

Minutes

June 19, 2018– Board Meeting

On June 19, 2018, 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, Walsh, and Moe were present. Trustees Mitchell and Jaeger were absent. Trustee Ruchti arrived at 6:20 p.m. Also present were General Manager Don White and Administrative Assistant/Board Secretary Karen Johnston, and District Attorney Dan Kucera. Present, as guest speakers were Ms. Cheryden Juergensen and Mr. Ethan Poglese of Eder, Casella & Co.

Chairman Topcik stated that the first item would be the presentation of the annual audit report and supporting documents for fiscal year ending April 30, 2018, by the auditing firm of Eder, Casella & Co. He introduced Ms. Cheryden Juergensen and Mr. Ethan Poglese, who accumulated and reviewed the financial information at the District's offices, to produce the audit.

Eder Casella & Co. had provided a draft of the final audit for the board's review. Ms. Juergensen first explained that Milburn Cain & Co., the District's previous auditors had merged with the firm of Eder Casella & Co. She stated that the audit went very well, and that everything had been ready for them to perform the audit. She indicated that there were items to review, and would then take questions.

Ms. Juergensen first presented the auditor's opinion, explaining that it was an unmodified opinion, which means that based on all of testing they were able to obtain reasonable assurance that the financial statements were fairly presented. She indicated that this is best opinion the District could have under accounting standards. She then discussed the internal controls, on which they do not give an opinion, but do look at those in depth. She proceeded to discuss the management discussion and analysis, which is a brief overview of what occurred during the year.

She proceeded to go through each financial statement, explaining them, and pointing out the following highlights:

- The results of operations for the year resulted in an operating income of \$851,088. After considering interest and other income and expense, the net result for the year was a \$698,524 net income.
- The 2018 demand for water decreased 4.45% from 2017 levels to 846,718,000 gallons. The District had delivered 886,160,000 gallons in 2017.
- The District's net position increased during the year, which ended April 30, 2018 by \$698,524 from the 2017 balance of \$4,885,114 to the 2018 balance of \$5,583,638.
- Maintenance and repair expenses for 2018 were \$54,422 less than the 2017 total. This is due to significant new constructions.
- Legal fees decreased from \$54,335 in 2017 to \$41,041 in 2018, a reduction of \$13,294.
- Depreciation expense decreased \$61,942 due to older items being fully depreciated.
- The 2019 delivery rate calculation is \$1.633 per 1,000 gallons.
- There is a refund of \$239,108, to be allocated to the customers based on delivered gallons of water actually billed.

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- The amount needed to fully fund the R&R account is \$225,236.

Ms. Juergensen indicated that currently no new standards that would affect the District; however, there will be next year, related to post retirement benefits. She indicated that the books were in good shape, and very few adjusting journal entries needed to be made. She then took questions from the board, discussing the various reports, charges, and highlights of the audit.

Trustee Moe made a motion to approve the audit as presented, which was seconded by Trustee Walsh. Chairman Topcik asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously. Ms. Juergensen and Mr. Poglese left at 6:00 p.m.

Trustee Walsh made a motion to approve the pension contribution of 17% for fiscal year 2019, which was seconded by Trustee Monk; Chairman Topcik asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

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. Chairman Topcik asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

- 5) Regular & Executive Session Minutes of May 8, 2018
- 6) Disbursements of June 2018.
- 7) Treasurer's Report for May 31, 2018
- 8) End of month May 31, 2018 Budget Report
- 9) End of month May 31, 2018 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT June, 2018 – Disbursements

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	May-18	2,926.03
2921	Federal Withholding Taxes	May-18	4,457.82
2922	IL Department of Revenue	Monthly Remittance	1,251.09
2923	WI Department of Revenue	Monthly Remittance	484.09
7205	FICA Withholding Taxes (ER Portion)	May-18	2,926.03
7211	Commonwealth Edison	Electricity - May-18	77.30
7211	Dynegy Energy Systems	Electricity - May-18	21,335.60
5	Eurofins Eaton Analytical	Sample Testing	395.00
7215	PDC Laboratories	Sample Testing	1,202.50

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21	Hydrite	Chlorine Shipment	891.00
7221	Usalco	Aluminum Sulfate	6,618.59
7222	Ace Hardware	Misc. Supplies	113.18
7222	Applied Industrial Technologies	Misc. Supplies	434.51
7222	CCP Industries	Misc. Supplies	74.42
7222	Cintas	First Air Supplies	79.23
7222	Hach	Lab Supplies	755.06
7223	Drydon Equipment, Inc.	Maintenance Supplies	4,708.88
7223	Grainger, W.W.	Maintenance Supplies	148.91
7223	Graybar	Maintenance Supplies	120.00
7223	Newark	Maintenance Supplies	111.68
7223	Smith Ecological Systems Co.	Maintenance Supplies	1,690.82
7225	Erickson, C. Designs	Landscape Maintenance	1,320.00
7225	Hansen Associates	Jul-18 Copier Service Agreement	95.00
7225	Klean Korner	Janitorial Service	565.00
7225	Lakeland/Larsen Elevator Corp.	3rd Qtr. Elevator Maintenance	328.84
7231	DeLage Landen Financial Services	Jul-18 Copier Lease	124.12
7232	AT&T	Telephone Service - May-18	1,228.99
7232	Verizon Wireless	Cellular Phone/Data Service	569.08
7235.1	West's Insurance Agency,	2018 Facilities Insurance	62,968.00
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	301.00
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	81.80
7235.2	Blue Cross/Blue Shield	Jul-18 Health Insurance	7,055.19
7235.2	Dearborn National	Jul-18 Life/AD&D	63.00
7235.2	Euclid Managers (Delta Dental)	Jul-18 Dental Insurance	488.98
7235.2	Illinois Public Risk Fund	3rd Qtr. Workers Compensation	2,299.00
7235.2	Johnston, Karen	Deductible Reimbursement	485.21
7236	White, Don	Travel Reimbursement	44.15
7241	Eder, Casella & Co.	FY18 Audit -Progress bill	16,000.00
7241	Hamlin, James	Payroll Fees - May-18	200.99
7242	Kucera, Daniel	General Legal Services May-18	5,805.00
7242	Trobe, Babowice & Assoc.	Legal Services - Solids Contact Unit #1	518.50
7243	Clark Dietz	2018-2019 Consulting Services	900.00

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51	Correll Co.	Investment advisory service fee	654.25
7255	Correll Co.	Pension - May-18	6,500.41

FIRST BANKCARD

	Acct. 7223	Maintenance/Repairs	844.89
	Acct. 7225	Service Contracts	44.00
	Acct. 7232	Telephone Expense	65.95
	Acct. 7234	Office Supplies	1,119.99
	Acct. 7236	Transportation	144.28
	Acct. 7237	Meetings/Seminars	209.29
		Total First Bankcard	2,428.40
		Grand Total - Operations	\$153,253.49

CONSTRUCTION FUNDS

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7283	Clark Dietz	SCU #1 Structural Rehab/Tube Settler	15,455.00
7283	Henderson, J.J.	SCU#1 Payout	102,261.85
		Grand Total - Operations	\$117,716.85

R&R FUNDS

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7286	Masterbilt Fence & Supplies, Inc.	Remove gate/Enlarge opening - Revetment	5,800.00
7286	Shabica & Associates, Inc.	Consulting Agreement - Revetment Project	12,135.00
7290	Krause Electrical Contractors	Zion Generator Replacement	49,500.00
7291	Clark Dietz	Zion Pump House Pump Replacement	7,145.00
7291	Krause Electrical Contractors	Zion Pump House Pump Replacement	8,185.00
		Grand Total - Operations	\$82,765.00

ORDINANCES/RESOLUTIONS:

Prevailing Wage Ordinance: The Chairman then presented the following Resolution:

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RESOLUTION

WHEREAS, the State of Illinois has enacted the Prevailing Wage Act, 820 ILCS 130/0.01, et seq (1996) ("Act"); and

WHEREAS, the Act requires that the Lake County Public Water District ("District") investigate and ascertain the prevailing rate of wages for laborers, workers and mechanics employed in performing construction of public works of the District, all as such terms are defined in the Act;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LAKE COUNTY PUBLIC WATER DISTRICT AS FOLLOWS:

To the extent and as required by the Act, the general prevailing rate of wages in this locality for laborers, workers and mechanics who become engaged in construction of public works of the District is hereby ascertained to be the same as the prevailing rate of wages for construction work in Lake County area as determined by the Department of Labor of the State of Illinois as of June, 2018, a copy of which determination is attached hereto and incorporated herein. The definition of any terms appearing in this Resolution which are also defined in the Act shall be the same as in the Act.

Nothing contained in this Resolution shall be construed to apply to any work or employment except public works construction of the District to the extent required by the Act.

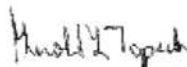
The General Manager of the District shall publicly post or keep available for inspection by any interested party in the main office of the District this determination.

The District Secretary shall promptly file a certified copy of this Resolution with the Illinois Secretary of State.

The District shall cause to be posted on the District's website notice of the Department of Labor's determination of prevailing wages with a link to the prevailing wage schedule for the applicable locality that is published on the official website of the Department of Labor


The General Manager of Lake County Public Water District shall mail a copy of this determination to any employer, any association of employers and any person or association of employees who have filed with the District their respective names and addresses requesting copies of any determination stating the particular wage rates and the particular class of workers whose wages will be affected by such rates.

LAKE COUNTY PUBLIC WATER DISTRICT



Gerald L. Topcik
Chairman, Board of Trustees

(CORPORATE SEAL)



Karen Johnston
Secretary

PRESENTED AND READ: June 19, 2018

APPROVED:

ROLL CALL VOTE:

Trustees voting aye: G. Topcik; A. Monk; P. Walsh; J. Moo

Trustee voting nay: None

Trustees absent: D. Mitchell; M. Ruchti; D. Jaeger

MOTION CARRIED

Trustee Walsh made a motion to accept the prevailing wage ordinance as presented, which was seconded by Trustee Monk. Chairman Topcik declared the motion carried on the following roll call vote.

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Ayes: (4) Monk, Walsh, Moe, Topcik

Nays: (0)

Absent: Mitchell; Ruchti; Jaeger

UNFINISHED BUSINESS

- **Rehabilitation Solids Contact Unit #1**– General Manager White stated that J.J. Henderson had submitted a pay request for \$113,624.28, less 10% retainage. He stated that this payout request represented the work for the HVAC startup and testing, panel insulation, and roof foaming for both #1 & #2 Solids Contact Units. This unit has been put into service, and is good quality drinking water is being produced.

Regarding Solids Contact Unit #2, the painting contractor sandblasted and completed their painting work on May 31. The roof-insulating contractor has been on site, and it is anticipated that they will be done by Friday. It is anticipated by J.J. Henderson that the insulating will be finished this unit next week.

Trustee Monk made a motion to go into executive session to discuss possible litigation, which was seconded by Trustee Walsh. Chairman Topcik asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

* * * EXECUTIVE SESSION * * *

- **Zion Pump Station Generator** – General Manager White stated that Krause had submitted their second pay request for \$55,000 less 10% retainage on this project. The supplier of the equipment, Steiner Electric, supplied incorrect equipment, which will be corrected, however, due to scheduling conflicts between Concentric, Krause, and Steiner, the installation and testing of this system will not take place until June 22. Discussion of this subject followed.
- **Right of Ways- Redundant Raw Water Main** - General Manager White stated that he had been developing a draft to respond to the IDNR's request that the District use 17th Street for the possible redundant raw water main, rather than the alley right of way. General Manager White explained that due to asbestos concerns, and 17th Street would not work for the needs of this project. He further discussed the distance of bore pits in relation to the state park. He stated that he anticipated having a plan completed by the August board meeting. Discussion of this subject followed.
- **Low Lift Pump Station Revetment** – General Manager White provided the board with a handout that he had received that morning from his contact at the Army Corps of Engineers, Mr. Dave Barco. He indicated that it was an email concerning

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possible funding approval for this project. Trustee Ruchti arrived at 6:20 p.m. General Manager White stated that the project had been selected; however, it requires an engineering feasibility study that cannot take place until August or September, and puts the project off until next year. General Manager White reminded the board that emergency repairs had been performed in the spring, but that those repairs were temporary until the permanent repairs could be implemented. General Manager White requested that Mr. Barco inquire whether the District could perform the work, and reimbursement be made by the Army Corps, once appropriations have been made. General Manager White requested that the board reconvene next week in anticipation of an answer to his query to Mr. Barco. General Manager White advised that the District had 55 days from the date of the bid, to award the project to the apparent low bidder. Discussion of this subject followed.

- **Video System Improvements** – General Manager White indicated that he had another vendor that was going to survey the plant and give their recommendations regarding the video system. He stated that Jeremy Thompson, the operator looking into grants for this project had been on vacation, but had since returned and was again looking into grants for this project. There is very little out there, and the District does not qualify for most of them, but research is still being performed. He anticipated having more information regarding this project at the July board meeting. Discussion of this subject followed.

NEW BUSINESS

- **Audit Graphs** – General Manager White indicated that there were draft copies of the graphs to include in the final audit. He indicated that these graphs were for the benefit of the District's customers, to show trends in water rates and usage. Discussion of this subject followed.

Trustee Walsh made a motion to reconvene the meeting for the purpose of voting on the revetment proposal, until June 26, 5:00 p.m. which was seconded by Trustee Ruchti and unanimously approved.

The meeting was reconvened on Tuesday, June 26, at 5:00 p.m. In attendance were Chairman Topcik, Trustees Mitchell, Monk, Walsh, Moe, and Jaeger. Trustee Ruchti was absent. General Manager Don White and Administrative Assistant/Board Secretary Karen Johnston were also present, and District Attorney Dan Kucera was present via telephone.


Chairman Topcik stated that the purpose of the meeting was to discuss the Low Lift Revetment Project. General Manager White reviewed the email from Mr. Dave Barco at the Army Corps of Engineers. He reiterated that the District had been selected for funding for this project, and that it was being reviewed by Congress, and that in August they could start the review of the revetment project. He also indicated that it would take four to six months for a

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feasibility study. After that, there would be further paperwork involved to show that the District would pay for the remainder of the project. If all goes well, the project could start in 2019. General Manager White stated that based on previous experience he did not feel that this project could wait until next year. He recommended that the Board approve the bid submitted to the board in May 2018, from Michels Corporation for \$144,600. Discussion of this subject followed. Trustee Walsh made a motion to approve the Michels bid of \$144,600, which was seconded by Trustee Monk. Chairman Topcik asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

Chairman Topcik inquire whether anything else was to come before the meeting, there being no further business he adjourned at 5:25 p.m.

X 

Karen L. Johnston
Board Secretary