

Minutes

April 12, 2016- Board Meeting

On April 12, 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, Fischer, and Jaeger were present. Trustees Monk, Ruchti, and Moe were absent. Also present were Acting General Manager Don White, Consultant/Treasurer Arlyn Albrecht, Administrative Assistant/Board Secretary Karen Johnston, and District Attorney Dan Kucera. Mr. Jason Koperny of West's Insurance was present as guest speaker.

Chairman Topcik stated that the meeting would start with the presentation of medical insurance from Mr. Koperny, and turned the floor over to him. Mr. Koperny reviewed the renewal rates with the current carrier, Humana. He indicated that there had been an increase of 10.16% over last year. He also provided quotes with deductible and plan options through both Humana and Blue Cross/Blue Shield. He explained the various plans, highlighting the coverage differences with each. Discussion of this subject followed, with Mr. Koperny taking questions from the board members regarding coverage and deductible issues. After this discussion, the board agreed that the Blue Cross/Blue Shield S502PPO was the most reasonable plan at this time. Trustee Fischer made a motion to move the health insurance for the District's employees to Blue Cross/Blue Shield with their S502PPO plan and a \$6,000 per person deductible, which was seconded by Trustee Mitchell, and unanimously approved.

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 Mitchell and unanimously carried.

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

OPERATIONS & MAINTENANCE ACCOUNT April, 2016 - Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Mar-16	2,754.51
2921	Federal Withholding Taxes	Mar-16	4,449.53
2922	IL Department of Revenue	Monthly Remittance	1,020.12
2923	WI Department of Revenue	Monthly Remittance	557.98

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7205	FICA Withholding Taxes (ER Portion)	Mar-16	2,754.51
7205	IL Dept. of Unemployment	Mar-16	71.18
7211	Commonwealth Edison	Electricity - Mar-16	89.11
7211	Dynegy Energy Systems	Electricity - Mar-16	11,535.10
7215	McHenry Analytical	Sample Testing	90.00
7221	Hydrite	Chlorine Shipment	891.00
7221	Usalco	Aluminum Sulfate	6,272.68
7222	Hach	Lab Supplies	1,337.05
7222	Millipore	Lab Supplies	675.52
7223	K. Erickson Designs	Snowplowing	280.00
7223	Lakeland/Larsen Elevator	Pressure Test	210.00
7223	Newark	Maintenance Supplies	86.02
7223	Vortex Technologies	Flow Monitor Calibration	830.00
7222	USA Blue Book	Misc. Supplies	63.32
7225	Evoqua	Maintenance Charge	487.00
7225	Gordon Flesch	Maintenance Charge	16.16
7225	Klean Korner	Janitorial Services	565.00
7231	GFC Leasing	Copier Lease - May-16	330.00
7232	AT&T	Telephone Service - Mar-16	1,282.05
7232	Verizon Wireless	Cellular Phone/Data Service - Mar-16	558.51
7234	Federal Express	Shipping Charges	31.36
7234	GoFlo	Web Hosting & Maintenance	400.00
7234	Office Depot	Office Supplies	370.09
7234	Quill	Office Supplies	47.87
7235.1	West's Insurance Agency	2016 Public Officials Bond Renewal	1,500.00
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

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7235.2	Blue Cross/Blue Shield	May-16 Health Insurance	6,212.06
7235.2	Sunlife Financial	2nd Qtr. Disability	1,927.93
7235.2	Secketa, Nick	Insurance Deductible Reimbursement	3,043.29
7235.2	Thompson, Jeremy	Insurance Deductible Reimbursement	3,725.71
7236	White, Don	Travel Reimbursement	276.48
7237	White, Don	Meeting Reimbursement	4.61
7238	IEPA	Certification Program Renewal	10.00
7241	Hamlin, James	Payroll Fees - 03/09/16-04/12/16	266.31
7242	Kucera, Daniel J.	General Legal Services	3,934.90
7242	Trobe, Babowice & Assoc.	Litigation Legal Fees	5,137.01
7251	Cintas	First Aid Supplies	133.56

FIRST BANKCARD

	Acct. 7222	Misc. Supplies	70.77
	Acct. 7225	Maintenance Service Contracts	38.00
	Acct. 7234	Office Supplies	24.99
	Acct. 7236	Transportation	108.39
	Acct. 7237	Meetings/Seminars	549.76
	Acct. 7238	Dues/Subscriptions	87.00
		Total First Bankcard	878.91
		Grand Total - Operations	\$66,010.37

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R&R

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7281	Clark Dietz	Prof. Serv. - Generator Rebuild/VFD	1,288.75
7282	Campanella & Sons	Install Valve Vault	10,629.80
7285	Cummins Npower	Rebuild of generator	18,552.19
		Total	30,470.74

CONSTRUCTION FUNDS

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2955	US Bank	Principal - May-16 - Series 2009	290,000.00
2957	Gurnee Community Bank	Principal - May-16 - Series 2015	22,000.00
7280	Chase Commercial Diving	Bent Inspection 2016	320.00
7352	US Bank	Misc. Bank Fees - Bond Issue	350.00
7421	Gurnee Community Bank	Interest - May-16 - Series 2015	87,325.00
7421	US Bank	Interest - May-16 - Series 2009	11,800.00
		Total	411,795.00

Chairman Topcik asked if any committees had reports to present. Trustee Fischer briefly discussed his report on cash flow, relating that revenue and expenses both look to be down at the end of the fiscal year.

Trustee Mitchell made a motion to move into executive session to discuss personnel issues, which was seconded by Trustee Jaeger, and unanimously approved.

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

Upon leaving executive session, Trustee Fischer made a motion to increase Acting General Manager White's salary by 2.5%, which was seconded by Trustee Mitchell, and unanimously approved.

The nominations committee then proceeded to present their recommendations as follows:

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- ✚ Acting General Manager Donald White to be promoted to General Manager and remain responsible operator in charge. There will be no operations manager at this time.
- ✚ Board Chair - Gerold Topcik
- ✚ Vice Chair - Douglas Jaeger
- ✚ Board Secretary - Karen Johnston
- ✚ District Attorney - Daniel Kucera
- ✚ Primary Consulting Engineer - Clark Dietz, Inc.
- ✚ Interim Treasurer - Donald White

The board discussed that the treasurer position would be filled by an outside person, and that Donald White would be the interim treasurer until that time. Trustee Fischer made a motion to accept the above nominations, which was seconded by Trustee Mitchell, and unanimously approved.

RESOLUTION

Chairman Topcik presented the following resolution, and after discussion, the board agreed that Acting General Manager White be made the trustee of the plan. Trustee Mitchell made a motion to adopt the Correll restated Profit Sharing Plan, with Acting General Manager White as the trustee of the plan, which was seconded by Trustee Fischer, and unanimously approved. Upon a roll call vote taken, Trustees Mitchell, Fischer, Jaeger, and Topcik all voted in the affirmative, there were no nays and Trustees Ruchti, Monk, and Moe were absent.

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Resolution

WHEREAS, Lake County Public Water District (the "Employer") maintains the **Lake County Public Water District Profit Sharing Retirement Plan** (the "Plan");

WHEREAS, the Employer desires to amend and restate said Plan to comply with the Pension Protection Act of 2006 (PPA); the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART); Worker, Retiree, and Employer Act of 2008 (WRERA); and the final regulations issued under Section 415 of the Internal Revenue Code;

WHEREAS, the Employer deems the Adoption Agreement, Plan document, Trust agreement, and amendments, as contained in the attached documents, to be suitable for purposes aforesaid;

NOW, THEREFORE, on this 12th day of April, 2016, the undersigned hereby:

1. Adopt for the Employer the amendment and restatement of the **Lake County Public Water District Profit Sharing Retirement Plan**, as contained in the attached documents, to be effective as provided therein.
2. Authorize _____, the duly authorized officer of the Employer, to execute the Adoption Agreement on behalf of the Employer.
3. Designate the Employer as the Plan Administrator.
4. Authorize the Plan Administrator to adopt such procedures and policies as necessary for the Plan.
5. Appoint Don White as the Trustee(s) of the Plan.
6. Designate the 12-consecutive-month period ending on April 30 as the Plan's limitation year.

Signatures

Gerold L. Topcik
Gerold L. Topcik, Board Chairman

Douglas Jaeger
Douglas Jaeger, Vice-Chairman

Dorothy Mitchell
Dorothy Mitchell, Trustee

Absent
Amos Monk, Trustee

Christopher Fischer
Christopher Fischer, Trustee

Absent
Michael Ruchti, Trustee

Absent
Richard Moe, Trustee

Upon a roll call vote taken, Trustees Mitchell, Fischer, Jaeger, and Topcik all voted in the affirmative, there were no nays and Trustees Monk, Ruchti, and Moe were absent.

OLD BUSINESS

- **Intake Project** - Acting General Manager White advised the board that Mr. John Callan of AIT had reviewed and approved Michels Foundations bid documents, the apparent low bidder on this project. Acting General Manager White requested that Mr. Brad West, of West's Insurance review

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the documents as well. Mr. West suggested that a builders' risk policy for the project would be in order. Acting General Manager White contacted Michels Foundations and asked that they provide a price for this insurance. The price will be \$424.00. As this was not in the original bid document, Acting General Manager White requested approval of a change order from the board. He proceeded to discuss the opportunity to install five additional bents this year, and made a presentation outlining the cost savings for doing so. Discussion of this subject followed. Trustee Jaeger made a motion to approve the manufacturing and installation five additional bents for the current year, as well as waiving the liquidated damages on those bents, and to approve the builders' risk insurance, which was seconded by Trustee Fischer, and unanimously approved.

- **SCU #1** - Acting General Manager White explained that the District had originally planned to install tube settlers in Solids Contact Unit #2. However, this unit will be repainted by Tecorp, and providing a one-year warranty on that work, which could be jeopardized by the installation of the tube settlers. Acting General Manager White suggested that the tube settlers be installed in Solids Contact Unit #1, as it is already scheduled for rehabilitation work. Acting General Manager White also provided a chart with an estimate of the work. He indicated that he would be investigating this work and will provide firmer numbers at a later date. Discussion of this subject followed.
- **Right of Ways** - Acting General Manager White indicated that this was a two-part issue. The first was regarding the license agreement between the District and the IDNR for ingress/egress. The attorney for the IDNR acknowledged that all requests had been met, and that a signed copy of the agreement would be sent to Attorney Kucera. However, the document he received was unsigned, and was sent back to the IDNR for correction.

The second issue was regarding the vacation of the right of ways in the Bartlett subdivision. After district representatives met with the IDNR regarding this subject, the IDNR requested additional information, which Acting General Manager White provided. He indicated that he is still waiting for a response from the IDNR. Discussion of this subject followed.

Trustee Mitchell made a motion to move into executive session to discuss potential litigation regarding receivable issues, which was seconded by Trustee Jaeger, and unanimously approved.

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

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Trustee Mitchell made a motion that legal action be taken to deal with the issue of unpaid billings to the State of Illinois, and direct that Attorney Kucera discuss the issue with Attorney Babowice to explore legal action, which was seconded by Trustee Fischer, and unanimously approved.

- **Bond Payment** - Acting General Manager White discussed the possible shortfall in the Bond & Interest Sinking fund account, due to the State of Illinois not making their water usage payments. He discussed the current status of the account, with and without the outstanding payment due from the Village of Winthrop. Discussion of this subject followed.
- **Low Lift Pump Station** - Acting General Manager White apprised the board of the status of the permits for the storm restoration at the low lift pump station that were submitted to the IDNR, IEPA, and the Army Corps of Engineers in February. He indicated that the IDNR requested more information on the repairs, which he has provided. He also advised that the Nature Preserves Commission has concerns regarding work being performed in this area. He went on to explain that a permit was obtained in 1998 for the same type of work, and is hopeful this work would fall under this same permit. Discussion of this subject followed.
- **Fiscal Year 2017 Proposed Budget** - Acting General Manager White included a new revised draft of the proposed budget for fiscal year 2017, updated from the previous month. He indicated that the only significant items were electrical costs, as Nimec had raised the rate, and lab fees, due to cryptosporidium testing. After the earlier vote on the new health insurance program, the board agreed that the personnel insurance costs could remain at \$140,000, and Trustee Fischer made a motion to approve the Fiscal Year 2017 budget as presented, with the exception of changing the personnel insurance to \$140,000, which was seconded by Trustee Jaeger, and unanimously approved.
- **Fiscal Year 2017 Financial Forecasting** - Acting General Manager White included a memo with updated estimates of the R&R charges and water rate for the coming fiscal year. He reviewed the charts, discussing various R&R projects. 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* * * * * *

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Upon leaving executive session, and regarding Solids Contact Unit #2, Trustee Mitchell made a motion, which the District approves the settlement and release agreement dated April 12, 2016 by and between the District, and Tecorp, and authorizes Board Chairman Topcik to sign the agreement on behalf of district, which was seconded by Trustee Fischer, and unanimously approved.

Regarding Solids Contact Unit #3, Trustee Fischer made a motion that the District in connection with settlement and release agreement proposed to litigation on Solids Contact Unit #3, reject the two modifications proposed by the defendant Westech, specifically the modification proposing indemnification provision 2a, and the separate check provision in connection with paragraph 2b, of draft settlement agreement, which was seconded by Trustee Mitchell, and unanimously approved.

NEW BUSINESS

- **New Copier Lease** - Acting General Manager White advised that the lease on the current copier was ending in June. He stated that proposals had been solicited from three companies, including the current company, Gordon Flesch. A chart had been included with those proposals. Gordon Flesch and Hansen and Associates provided quotes for the same machine which is the updated version of the one currently leased by the District. The third provided a quote on a different brand, but not one that Acting General Manager White felt was comparable to the current model. He recommended Hansen and Associates for both price and locality of this business. Trustee Jaeger made a motion to accept the proposal of Hansen & Associates for the lease on a new Sharp copier, which was seconded by Trustee Fischer, and unanimously approved.
- **Baxter & Woodman** - Acting General Manager White included a copy of the new services agreement for the SCADA system. He discussed the differences in the contract, and discussion of this subject followed. Trustee Mitchell made a motion to accept the Baxter & Woodman services contract, which was seconded by Trustee Jaeger, and unanimously approved.

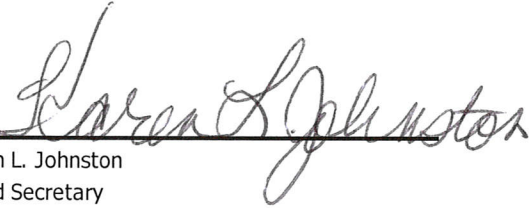
Attorney Kucera left the meeting at 9:10 p.m.

- **Long Range Plan** - Acting General Manager White included a chart with various projects for the District. The chart included, but was not limited to, generators, meters, and the variable frequency drive #2. He discussed the condition of several of items with the board, and the need for possible repair or replacement in the future.

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

X 

Karen L. Johnston
Board Secretary