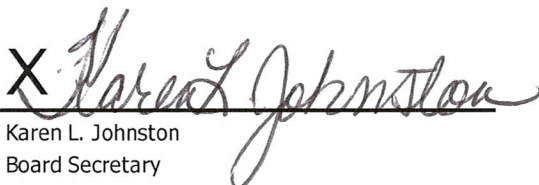
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- **District's Bond Counsel** – Acting General Manager White and Consultant Albrecht recommend Mr. Bryan Winter as the District's bond counsel, for the bond opinion letter. Trustee Mitchell made that motion, which was seconded by Trustee Jaeger, and unanimously approved.
- **Zion Update** - Acting General Manager White stated that the City Zion had requested at the last board meeting to be kept abreast of the legal issues on SCU #2. He stated that he thought there could be an issue with executive session matters. Chairman Topcik then indicated that he had had Attorney Kucera drafted a letter to send to the City of Zion, which advises the City of Zion that the District will keep them up to date; however, certain items were confidential and could not be disclosed. Chairman Topcik stated that he would send the letter out. Discussion of this subject followed.
- **Transitional Review** – Acting General Manager White discussed the various areas where he has been delegating tasks to the operating staff.
- **Miscellaneous** – An article regarding the level of Lake Michigan was included and discussed by the Board.

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

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Karen L. Johnston  
Board Secretary