

# Minutes

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## *March 14, 2017– Board Meeting*

On March 14, 2017, 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 General Manager Don White and Administrative Assistant/Board Secretary Karen Johnston. District Attorney Dan Kucera was present via telephone. Mr. Jason Koperny of West’s Insurance Agency was present as a guest speaker.

Chairman Topcik stated that Jason Koperny of West’s Insurance Agency was present as a guest speaker to discuss the May 1, 2017 health insurance renewal. Jason began by advising the board that there was quite an increase in premium. He also let the board know that the reasons for the large increase have nothing to do with the District, itself. The increases had affected all small group plans in Lake County, and Cook County as well. He went on to explain that the higher deductible plans had received larger increases than the lower deductible plans. He also indicated that this could be attributed to healthcare reform in general, that the impact was now being seen.

Jason went on to explain that he was providing an option that could help lower the cost compared with the current plan. He reviewed the limits of the current policy and compared them with the proposed option, Blue Choice. He went on to explain that the Blue Choice plan has three networks. He advised that the District currently uses the large PPO network as its main network, and there is also the out-of-network. The Blue Choice plan has the Blue Choice network, the large PPO network, and the out-of-network. He explained that the Blue Choice network is a very small network that has only Vista and then Northwest Community Hospital, if the District’s employees are able to utilize doctors or providers in the Blue Choice network, there will be lower office copays, lower deductibles, and lower out-of-pockets. As the District is at the top of the line for deductibles, this is the only way to start reducing premiums. However, he indicated that this option would probably not work for the people out of Illinois, as they would have to drive to Vista, or Northwest Community all the way in Arlington Heights. Jason indicated that the current plan was approximately \$1,000 per month increase. The Blue Choice option was about a \$300 per month increase. With the current plan, the board reimburses the deductible, but with the Blue Choice option there is the deductible, but as the coinsurance on this plan is 70%, there is an additional out-of-pocket. He explained by giving an example: on the current plan there is a \$6,000 deductible; on the Blue Choice option there is a \$1,000 deductible, but the individual then the individual has a \$2,500 out-of-pocket maximum, so an additional \$1,500 after that deductible. If they have to utilize the PPO network, they would have a \$2,500 deductible, with a \$5,500 out-of-pocket for that individual. Jason stated that since the District reimburses the deductible now, he did not know if the District would reimburse on the out-of-pocket as well. Chairman Topcik asked for clarification of the three columns (options) in the Blue Choice. Jason explained as follows: the first was the Blue Choice as the preferred network; the second was the PPO as the middle network, and then the normal out-of-network. When the Blue Choice is utilized, then needed to use a doctor or provider in the PPO network, they would not meet two deductibles, but the Blue Choice deductible would roll over into the PPO deductible and total out-of-pocket.



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Chairman Topcik asked what the highlighted portions were. Jason explained that currently there was a flat hospital access fee of \$250 for inpatient, and \$200 for outpatient. He indicated that with the options plan, in addition to the hospital access fee, there would be applicable coinsurance. General Manager White reiterated that this plan is only available for employees that live in Illinois and the District has two employees that live in Wisconsin. Jason indicated that those employees would not have the option of utilizing the Blue Choice option, but would go automatically into the PPO option. Jason took questions from the board, and discussion of this subject followed. Jason left the meeting at 6:25. The board continued to discuss this subject, and decided to revisit the subject at the April board meeting.

Chairman Topcik indicated that he would accept a motion to place the following items on a consent agenda and to accept that consent agenda, but that he would like to withdraw the MOS report for discussion. Trustee Fischer made the motion to place the following items on the consent agenda, and approve the consent agenda, which was seconded by Trustee Jaeger and unanimously carried.

- 4) Minutes of February 14, 2017
- 5) Disbursements of March, 2017
- 6) Treasurer's Report for February 28, 2017
- 7) End of month February 28, 2017 Budget Report

Chairman Topcik asked General Manager White about the changes in the percentages of water sold by the District's customers. General Manager White explained that the water usage by the Marina was down as the hydrant leak was repaired, and it had been leaking significantly. Chairman Topcik asked how much water had been lost. General Manager White stated approximately 10 million gallons. General Manager White proceeded to discuss other factors that were involved, such as main break repairs. Discussion of these subjects followed.

Trustee Moe made a motion to approve the February 2017 MOS report, which was seconded by Trustee Jaeger, and unanimously approved.

### OPERATIONS & MAINTENANCE ACCOUNT March, 2017 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Feb-17	2,327.98
2921	Federal Withholding Taxes	Feb-17	3,457.97
2922	IL Department of Revenue	Monthly Remittance	681.25
2923	WI Department of Revenue	Monthly Remittance	497.54
7205	FICA Withholding Taxes (ER Portion)	Feb-17	2,327.98
7205	IL. Dept. Employment Security	Feb-17	122.89
7211	Commonwealth Edison	Electricity - Feb-17	67.49

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7211	Dynergy Energy Systems	Electricity - Feb-17	14,531.98
7215	Eurofins Eaton Analytical	Sample Testing	395.00
7215	McHenry Analytical	Sample Testing	65.00
7221	Hydrite	Chlorine Shipment	891.00
7221	Mosaic	Fluorosilicic Acid	7,217.30
7221	Nalco	Nalclear Shipment	4,834.42
7222	Applied Industrial Technologies	Misc. Supplies	395.33
7222	CCP Industries	Misc. Supplies	436.73
7222	Grainger, W.W.	Misc. Supplies	26.19
7222	Graybar	Misc. Supplies	300.25
7222	Hach	Lab Supplies	840.96
7223	Erickson, C. Design	Snowplowing & Salting	1,497.51
7223	Becker's Landscaping	Tree Removal	1,875.00
7223	Lakeland/Larsen Elevator Corp.	Annual Pressure Test	210.00
7223	SKF USA, Inc.	Quarterly Vibration Test	1,092.00
7223	Vortex Technologies	Meter calibration	830.00
7225	Hansen Associates	Apr-16 Copier Service Agreement	95.00
7225	Klean Korner	Janitorial Service	565.00
7225	Lakeland/Larsen Elevator Corp.	Elevator Maintenance	318.64
7231	DeLage Landen Financial Services	Apr-16 Copier Lease	124.12
7232	AT&T	Telephone Service - Feb-17	1,474.97
7232	Verizon Wireless	Cellular Phone/Data Service	565.78
7234	Federal Express	Shipping Charges	47.87
7234	Office Depot	Office Supplies	235.34
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	71.00
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	284.75
7235.2	Blue Cross/Blue Shield	Apr-17 Health Insurance	6,022.74
7235.2	Euclid Managers (Delta Dental)	Apr-17 Dental Insurance	494.14
7235.2	Humana	Apr-17 Vision/AD&D	100.29
7235.2	Ill. Public Risk	Work Comp - 2nd Qtr. 2017	2,499.00
7238	Ill. Municipal Review	2017 Subscription Renewal	30.00
7241	Hamlin, James	Payroll Fees - Feb-17	188.61
7242	Kucera, Daniel	General Legal Services Feb-17	2,655.00
7242	Trobe, Babowice & Assoc.	Solids Contact Unit #2 Litigation	793.00
7251	Aramark	Uniforms	794.60
7251	Correll Co.	Qtrly. Services ending 1/31/17	568.25
7251	Zion, City of	Elevator Inspection	100.00



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## FIRST BANKCARD

	Acct. 7222	Misc. Supplies	85.97
	Acct. 7223	Maintenance & Repairs	361.84
	Acct. 7225	Maintenance Service Contracts	19.00
	Acct. 7232	Telephone	64.80
	Acct. 7234	Office Supplies	180.70
	Acct. 7236	Transportation	118.23
	Acct. 7237	Meetings/Seminars	802.53
	Acct. 7238	Subscriptions/Dues	306.48
		<b>Total First Bankcard</b>	1,939.55
		<b>Grand Total - Operations</b>	<b>\$64,889.42</b>

## R&R FUNDS

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7289	Clark Dietz	VFD#1 Replacement	312.50
		<b>Total</b>	<b>\$312.50</b>

## CONSTRUCTION FUNDS

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7280.03	Clark Dietz	FY2018 Bent Installation Specs	437.50
7280.3	Chase Diving	Prototype Bent Inspection	628.00
7283	Clark Dietz	Solids Contact Unit #1	3,750.00
		<b>Total</b>	<b>\$4,815.50</b>

Chairman Topcik asked if any committees had reports to present, which they did not.

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Chairman Topcik appointed the following committees, per his letter passed out at the February board meeting:

**Nominations Committee:**

Trustees: Amos Monk, Chairperson  
Chris Fischer

**Salary Committee:**

Trustees: Dorothy Mitchell, Chairperson  
Douglas Jaeger

**Long Range Planning:**

Trustees: Michael Ruchti, Chairperson  
Richard Moe

- **Intake Project** - General Manager White advised the board that this project went out for bid the previous day. He stated that two bids had been received, from Luedtke Engineering, and Michels Corporation. General Manager White included the bid tab form, which showed both bids. Luedtke's bid was \$717,800; Michel's bid was \$642,800. He went on to state that the low bid was approximately \$120,000 lower than he had anticipated. He asked the board to approve the bid of the apparent low bidder, Michel's Corporation, for \$642,800. Discussion of this subject followed. Trustee Jaeger made a motion to approve the bid of Michels Corporation for \$642,800, which was seconded by Trustee Fischer, and unanimously approved.
- **Rehabilitation Solids Contact Unit #1** – General Manager White reviewed the status this project with the board. He indicated that one set of drawings had been received for the dome, and that he was still waiting for the drawings for the tube settlers. General Manager White stated that he had previously discussed having the same type of insulation panels installed on Solids Contact Unit #2, as the warranty is over, and it has started peeling. He directed the board's attention to his memo that outlined the various options provided by Clark Dietz. He stated that Clark Dietz had recommended doing option #1, at the very least. They also suggested possibly doing more if the District could afford it, as bidding for this work later could result in higher prices. Discussion of this subject followed. Attorney Kucera expressed some concern regarding the work being performed as a change order, and would research this subject. General Manager White indicated that he would research the total cost of the project.
- **Zion Pump Station Generator** – General Manager White stated that the board had explored replacing this generator at the February board meeting. Clark Dietz had provided a preliminary report with three fuel options for the new generator. General Manager White felt that the report recommended using diesel and discussed the

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reasons for this decision. General Manager White also mentioned that the City of Zion, at the recent Technical Committee Meeting, discussed the possibility of placing the new generator outside. Discussion of these subjects followed. Trustee Jaeger made a motion to move forward on this project with a diesel generator, which was seconded by Trustee Fischer, and unanimously approved.

- **Winthrop Harbor Meter Pits** – General Manager White stated that he had received a quote of \$18,000 per pit, from Michels Corporation for this project. He further stated that Visu-Sewer of Illinois had already provided a much lower price of \$14,455 for all four pits, and this is Visu-Sewer’s line of business. For this reason, General Manager White indicated that he would be choosing with Discussion of this subject followed.
- **Solids Contact Unit #2** – General Manager White stated there was nothing new to report regarding this issue.
- **Electrical Pricing** – General Manager White stated that the representative for the District went out for bid on March 8, and that Dynegy was still the lowest. Based on that information, which General Manager White included in the board packet, Chairman Topcik and General Manager White chose a three-year contract. The board previously gave General Manager White the authority to sign the contract; however, Attorney Kucera advised that it needed to be ratified. Chairman Topcik read the following resolution:



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## RESOLUTION

WHEREAS, by Resolution adopted by the Board of Trustees of the District January 10, 2017, the District authorized the General Manager to execute a contract for electric service requirements of the District with the lowest cost electricity provider identified as a result of the Northern Illinois Municipal Collaborative ("NIMEC") 2017 bidding process; and

WHEREAS, as a result of the NIMEC 2017 bidding process, the General Manager executed an Electric Services Agreement dated March 9, 2017 with Dynegy Energy Services, LLC, the lowest cost electricity provider, for a three year term, a copy of which Agreement is attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE DISTRICT that the Electric Services Agreement attached hereto be and hereby is ratified and approved.

LAKE COUNTY PUBLIC WATER DISTRICT

(CORPORATE SEAL)

  
Gerold L. Topcik  
Chairman, Board of Trustees

ATTEST:

  
Karen L. Johnston  
Secretary, Board of Trustees

PRESENTED AND READ: March 14, 2017  
PASSED AND APPROVED: March 14, 2017

ROLL CALL VOTE:

Trustees voting aye:  
Trustees voting nay:  
Trustees abstaining:  
Trustees absent:

MOTION CARRIED

➤ **Tentative Budget** – General Manager White presented another draft budget for fiscal year 2018. The following line items were significant in this draft:

- Electricity – Increased due to new contract pricing.
- Wastewater Charges– North Shore raised their rates 40%.
- Office Supplies – New server; several new PC's.
- Legal Fees – Can be decreased as litigation is coming to an end.

Discussion of budget followed. General Manager White stated that he would have a finalized version next month.

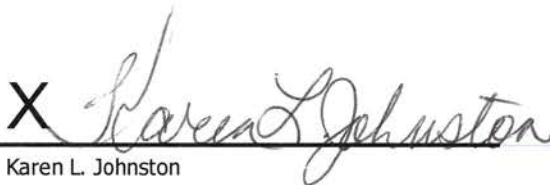
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- **Right of Ways** – General Manager White stated that he had met with Tom Foley and John Boldt of Clark Dietz to discuss this subject. He provided a map for the board to see where the suggested line would be located. He indicated that John Boldt had come up with an alternate route that could be more favorable to the IDNR. General Manager White included a report from Clark Dietz and advised that board that proposed amount for the study is \$7,500. Discussion of this subject followed. Trustee Jaeger made a motion to approve the contract with Clark Dietz for this study, which was seconded by Trustee Monk, and unanimously approved.
- **Maximum Funding Level - R&R Account** – General Manager White included charts showing the impact of including or excluding the bents in the maximum funding level for the R&R account. He reviewed with the board the calculation of the refund/charge to the R&R account, and how that charge would affect the amount billed to the District’s customers. Discussion of this subject followed.
- **Health Insurance Benefits** – Chairman Topcik discussed the information provided by Jason Koperny of West’s Insurance previously in the meeting. The board discussed the impact on the employees of changing plans. In addition, the topics of employee contributions and a possible cafeteria plan were discussed. No decision was made, and the board decided to discuss it further at next month’s board meeting.
- **Technical Review Committee Meeting** – General Manager White advised the board that he and Chairman Topcik had had a meeting with Mr. Ron Colangelo of the City of Zion. Mr Tim Nearingard had planned to attend, however, due to a weather emergency, was unable to be present. The various projects in progress at the District were discussed, in particular the intake bents, the revetment, and the Zion generator replacement. Discussion of this subject followed.

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

X 

Karen L. Johnston  
Board Secretary