

Minutes

February 9, 2016- Board Meeting

On February 9, 2016, 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 was absent. Also present were Acting General Manager Don White, Consultant/Treasurer Arlyn Albrecht, Administrative Assistant/Board Secretary Karen Johnston, and District Attorney Dan Kucera.

Vice-Chairman Jaeger requested a moment of silence to recognize the loss of Board Chairman Topcik's daughter, Tiffany, who recently passed away.

Chairman Topcik then indicated that he would accept a motion to place the following items on a consent agenda and to accept that consent agenda. Trustee Jaeger made a motion to place the following items on the consent agenda and approve the consent agenda, which was seconded by Trustee Monk and unanimously carried.

- 4) Minutes and Executive Minutes of January 12, 2016
- 5) Disbursements for February, 2016
- 6) Treasurer's Report for January 31, 2016
- 7) End of month January 31, 2016 Budget Report
- 8) End of month January 31, 2016 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT February, 2016 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Jan-16	2,772.18
2921	Federal Withholding Taxes	Jan-16	4,284.29
2922	IL Department of Revenue	Monthly Remittance	1,060.88
2923	WI Department of Revenue	Monthly Remittance	504.21
7205	FICA Withholding Taxes (ER Portion)	Jan-16	2,772.18
7205	IL Dept. of Unemployment	Jan-16	195.45
7211	Commonwealth Edison	Electricity - Jan-16	68.18
7211	Dynegy Energy Systems	Electricity - Jan-16	14,222.04
7215	McHenry Analytical	Sample Testing	77.50
7215	No. Shore Water Reclamation Dist.	Sample Testing	111.00
7215	Waukegan, City of	Sample Testing	15.00
7221	Hydrite	Chlorine Shipment	891.00

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7221	Mosaic	Fluorosilicic Acid	8,373.00
7221	Usalco	Aluminum Sulfate Shipment	6,338.05
7222	Ace Hardware	Misc. Supplies	2.99
7222	Hach	Lab Supplies	102.95
7222	Millipore Corporation	Lab Supplies	3,055.86
7223	Graybar	Maintenance Supplies	97.00
7223	HD Supply	Test & Recalibrate Meters	1,805.00
7223	SKF Reliability	Vibration Test	786.00
7225	Klean Korner	Janitorial Services	565.00
7231	GFC Leasing	Copier Lease - Mar	330.00
7232	AT&T	Telephone Service - Jan-16	1,281.93
7232	Verizon Wireless	Cellular Phone/Data Service - 12/17-1/16	555.07
7234	Federal Express	Shipping Charges	55.65
7234	Quill	Office Supplies	78.99
7234	Staples	Office Supplies	287.09
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	273.00
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	61.30
7235.2	Euclid Managers (Delta Dental)	Dental Insurance	557.88
7235.2	Humana Choice Care	Monthly Medical Premium	6,059.36
7235.2	Secketa, Nick	Deductible Reimbursement	778.37
7238	Water Research Foundation	Water Research Foundation Program	267.15
7241	Hamlin, James	Payroll Fees - 12/09/15-1/12/16	300.00
7242	Kucera, Daniel J.	General Legal Services	4,275.00
7242	Trobe, Babowice & Assoc.	Litigation Legal Fees	7,330.24
7251	Correll Co.	Investment advisory service fee 08/15-01/16	1,198.00

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FIRST BANKCARD

	Acct. 7222	Misc. Supplies	104.87
	Acct. 7234	Office Supplies	134.97
	Acct. 7236	Transportation	98.12
	Acct. 7237	Meetings/Seminars	175.45
		Total First Bankcard	513.41
		Grand Total - Operations	\$72,302.20

R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7284	Campanella & Sons, Inc.	Remove & replace meter from vault on 17th St.	9,015.95
	Acct. 7237	Total	9,015.95

OLD BUSINESS

- **Intake Project** - Acting General Manager White advised the board that Mr. John Callan, of American Infrastructure Technologies, an independent engineering consultant for the District, had reviewed the bid documents for this project. Mr. Callan found that the submitted bid met all the requirements outlined in the bid document. Acting General Manager White stated that a notice of award had been sent to AMS Mechanical. Once Acting General Manager White receives the District's copy of the signed documents, he will send notice to proceed with the manufacturing of the pipe collars.
- **Grants** - Acting General Manager White stated that he had modified the grant documents for Mr. Rusty Tanton, with IEMA. However, as he has had no feedback from either him or from Ms. Sharon Pepin, he had nothing to report. He indicated that he would follow up on this issue.
- **SCU #1 Structural Report** – Acting General Manager White included a report from Clark Dietz regarding Solids Contact Unit #1, which he reviewed with the Board. He indicated that the report stated that overall the unit was in good condition, relatively speaking. However, some supporting I-beams need replacing, and other maintenance work as well. Acting General Manager White reminded the Board that the funds for these repairs were included in

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the recent bond issue, and that those funds need to be expended within three years. Discussion of this subject followed.

- **Right of Ways** - Acting General Manager White indicated that there were two issues regarding this subject. He stated that he, Consultant Albrecht, Board Chairman Topcik, and Attorney Kucera had had a meeting the day of the board meeting (February 9, 2016) with representatives of the IDNR. The IDNR had two members physically present, Mr. Pat Brannan and Mr. Don Mole, and via telephone were their attorney and one other representative, Ms. Connie Waggoner, Director of the Office of Realty and Environmental Planning. This meeting was regarding the vacating of the right of ways and the parcels in which the District was interested for a redundant transmission main. Acting General Manager White stated that they understand the District's needs; however, Attorney Kucera needs to write a letter to the director of the IDNR, copying the Nature Preservation on the letter, requesting the right of ways.

The second issue was regarding the emergency ingress and egress. Attorney Kucera stated that an agreement had been worked out between the District and the IDNR, that he felt the District could accept. He indicated that the agreement was for ingress and egress to the low lift pump station and treatment plant in the event access should become blocked. Attorney Kucera suggested that a motion should be made to approve the agreement. Trustee Jaeger made a motion to approve the license agreement, and authorize the Board Chairman to sign the agreement, and the secretary to attest to the agreement, which was seconded by Trustee Mitchell, and unanimously approved.

- **Receivable Issues** - Acting General Manager White reviewed this ongoing issue, and its effect on the status of the May 2016 bond principal and interest payment. He indicated that Chairman Topcik had reviewed the bond ordinance and had located a section, which allows the District to use funds from the R&R account to make up any shortfall in the Bond & Interest Sinking Fund Account. The District's auditor, Mr. Dave Cain, also reviewed the ordinance and saw no complications from using these funds. Discussion of this subject followed.
- **Low Lift Pump Station** - Acting General Manager White updated the Board regarding the storm damage around the low lift pump station. He indicated the permit applications for repairs had been sent to the Army Corps of Engineers, the IDNR, and the IEPA. Acting General Manager White stated that he hoped the repairs could be done under a previous permit, as this could accelerate the permitting process. Discussion of this subject followed.

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- ◆ **Fiscal Year 2017 Proposed Budget** - Acting General Manager White included a revised draft of the proposed budget for fiscal year 2017. He stated that the proposed budget was still under review, and that the line items were being evaluated, including various repair items, insurance, and a new copier. Discussion of this subject followed.

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

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

Upon leaving executive session, Trustee Mitchell made a motion to reject Tecorp's offer as made and make a written counter offer, following KTA's specifications of cleaning the interior tank and painting with one coat of epoxy using Tnemec F22 paint. In addition, the District would offer to pay up to half of the reasonable costs of blasting the coating off to the bare metal, and under the supervision of District's engineer, KTA-Tator, which was seconded by Trustee Jaeger, and was approved by all.

- **Fiscal Year 2017 Financial Forecasting** - Acting General Manager White included his first estimate of the R&R charges and water rate for the coming fiscal year. He reviewed the items that comprised these charges, and discussed his estimated calculations. Discussion of this subject followed.
- **Audit Proposal** - Acting General Manager White indicated that the District had received a proposal and engagement letter from Mr. Dave Cain of Milburn Cain & Co., the District's auditor. The proposal had increase by \$1,000 to a cost of \$21,000 to perform the audit. There were no changes from previous year's engagement letters. Discussion of this subject followed. Trustee Mitchell made a motion to accept Milburn Cain & Co.'s proposal for \$21,000 for the annual fiscal audit, which was seconded by Trustee Fischer, and unanimously approved.
- **Consulting Engineer** - Acting General Manager White advised the board that should the R&R funds be used, an engineer must certify the funds, and that the District would require a consulting engineer for this process. He and Chairman Topcik felt that Clark Dietz would be a good choice as they had been involved with several projects for the District. Acting General Manager White included a copy of the contract, which had been approved by the Attorney Kucera, in the board packet for the Board's review. Trustee Mitchell made a motion to approve the contract with Clark Dietz as consulting engineer, which was seconded by Trustee Monk, and unanimously approved.

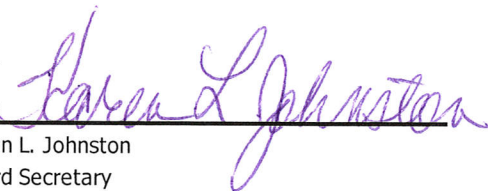
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- ➔ **Maximum Funding Level** - Acting General Manager White indicated that this item had been reviewed in the discussion of the fiscal year 2017 forecasting. He stated that he would have more information next month, and that the board needed to approve an engineer to perform the estimate for the District. Discussion of this subject followed.
- ➔ **AWWA Conference** - Acting General Manager White advised that he would like to attend the AWWA Conference, to be held in June.
- ➔ **Flint Michigan Lead Issue** - Acting General Manager White included a memo in the board packet reviewing this issue. He indicated that Mr. Ron Colangelo, Superintendent of Public Works, Zion, IL, had advised him that he had been questioned by some of the Zion citizenry as to whether this issue could occur with the drinking water provided by the District. Acting General Manager White reviewed the District's testing and safety parameters, which he had provided to the City of Zion and the Village of Winthrop Harbor. Discussion of this subject followed.

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

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Karen L. Johnston
Board Secretary