

Minutes

October 13, 2015- Board Meeting

On October 13, 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, Monk, Fischer, Moe, and Jaeger were present. Trustees Mitchell 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 telephone.

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 minutes pulled from the consent agenda. Trustee Jaeger made that motion, which was seconded by Trustee Fischer and unanimously carried.

- 5) Disbursements for September, 2015
- 6) Treasurer's Report
- 7) End of month September 30, 2015 Budget Report
- 8) End of month September 30, 2015 Monthly Operation Summation

Chairman Topcik stated that the minutes incorrectly reflected that the board formed committees to explore cash flow. Chairman Topcik indicated that he appointed the committees. Secretary Johnston indicated that she would amend the minutes to reflect that change. Trustee Jaeger made a motion to approve the regular session minutes with that change, and approve the executive session minutes as presented, which was seconded by Trustee Fischer and unanimously approved.

Chairman Topcik proceeded to ask the committees formed last month whether they had any reports to present. Trustee Fischer indicated that he did not have a report. Trustee Jaeger stated that a letter had been sent to the appropriate people at Village of Beach Park, in an effort to open the door on discussions of the District providing drinking water to the Village of Beach Park. Discussion of this subject followed.

OPERATIONS & MAINTENANCE ACCOUNT

October, 2015 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Sep-15	2,690.85
2921	Federal Withholding Taxes	Sep-15	4,125.93
2922	IL Department of Revenue	Monthly Remittance	1,036.56
2923	WI Department of Revenue	Monthly Remittance	477.41
7205	FICA Withholding Taxes (ER Portion)	Sep-15	2,690.85
7211	Commonwealth Edison	Electricity - Modem - 01/15-09/15	496.56
7211	Dynegy Energy Systems	Electricity - 08/13/15-09/13/15	10,504.56
7215	McHenry Analytical	Sample Testing	90.00
221	Hydrite	Chlorine Shipment	891.00
7221	Usalco	Aluminum Sulfate	6,482.41

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7222	Ace Hardware	Misc. Supplies	73.92
7222	Millipore	Lab Supplies	2,198.61
7223	DH Wireless Solutions	Replacement for failed modem	50.00
7223	Joseph J. Henderson & Son	Change Tank Bearings	2,956.89
7223	Illini Power Products	Replace water pump and thermostat	2,663.48
7223	KTA-Tator	Warranty Inspection - 7/13-8/23/15	67.50
7223	Lakeland/Larsen Elevator Corp.	Elevator Repair and Parts	284.76
7223	Reliable Tree Care	Remove trees; haul brush & wood	2,550.00
7225	K. Erickson Designs	Landscape Maintenance - Jul-Sep	1,425.00
7225	Evoqua	Maintenance Supplies	261.00
7225	Gordon Flesch Company Inc.	Maintenance charge	4.97
7225	Klean Korner	Janitorial Services	565.00
7225	Lakeland/Larsen Elevator Corp.	Elevator Maintenance	284.76
7231	GFC Leasing	Copier Lease - Nov.	330.00
7232	AT&T	Telephone Service - 8/8-9/7/15	1,203.28
7232	Verizon Wireless	Cellular Phone/Data Service - 8/17-9/16	554.86
7234	United Parcel Service	Shipping Charges	18.07
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	6,059.36
7235.2	Sun Life Financial	4th Qtr. Disability	2,175.43
7235.2	Thompson, Jeremy	Insurance Reimbursement	174.29
7236	White, Don	Travel Reimbursement - Oct.	86.00
7241	Hamlin, James	Payroll Fees - 09/09/15-10/13/15	283.11
7242	Kucera, Daniel J.	General Legal Services	5,242.50
7242	Trobe, Babowice & Assoc.	Litigation Legal Fees	2,745.00
7251	Aramark Refreshment Services	Coffee Service	168.15
7251	Correll Co.	Qtrly. Investment Services	698.25
251	Zee Medical	First Aid Supplies	77.20

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FIRST BANKCARD - MAY

	Acct. 7222	Misc. Supplies	10.48
	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7234	Office Supplies	543.99
	Acct. 7236	Transportation	65.76
	Acct. 7237	Meetings/Seminars	173.12
	Total First Bankcard		812.35
		Grand Total - Operations	\$63,492.40

R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7270	HDR Engineering	Professional Services	46.37
	Total		\$46.37

CONSTRUCTION FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7270	White, Dennis	Excavating for bents	1,113.00
7280	Big Lake Marine	Balance of contract; Install bents	89,652.50
7421	US Bank	2009 Revenue Bond Interest	56,841.22
7421	Libertyville Bank & Trust	2015 Revenue Bond Interest	22,316.39
	Total		\$169,923.11

OLD BUSINESS

- **Bond Issue** - Acting General Manager White included a memo in the board packet advising the board that the District had closed on the 2015 bond issue. He also included copies of letters that he sent to the District's customers explaining the breakdown of the new debt service charges for the remainder of fiscal year 2016, and for fiscal year 2017 as well. Discussion of this subject followed.
- **Intake Pipe** - Acting General Manager White included a memo regarding the status of this project. He indicated that Big Lake Marine, the District's contractor on the project, had finished the work the week of September 15. There were six bents, and three stabilization

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H-piles installed. He explained that there were four H-piles in the contract, but due to the stone coverage between riser #3, and the intake cones, the fourth H-pile was not installed. He further explained that the District was given a credit for this H-pile, bringing the total contract price for the project to \$319,682.50. Chairman Topcik asked when bidding would take place for the next phase of this project. Acting General Manager White stated January 2016. Discussion of this subject followed.

- **Grants** - Acting General Manager White stated that nothing was currently happening with the grants.
- **Ground Storage Tank & 2nd Warranty Inspection** - Acting General Manager White stated that he had previously advised the board that warranty repairs were to be performed on this unit by Era Valdivia, the contractor on this project. He indicated that Era Valdivia had been unresponsive to his attempts to set a date to perform the warranty repairs. He stated that he still wanted to have Era Valdivia come out this fall to perform the warranty work; however, he felt that Era Valdivia was attempting to put off performing the work until next spring. He also felt that as they would need to provide heat at this time of year, which would be expensive for them, they could be stalling. Acting General Manager White indicated that he is continuing his efforts to contact Era Valdivia. Discussion of this subject followed.
- **SCU #1 Coating & Insulation Inspection** – Acting General Manager White included a memo in the board packet relating his meeting with Mr. John Boldt and Mr. Tom Foley of Clark Dietz regarding the rehab of this unit. Acting General Manager White indicated that the purpose of the meeting was to discuss an engineering study to determine the cost effectiveness of replacement rather than rehabbing this unit. Acting General Manager White attached a copy of the proposal from Clark Dietz for that study. The price of the study is \$5,400.00. For Discussion of this subject followed. Trustee Jaeger made a motion to accept the proposal from Clark Dietz of \$5,400.00 to perform an engineering study to evaluate the cost comparison of rehabbing versus new construction of SCU #1, which was seconded by Trustee Monk and unanimously approved. Acting General Manager White went on to discuss his discussions with Volatile Free on the warranty and the cracking of the paint on this unit. He stated that Mr. Terry Crowder, the original contractor that installed the insulation, came out three weeks ago to investigate. Mr. Crowder indicated that he would have a report to present to Acting General Manager White, but the report has not yet been received. Acting General Manager White also indicated that Volatile Free has not been contacted by Mr. Crowder. Acting General Manager White would like to get this resolved before the end of the year. Discussion of this subject followed.
- **Right of Ways** - Acting General Manager White included a timeline in the board packet, outlining the progress of the right of ways issue. He also included an article from the Waukegan News Sun discussing the Lakeshore habitat. Discussion of this subject followed.
- **FOIA** – Attorney Kucera presented a general item of interest to the board. He stated that there is a legal case pending in Chicago regarding private emails. Attorney Kucera stated that this case might resolve some lingering issues as to what extent a FOIA request can

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reach private emails of public officials. Discussion of this subject followed, with Attorney Kucera indicating that he would keep the board up to date on any changes.

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

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

The trustees moved out of executive session.

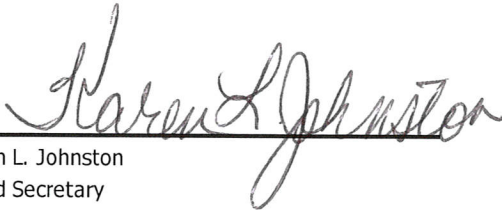
- **Litigation Costs** - Acting General Manager White included a chart outlining all attorney fees and associated costs regarding the ongoing litigation on SCU #2 and SCU #3. Acting General Manager White explained that in addition to attorney's fees, there were consultant fees. After presenting and explaining the chart to the board, discussion of how to recoup the costs followed. Discussion of whether or not bond proceeds could be used to reimburse the Operations and Maintenance account for these fees followed. Attorney Kucera felt that the District should check with Chapman & Cutler, the bond counsel on the revenue bond issue, on this issue. Further discussion of this subject followed.
- **Workers' Compensation Renewal** - Acting General Manager White stated that he and Secretary Johnston had met with Brad West, of West's Insurance Agency, regarding the workers' compensation renewal, effective January 1, 2016. Mr. West indicated that the rates would be going down approximately 6% for the coming year. Acting General Manager White included a memo regarding that meeting, and an estimated premium for 2016. Acting General Manager White explained that in addition to the decrease in rates, the premium would be affected by Acting General Manager White being reclassified as clerical, rather than waterworks personnel. The clerical rate is significantly lower, and as a result, the premium will be approximately \$6,000 lower than last year. Discussion of this subject followed.
- **State Budget Crisis** - Acting General Manager White including a memo regarding the budget impasse currently in Illinois. He stated that as a result, the District would not be receiving the monies due from the State while the budget remains unsettled. He also stated that he had sent letters to the State indicating the status of their accounts. In the intervening time, Acting General Manager White received a letter from Mr. Todd Rettig, Director of Office of Land Management for the Illinois Department of Natural Resources, asking that the District not shut off the water service to the North Point Marina, and the State Park. Discussion of this subject followed, with the board deciding not to shut off service, but to charge interest for the time they are not paying their bills.
- **Transitional Review** – Acting General Manager White indicated that this was progressing. He indicated that he was delegating more to the operators, such as roofing, tree services, and electricians

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- **Fluoridation Award** – Operations Manager White drew the board’s attention to the board packet regarding an award the District operators received from the Illinois Department of Health for maintaining the fluoridation level for seven years in a row.

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