

Minutes

August 11, 2015- Board Meeting

On August 11, 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 6:10 p.m. Also present were Acting General Manager Don White, Consultant/Treasurer Arlyn Albrecht, Administrative Assistant/Board Secretary Karen Johnston, and District Attorney Dan Kucera. Present as guest speakers was Mr. Steve Trout, Wintrust Bank, and Mr. Mike Deney, Gurnee Community Bank.

Chairman Topcik stated that the guest speakers, Mr. Steve Trout, and Mr. Mike Deney would be the first order of business. Mr. Trout and Mr. Deney were at the meeting to discuss the revenue bond issue. Mr. Deney handed out an updated presentation to the board members and proceeded to review it. The presentation updated the costs, and fixed the interest rates to allow time to close, which was anticipated for September 15, and he felt that they were on track to reach that date with no problem. Mr. Deney then turned the meeting over to Mr. Trout to go over the details of the presentation. Mr. Trout discussed the commitment letter, which expired in July, and he now had an updated letter that extended the commitment through September. Mr. Trout reviewed the details of the letter with the board. He reviewed the amounts of the new bonds, the amounts of the previous bonds, and the interest rates. He indicated that the commitment runs through August 21, and asked that the District execute the agreement by that date, with closing being by September 15. Mr. Trout discussed that a stipulation to issuing the bonds was to bring the District's bank accounts to the Wintrust Group, and had been agreed to by the board previously. After Mr. Trout's presentation, he took questions from the Board. Discussion of the revenue bond issue followed. Trustee Mitchell made a motion to authorize Chairman Topcik to sign the updated commitment letter, which Trustee Jaeger seconded, and was unanimously approved. Trustee Jaeger then made a motion to transfer the District's funds to Gurnee Community Bank, which was seconded by Trustee Mitchell and unanimously approved. The District's bond counsel, Mr. Bryan Winter explained the role he played for the District. He proceeded to review the bond ordinance with the board. He indicated that it was quite similar to the 2009 bond issue document. He outlined and explained the differences. He indicated that he has spoken with Chapman & Cutler, who provided suggested wording for the minutes and must be voted upon with a roll call vote. He stated that at the end of the process he would be asked for an opinion letter, which he will provide. Discussion of the bond ordinance with bond counsel followed. Chairman Topcik proceeded to read the following bond ordinance.

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ORDINANCE NO. 2015

AN ORDINANCE authorizing and providing for the issue of not to exceed \$8,250,000 Water Revenue Bonds, Series 2015, of the Lake County Public Water District, Lake County, Illinois, for the purpose of defraying the cost of improving the waterworks system of said District, refunding certain of the District's outstanding bonds, prescribing all the details of said bonds, providing for the collection, segregation and distribution of the revenues of the waterworks system of said District, and authorizing the sale of said bonds to the purchaser thereof.

* * *

PREAMBLES

WHEREAS, the Lake County Public Water District, Lake County, Illinois (the "*District*"), has heretofore been a duly organized and existing public water district under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Public Water District Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto (the "*Act*"); and

WHEREAS, the Board of Trustees of the District (the "*Board*") has determined that it is advisable, necessary and in the best interests of public health, safety and welfare to improve the waterworks system of the District (the "*System*") by the construction of water extensions and improvements to the System and all electrical, mechanical and other services necessary, useful or advisable to the construction program and bond discount, capitalized interest, legal, financing and administrative expense (the "*Project*"), all in accordance with the preliminary plans and estimates of cost therefor, which have been approved by the Board and are now on file in the office of the Secretary of the Board for public inspection; and

WHEREAS, the estimated costs of the Project, as defined, including engineering, legal, financial, bond discount, capitalized interest, printing costs and other expenses are not to exceed \$4,600,000; and

Trustee Mitchell made a motion to accept the bond ordinance, which was seconded by Trustee Jaeger. A roll call vote was taken Trustees Topcik, Mitchell, Monk, Fischer, Ruchti, Moe, and Jaeger all voted aye. There were no nays, and no trustees were absent or abstained. The minutes and certification follow:

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STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Trustees of the Lake County Public Water District, Lake County, Illinois (the "Board"), and as such official am the keeper of the records and files of the Board.

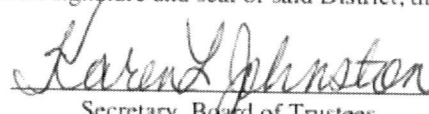
I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 11th day of August, 2015, insofar as the same relates to the adoption of Ordinance No. 2015 entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$8,250,000 Water Revenue Bonds, Series 2015, of the Lake County Public Water District, Lake County, Illinois, for the purpose of defraying the cost of improving the waterworks system of said District, refunding certain of the District's outstanding bonds, prescribing all the details of said bonds, providing for the collection, segregation and distribution of the revenues of the waterworks system of said District, and authorizing the sale of said bonds to the purchaser thereof.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Public Water District Act of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Acts and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said District, this 11th day of August, 2015.


Secretary, Board of Trustees

Karen L. Johnston

(SEAL)

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Trustee Mitchell moved and Trustee Jaeger seconded the motion that said ordinance as presented and read by title be adopted.

After a full discussion thereof, the Chairman directed that the roll be called for a vote upon the motion to adopt said ordinance.

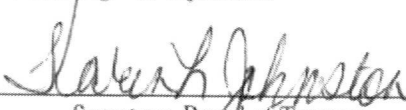
Upon the roll being called, the following Trustees voted AYE: Gerold Topcik;
Dorothy Mitchell; Amos Monk; Christopher Fischer; Michael Ruchti; Richard Moe;
Douglas Jaeger

The following Trustees voted NAY: None

Whereupon the Chairman declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the Secretary to record the same in full in the records of the Board of Trustees of the Lake County Public Water District, Lake County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.


Secretary, Board of Trustees
Karen L. Johnston

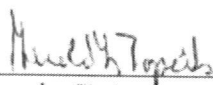
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Section 27. *Effective Date.* This Ordinance shall be in full force and effect after its passage as provided by law.

PASSED by the Board of Trustees on August 11, 2015.

APPROVED: August 11, 2015.


Gerold L. Topcik, Board Chairman


AYES: G. Topcik, D. Mitchell, A. Monk, C. Fischer, M. Ruchti, R. Moe, D. Jaeger

NAYS: None

ABSENT: None

RECORDED in the Board Records on August 11, 2015.

Attest:


Secretary
Karen L. Johnston

(SEAL)

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 Fischer made that motion, which was seconded by Trustee Ruchti and unanimously carried.

- Minutes of July 14, 2015 and Executive Session Minutes of July 14, 2015
- Disbursements for August, 2015
- End of month July 31, 2015 Budget Report
- End of month July 31, 2015 Monthly Operation Summation

Chairman Topcik indicated that the cash on the Treasurer's report was not in agreement with the fiscal year 2015 audit report, as the auditor did not show the loan from the R&R account to the Operations and Maintenance account, but had allocated this amount to the cash account. Chairman Topcik indicated that the Treasurer's report is an internal report for the board's benefit and wanted to ensure that the board was aware of the actual cash balance. He proceeded to discuss the required balance for the Operations & Maintenance checking account. He explained that the bond ordinance required two months of expenses be kept in that account. The current amount of \$148,000 was low, based on the fiscal year 2015 audit. As per the audit, the amount for two months of expenses should be \$216,000. He asked the board if they would like to change the current amount. Trustee Moe made a motion to amend the amount carried in the Operations and Maintenance account to \$216,000, which was seconded by Trustee Monk, and unanimously carried. Trustee Mitchell made a motion to leave the format of the Treasurer's report as currently prepared, which was seconded by Trustee Monk, and unanimously approved. Trustee Moe then made a motion to approve the Treasurers' Report, which was seconded by Trustee Jaeger and unanimously approved.

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OPERATIONS & MAINTENANCE ACCOUNT
August, 2015 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Jul-15	4,144.34
2921	Federal Withholding Taxes	Jul-15	6,472.30
2922	IL Department of Revenue	Monthly Remittance	1,621.08
2923	WI Department of Revenue	Monthly Remittance	709.82
7205	FICA Withholding Taxes (ER Portion)	Jul-15	4,144.34
7211	Commonwealth Edison	Electricity	22.33
7211	Dynegy Energy Systems	Electricity	11,369.92
7215	McHenry Analytical	Sample Testing	340.00
7222	Ace Hardware	Misc. Supplies	120.39
7222	Bearing Headquarters	Misc. Supplies	24.53
7222	Grainger	Misc. Supplies	246.65
7222	Hach	Lab Supplies	710.61
7222	Olson Service Co.	Fuel for generator	911.08
7223	Dreisilker Electric Motors	Repair parts & materials to motor	3,874.00
7223	Lakeland Larsen Elevator	Elevator Repair and Parts	3,379.24
7223	SKF Reliability	Vibration Testing	765.00
7225	Baxter & Woodman	Support Services	5,000.00
7225	Gordon Flesch Company Inc.	Maintenance charge	14.99
7225	Klean Korner	Janitorial Services	565.00
7232	AT&T	Telephone Service	988.08
7231	GFC Leasing	Copier Lease	330.00
7232	Verizon Wireless	Cellular Phone/Data Service	554.66
7234	Office Depot	Office Supplies	72.67
7234	Quill	Office Supplies	66.96
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	6,388.12

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7236	Pintescu, Ioan	Travel Reimbursement	84.52
7236	Thompson, Jeremy	Travel Reimbursement	24.73
7236	White, Don	Travel Reimbursement	39.96
7241	Hamlin, James	Payroll Fees - 07/15/15-08/11/15	163.43
7242	Kucera, Daniel J.	General Legal Services	4,927.50
7242	Trobe, Babowice & Assoc.	Litigation Legal Fees	6,091.50
7251	Correll Co.	Investment advisory service fees	1,180.00

FIRST BANKCARD - MAY

	Acct. 7223	Maintenance & Supplies	643.11
	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7234	Office Supplies	236.43
	Acct. 7236	Transportation	170.10
	Acct. 7237	Meetings/Seminars	149.47
	Acct. 7251	Miscellaneous	164.95
	Total First Bankcard		1,383.06
		Grand Total - Operations	\$66,229.83

R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7270	Chase Commercial Diving	U/W video pipeline	800.00
7270	HDR Engineering	Prof. Services - Intake Pipe	16,659.53
7278	Clark Dietz	Prof. Services - Tube Settlers	4,395.00
	Total		\$21,854.53

OLD BUSINESS

- **Intake Pipe** - Acting General Manager White stated that he had had a meeting with Mr. Dave Kadinger of Big Lake Marine, the contractor on this project, and Mr. Dennis White, the District's marine consultant for this project. Mr. Kadinger anticipated starting this project this week, subject to weather conditions. Discussion of this subject followed.

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- **Grants** - Acting General Manager White indicated that he had talked with Seema Wadia of Metro Strategies. He also indicated that he had attempted to speak with Sharon Pepin of Community Funding & Planning Services, but had not heard back from her. Ms. Wadia wrote a letter outlining the grants for which the District could be eligible. Acting General Manager White reviewed them with the board, and explained why some are not available. He stated that he still needed to speak with FEMA and IEMA to see what they may have available. He also indicated that Ms. Wadia suggested that he speak with the City of Zion and Exelon to see if they could provide any money for the bents. Discussion of this subject followed.
- **Ground Storage Tank & 2nd Warranty Inspection** - Acting General Manager White stated that Era Valdivia had painted this unit in 2013 and that they would be back in September to do repairs. Acting General Manager White stated that the unit would be out of service for approximately one week. Discussion of this subject followed.
- **SCU #1 Coating & Insulation Inspection** – Acting General Manager White stated that Volatile Free, the paint supplier, had been out to inspect this unit. He went on to say they had sent someone out to perform repairs without authorization from Acting General Manager White. Acting General Manager White contacted Volatile Free and requested insurance, bonding, and prevailing wage information prior to the work being performed. The president of Volatile Free wrote Acting General Manager White a letter stating that she felt he was interfering with the warranty repairs. Acting General Manager White stated that as the District is a public entity, it was imperative the contractor have insurance and bonding. He spoke with the District’s attorney, Dan Kucera, regarding his position and Attorney Kucera drafted a letter for Acting General Manager White to send advising that the District would abide by their procedures; however, the District would need certificates of insurance, and the other pertinent paperwork. As of the board meeting, Acting General Manager White had not received a response. 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. Trustee Jaeger made a motion to enter into mediation, if the attorney agrees at that time, which was seconded by Trustee Mitchell, and unanimously approved.

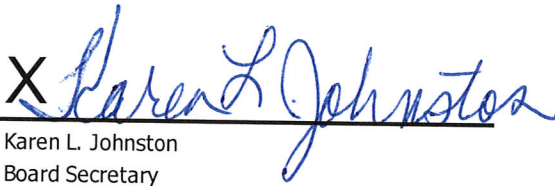
- **Transitional Review** – Acting General Manager White discussed that he is having the operators address the issues of roofing, tree cutting, and electrical contractors for the variable frequency drives. He also indicated that Operator Thompson is generating the billing.

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- **Miscellaneous** – Acting General Manager White indicated that there is an alert from the AWWA regarding coal plants and regulations. He stated that the EPA wants a cap on the emissions. 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 Monk and unanimously approved.

X 
Karen L. Johnston
Board Secretary