

# Minutes

## March 8, 2016- Board Meeting

On March 8, 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, Monk, Fischer, Moe, and Jaeger were present. Trustee Mitchell was absent. Trustee Ruchti arrived at 5:55 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.

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 Moe 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 February 9, 2016
- 5) Disbursements for March, 2016
- 6) Treasurer's Report for February 29, 2016
- 7) End of month February 29, 2016 Budget Report
- 8) End of month February 29, 2016 Monthly Operation Summation

### OPERATIONS & MAINTENANCE ACCOUNT March, 2016 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Feb-16	2,734.26
2921	Federal Withholding Taxes	Feb-16	4,196.36
2922	IL Department of Revenue	Monthly Remittance	1,050.58
2923	WI Department of Revenue	Monthly Remittance	489.98
7205	FICA Withholding Taxes (ER Portion)	Feb-16	2,734.26
7205	IL Dept. of Unemployment	Feb-16	155.63
7211	Commonwealth Edison	Electricity - Feb-16	46.80
7211	Dynegy Energy Systems	Electricity - Feb-16	14,113.10
7212	No. Shore Water Reclamation Dist.	Wastewater Charges	1,539.51
7215	McHenry Analytical	Sample Testing	95.00
7221	Hydrite	Chlorine Shipment	891.00
7221	Nalco	Nalclear Shipment	4,834.42
7222	Ace Hardware	Misc. Supplies	55.46
.22	Hach	Lab Supplies	384.13
7223	Novaspect	Seal for TP#1	1,703.62

# Minutes

March 8, 2016- Board Meeting

7222	Zion Auto Parts	Misc. Supplies	241.29
7225	Gordon Flesch	Maintenance Charge	36.52
7225	Klean Korner	Janitorial Services	565.00
7225	Lakeland/Larsen Elevator	Elevator Maintenance	318.64
7231	GFC Leasing	Copier Lease - Apr.	330.00
7232	AT&T	Telephone Service - Feb-16	1,282.05
7232	Verizon Wireless	Cellular Phone/Data Service - Feb-16	555.14
7234	Federal Express	Shipping Charges	45.92
7234	Graphic Partners	Envelopes	145.00
7234	Office Depot	Office Supplies	94.56
7234	Quill	Office Supplies	74.56
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	284.75
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	61.30
7235.2	Euclid Managers (Delta Dental)	Dental Insurance	557.88
35.2	Humana Choice Care	Monthly Medical Premium	6,059.36
7235.2	IL Public Risk	2nd Qtr. Work Comp	2,349.00
7235.2	Secketa, Nick	Insurance Deductible Reimbursement	78.34
7236	Pintescu, Ioan	Travel Reimbursement	34.57
7236	Thompson, Jeremy	Travel Reimbursement	14.61
7238	Ill. Municipal League	IL Municipal Review Subscription	30.00
7241	Hamlin, James	Payroll Fees - 02/10/16-03/08/16	181.75
7242	Kucera, Daniel J.	General Legal Services	4,914.90
7242	Trobe, Babowice & Assoc.	Litigation Legal Fees	5,019.50
7251	Aramark Refreshment	Coffee Service	168.15
7251	Correll Co.	Investment Services Fee	565.25
7251	City of Zion	Elevator Inspection	75.00

## FIRST BANKCARD

	Acct. 7222	Misc. Supplies	34.18
	Acct. 7223	Maintenance/Repairs	281.78
	Acct. 7225	Maintenance Service Contracts	19.00



# Minutes

March 8, 2016- Board Meeting

	Acct. 7234	Office Supplies	442.44
	Acct. 7236	Transportation	95.02
	Acct. 7237	Meetings/Seminars	498.52
	Acct. 7238	Dues/Subscriptions	117.63
	Acct. 7251	Miscellaneous	224.48
		<b>Total First Bankcard</b>	1,713.05
		<b>Grand Total - Operations</b>	\$60,820.20

## CONSTRUCTION FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7280	AIT	Prof. Services - Intake	725.00
7280	Chicago Tribune	Advertisement for Intake Bent Installation	44.80
7283	Clark Dietz	Prof. Services - Rehab #1	2,970.00
	Acct. 7237	<b>Total</b>	3,739.80

Chairman Topcik included a report in the board packet appointing the following committees, which he read to the board.

Nominating Committee:  
 Douglas Jaeger, Chairperson  
 Dorothy Mitchell

Salary Committee:  
 Chris Fischer, Chairperson  
 Amos Monk

Long Range Planning:  
 Richard Moe, Chairperson  
 Mike Ruchti

### RESOLUTIONS:

Chairman Topcik presented the following Resolution:

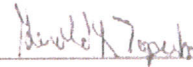
# Minutes

March 8, 2016- Board Meeting

## RESOLUTION

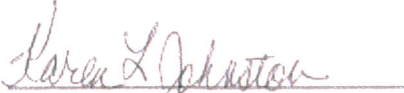
WHEREAS, pursuant to the Water Revenue Bonds, Series 2015A & Water Revenue Refunding Bonds, Series 2015B Bond Ordinance, in accordance to page 23, Section 13(e), the Board of Trustees of the Lake County Public Water District, authorizes the use of funds from the Renewal & Replacement (R&R) Account to make up any then existing shortfall in the Bond & Interest Sinking Fund Account in order to pay the May 1, 2016, principal and interest payment for the aforementioned bonds.

LAKE COUNTY PUBLIC WATER DISTRICT



Gerold L. Topcik  
Board Chairman

ATTEST:



Karen L. Johnston  
Board Secretary

PRESENTED AND READ: March 8, 2016

PASSED AND APPROVED:

ROLL CALL VOTE:

Trustees Voting Aye: G. Topcik; A. Monk; C. Fischer; R. Moe; D. Jaeger

Trustees Voting Nay: None

Trustees Absent: D. Mitchell, M. Ruchti

Chairman Topcik proceeded to explain that the purpose of the resolution was to enable the District to use funds from the R&R account to make up the deficit in the Bond & Interest Sinking Fund Account, caused by the State of Illinois budget impasse. Acting General Manager White provided documentation from the bond ordinance allowing this action. Trustee Moe made a motion to adopt the resolution, which was seconded by Trustee Fischer. Upon a roll call vote taken, Trustees, Monk, Fischer, Moe, Jaeger, and Topcik all voted in the affirmative, there were no nays and Trustees Mitchell and Ruchti were absent.

## OLD BUSINESS

- **Intake Project** - Acting General Manager White advised the board that the bid opening for the installation of the bents had taken place the morning of this board meeting. He included the bid tabulation showing the results of the bid. He reviewed the results, which showed that there were five bidders with Michels Foundations being the apparent low bidder, with a bid of \$790,000. He indicated that he would send the documents to Mr. John Callan, the District's consulting engineer, for his review and approval. Discussion of this subject followed. Acting General Manager White advised the board that the District had saved considerably by bidding in a larger quantity than had

# Minutes

---

*March 8, 2016- Board Meeting*

previously been bid. He suggested that the board approve the bid, subject to Mr. Callan's approval. Trustee Moe made a motion to accept the bid, subject to the engineer's approval, which was seconded by Trustee Jaeger, and unanimously approved.

- **Grants** - Acting General Manager White stated that he had talked with Ms. Sharon Pepin regarding the status of the FEMA grant. She advised Acting General Manager White that FEMA did not feel that the District had an emergency situation occurring and had denied the District's application. Discussion of this subject followed.
- **SCU #1 Structural Report** – Acting General Manager White included a memo regarding this subject, with a chart showing Clark Dietz' estimated costs for rehabbing SCU #1, and the previous pricing for SCU #2 and SCU#3, for comparison purposes. Trustee Ruchti arrived at 5:55 p.m. Acting General Manager White went through the charts, discussing various items with the board. Discussion of this subject followed.
- **Right of Ways** - Acting General Manager White included a memo regarding the license agreement between the District and the IDNR. He turned the floor over to Attorney Kucera to discuss further this subject. Attorney Kucera advised that the agreement was pending due to the IDNR request for a certificate of insurance naming the IDNR as an additional insured on the District's insurance policy. That certificate has been sent, and the District is awaiting receipt of the document.

Acting General Manager White also indicated that he had sent a letter, drafted by Attorney Kucera, to Mr. Wayne Rosenthal, director of the IDNR, regarding vacating the right of ways in the Bartlett subdivision. However, that no feedback had been received as of the date of this board meeting.

- **Receivable Issues** - Acting General Manager White updated the board regarding the status of payments from the State of Illinois and North Point Marina. He stated that a total of five checks had been received between these two parties since the beginning of the budget impasse. He went on to explain that there would most likely be a shortfall for the bond payment, due May 1, 2016. Discussion of this subject followed.
- **Low Lift Pump Station** - Acting General Manager White stated that he had applied for permits for the storm restoration at the low lift pump station to the IDNR, IEPA, and the Army Corps of Engineers. He proceeded to review the status of these applications. Discussion of this subject followed.
- **Fiscal Year 2017 Proposed Budget** - Acting General Manager White included a revised draft of the proposed budget for fiscal year 2017, updated from the previous month. He reviewed several key items, including payroll, a



# Minutes

---

*March 8, 2016- Board Meeting*

new copier lease, electrical costs, insurance costs, and maintenance and repair costs. Discussion of this subject followed.

- **Fiscal Year 2017 Financial Forecasting** - Acting General Manager White included an updated estimate of the R&R charges and water rate for the coming fiscal year. He indicated that the R&R charges would be going up, due to a generator that was rebuilt. He reviewed expense items and their effect on the forecasts. Discussion of this subject followed.
- **Maximum Funding Level** - Acting General Manager White included a letter from Clark Dietz giving their updated estimate of the replacement cost of the District's plant facilities. The updated replacement cost is \$23,788,000, up 2.25% from the previous year of \$23,264,000. An additional letter from Clark Dietz, also stated that the District should consider having a detail cost study done, as the replacement cost had been done using the construction cost index for the past few years. Discussion of this subject followed. Trustee Jaeger made a motion to accept Clark Dietz' replacement cost valuation, which was seconded by Trustee Monk, and unanimously approved.

Trustee Ruchti 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, and regarding Solids Contact Unit #2, Trustee Jaeger made a motion subject to the preparation and execution of a written settlement agreement between the District and Tecorp, the District approves the offer of Tecorp to settle the claims of the District against Tecorp based upon the letter of Tnemec dated 3/1/16, as modified by the comments of KTA, dated 3/7/16, in connection with application of series 22 epoxy paint on the interior walls of the tank and subject to a request as to whether Tecorp is willing to follow the recommendations of KTA, in the 2nd paragraph of that email from KTA concerning the rake arms, still wet well skirt, and center column with the District possibly participating in reasonable extra costs for those components, which was seconded by Trustee Moe, and unanimously approved.

Regarding Solids Contact Unit #3, Trustee Jaeger made a motion that the District approves the draft written settlement agreement in form substantially as presented to the District at this meeting. Also, to authorize the board chairman to sign the settlement agreement in its final form, subject to review and approval of the District's attorney. He further moved to authorize the board chairman to sign related documents, such as the release and non-disclosure agreement. The motion was seconded by Trustee Fischer and unanimously approved.

*NEW BUSINESS*

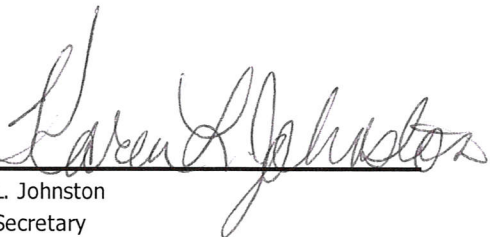
# Minutes

---

*March 8, 2016- Board Meeting*

- **Health Insurance-** Acting General Manager White advised that he had received renewal quotes on the health insurance from Mr. Jason Koperny of West's Insurance. Acting General Manager White included a memo regarding this subject, and a chart outlining the options. Acting General Manager White reviewed the different options, which included retaining Humana, and the option of moving to Blue Cross/Blue Shield. He advised that Mr. Koperny would be present at the April board meeting to answer any questions. He also stated that Mr. Koperny had asked Humana for some rate relief, but was unsuccessful. Discussion of this subject followed.
  
- **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.

X 

Karen L. Johnston  
Board Secretary