

# Minutes

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## *April 9, 2019– Board Meeting*

On April 9, 2019, 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, Walsh, Ruchti, Moe, and Jaeger were present. Trustee Monk was absent. Also present were General Manager Don White, Administrative Assistant/Board Secretary Karen Johnston, and District Attorney Dan Kucera, via telephone. Jake Carlson from Benefit Partners Group was present as a guest speaker.

Chairman Topcik introduced the guest speaker, Jake Carlson of Benefit Partners Group to present the health insurance renewal program. Mr. Carlson explained that West’s Insurance Agency had collaborated with Benefit Partners Group to administer the health insurance for the District. He then proceeded to give an overview of his company, and naming various organizations that utilize Benefit Partners Group.

Mr. Carlson reviewed the current Blue Cross/Blue Shield health insurance plan. He explained that the renewal premium for the same plan was \$7,487.32, 6% higher. He further stated that the industry standard increase was approximately 12%. In addition to Blue Cross, he received quotes from Humana and Aetna, which provided considerably higher premiums. He also reviewed the plan coverages with the board.

He proceeded to discuss the vision/dental plan currently with Delta Dental. He stated that the premium was not increasing, and that that premium was guaranteed for two-years at \$488.98. He also presented a new program for the AD&D, life, and short and long-term disability. He indicated by consolidating these coverages with one carrier, Principal Life Insurance, the District could save approximately 30%. However, he did advise that the short-term disability weekly benefit be increased to account for higher salaries. The premiums quoted for this increase were still lower than the current programs. After reviewing the various programs and premiums, Mr. Carlson left the meeting at 6:00 p.m.

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. The disbursements were withdrawn for discussion. Chairman Topcik then asked for a motion to approve the consent agenda, which was made by Trustee Ruchti, and seconded by Trustee Mitchell. Chairman Topcik asked if discussion was desired for those items, as there was none, and upon the vote, the motion was carried unanimously.

- 4) Regular Minutes of March 12, 2019
- 6) Treasurer’s Report for March 31, 2019
- 7) Budget Report for March 31, 2019
- 8) End of month March 31, 2019 Monthly Operation Summation

Chairman Topcik indicated that there was a bill on the list of disbursements from Benton Lumber, owned by Trustee Moe. Trustee Moe indicated that he would abstain from voting on the disbursements for that reason. Trustee Jaeger made a motion to approve the list of disbursements as presented, which was seconded by Trustee Walsh. Chairman Topcik asked if any further discussion was desired; there was no further discussion. Upon the vote, Trustee Moe abstained, and all other trustees present voted affirmatively. The motion was carried.

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## OPERATIONS & MAINTENANCE ACCOUNT April, 2019 – Disbursements

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Mar-19	2,600.28
2921	Federal Withholding Taxes	Mar-19	3,731.52
2922	IL Department of Revenue	Monthly Remittance	1,056.35
2923	WI Department of Revenue	Monthly Remittance	535.55
2925	IL Dept. of Unemployment	Mar-19	47.95
7205	FICA Withholding Taxes (ER Portion)	Mar-19	2,600.28
7255	Correll Co.	Pension - Mar-19	5,772.14
7211	Commonwealth Edison	Electricity - Mar-19	71.06
7211	Dynergy	Electricity - Mar-19	14,110.08
7212	No. Shore Water Reclamation Dist.	Wastewater Charges	2,211.67
7215	PDC Laboratories	Sample Testing	92.50
7221	Hawkins, Inc.	Chlorine Shipment	764.50
7221	Nalco	Nalclear	194.40
7221	Usalco	Aluminum Sulfate Shipment	6,607.70
7222	Ace Hardware	Miscellaneous Supplies	303.09
7222	Aramark Refreshment	Coffee Service	228.21
7222	Hach	Lab Supplies	2,015.02
7222	VWR Scientific Products	Lab Supplies	163.31
7223	Benton Lumber Co.	Electricity - Mar-19	62.90
7223	Erickson Design, C.	Snowplowing Feb-19	1,231.25
7223	Lai, Ltd.	Service for ABB Drive	1,250.00
7223	Newark element14	Maintenance Supplies	529.58
7223	ProFlow Pumping Solutions	Replacement Chlorine Analyzer	5,359.48
7223	Vortex Technologies	Meter Calibration	415.00
7225	Hansen Associates, Inc.	May-19 Copier Maintenance	95.00
7225	Klean Korner	Mar-19 Janitorial Services	565.00
7231	DeLage Landen Financial Services	May-19 Copier Lease	124.12
	AT&T	Telephone Service - Mar-19	1,243.71

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7232	DH Wireless Solutions	Modems	5,313.42
7232	Verizon Wireless	Cellular Phone/Data Service	564.87
7234	Aveva Software, LLC	Software Upgrade	6,645.20
7234	GoFlo, Inc.	Web hosting/maintenance for 5/1/19 to 4/30/20	475.00
7234	Office Depot	Office Supplies	102.44
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	74.40
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	314.25
7235.2	Baillie, Anthony	Deductible Reimbursement	1,079.68
7235.2	Blue Cross/Blue Shield	May-19 Health Insurance	7,487.32
7235.2	Euclid Managers (Delta Dental)	May-19 Dental/Vision	488.98
7235.2	Principal Insurance	Disability/AD&D	560.34
7235.2	Sun Life Insurance	Final 2019 Disability	2,033.47
7235.2	Pintescu, loan	Deductible Reimbursement	313.78
7236	Pintescu, loan	Travel Reimbursement	113.10
7237	White, Don	Watercon 2019 Expense Reimbursement	682.52
7242	Hamlin, James	Payroll Fees - Mar-19	251.50
7242	Graefe & Hansen, Ltd.	Handbook review	1,968.75
7242	Kucera, Daniel	Legal Services Mar-19	2,722.50
7243	Clark Dietz	Professional Services	300.00
7251	Correll Co.	Quarterly Investment Services	557.00

### **FIRST BANKCARD**

	Acct. 7222	Miscellaneous Supplies	35.90
	Acct. 7225	Maintenance Contract	25.00
	Acct. 7232	Telephone Expense	66.99
	Acct. 7234	Office Supplies	24.99
	Acct. 7236	Transportation	313.65
	Acct. 7237	Meetings/Seminars	231.70
	Acct. 7238	Dues/Subscriptions	207.48
		<b>Total First Bankcard</b>	905.71
		<b>Grand Total - Operations</b>	<b>\$86,935.88</b>

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## CONSTRUCTION FUNDS

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7421	Libertyville Community Bank	Interest - May-19 - Series 2015 A&B	77,896.50
2957	Libertyville Community Bank	Principal - May-19 - Series 2015A	430,000.00
2958	Libertyville Community Bank	Principal - May-19 - Series 2015B	358,000.00
		<b>Total</b>	<b>\$865,896.50</b>

Chairman Topcik asked if any of the committees had reports to make. Trustee Ruchti, Chair of the Nominations Committee passed out their report. He indicated that he and Trustee Walsh met and discussed the various positions. Trustee Ruchti then read the nominations, which will be voted on in May. Gerold Topcik – Board Chairman; Richard Moe – Vice-Chairman; Donald White – General Manager/Treasurer; Karen Johnston – Secretary; Clark Dietz – District Engineer; Daniel Kucera – District Attorney.

Chairman Topcik asked if the Salary Committee had a report. Trustee Jaeger indicated that they had, and would like to discuss it in executive session. Trustee Mitchell then made a motion to move into executive session to discuss salary matters, which was seconded by Trustee Moe. 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 \* \* \*

Upon leaving Executive Session, Trustee Moe made a report from the salary committee, stating that the board was appreciative of the efforts General Manager White has made in keeping down costs. The board approved the salary committee report, and Trustee Jaeger made a motion to increase General Manager White's salary by 3%, with a \$5,000 bonus, which was seconded by Trustee Mitchell. Chairman Topcik asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

### UNFINISHED BUSINESS

- ➔ **Right of Ways- Redundant Raw Water Main** – General Manager White provided an update on this subject. He provided a letter from the IDNR responding to General Manager White's request for the District's desired route for the right of way. The IDNR has indicated that they would prefer the District to extend the 17<sup>th</sup> Street right of way to the south. The route proposed by the IDNR would require a new easement or land use permit from the IDNR, in addition to obtaining permission to run the main through Waukegan Airport's radar facility property, which he has started the process of getting that permission. General Manager White went on to discuss the safety factor regarding the distance between existing main and the proposed line. He also reviewed the IDNR letter fully with the board. In addition, the IDNR is willing to provide some services on this project. Further Discussion of this subject followed. General Manager White asked the board how they would like him to proceed. The board felt that a firm that specializes in this type of project should be utilized. General Manager White indicated that he would get some proposals and present them to the board at the next meeting.

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- **Video Security System** – General Manager White stated that he spoke with Josh Hedstrom, the man in charge of the grant. Mr. Hedstrom advised that the District was past stage one in the process. General Manager White stated that currently he was finalizing the scope of the work and the cost of the project. In addition, Mr. Hedstrom stated in an email to General Manager White that the program had been expanded to include engineering. He has forwarded this information to Clark Dietz. Discussion of this subject followed.
- **Alum Class Action** – General Manager White stated that there was nothing new to report on this subject.
- **Solids Contact Unit #1 – Repairs Update** – General Manager White stated that QAIC, the painting contractor on this project, is scheduled to start repairs on April 18. He further stated that they are allowed two days to complete the work. KTA-Tator, the District’s consultant will be onsite to observe, and Tom Foley from Clark Dietz would stop in to see the progression of the work. Discussion of this subject followed.
- **End of Year Projections for availability & R&R charges, and update on Facilities Cost Estimate** - General Manager White included updated charts for the estimated availability and R&R charges. He reminded the board that Debt Service charges remain fixed. He indicated that one factor affecting these estimates are moving bond funds to R&R account. Discussion of this subject followed.
- **Estimated Refund & Water Rate** – General Manager White included projections for the end of the fiscal year for the customer refund and water rate. He stated that the estimated water rate had not changed from his last projection. He went on to discuss that the O&M costs would be different, as expenses would change. Chairman Topcik suggested that the District propose an amendment to Winthrop Harbor’s contract changing the period for the R&R charges to 12 months, rather than 24 months. The District has done this for the past two years. Chairman Topcik also suggested that this change be made permanent. General Manager White indicated that the District could make this. Discussion of this subject followed.
- **Draft Budget** – General Manager White reviewed the proposed draft budget for fiscal year 2020. Discussion of this subject followed. Trustee Walsh made a motion to accept the draft budget as presented, which was seconded by Trustee Ruchti. Chairman Topcik asked if any further discussion was desired, as there was no further discussion, and upon the vote, the motion was carried unanimously.
- **Health Insurance Renewal** – Chairman Topcik indicated that this subject had been discussed earlier and asked for a motion regarding the renewal. Trustee Ruchti made a motion to accept the Blue Cross/Blue Shield, Delta Dental, and Principal Insurance (with the increased weekly benefit) proposals 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.
- **Employee Handbook changes**- General Manager White stated that he had sent the Employee Handbook to Mr. Mark Hansen of Graefe & Hansen, Ltd., an employment law attorney, to

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review the tuition reimbursement portion. Mr. Hansen advised that the District could make most the changes. Attorney Kucera provided a list of questions, included in the Board packet for the meeting, that he requested Trustees to review and discuss at the meeting Attorney Kucera indicated that he wanted the board's thoughts so a policy could be drafted. Attorney Kucera stated that he welcomed trustees' comments on the questions in order to assist in drafting a revised tuition reimbursement policy for consideration by the Board at the May meeting.

1. Types of schools – Accreditation was discussed, although a four-year school was not necessary to some.
2. Type of courses – Should they be credit only, or could audited classes be included. In addition, must it be job related? Could it be a degree that is job related.
3. Relevancy of grades – A percentage breakdown by grade was suggested, such as C – 75%, etc. And should it be reimbursed after the fact.
4. Limit amount of reimbursement – General Manager White suggested the IRS limit, which Attorney Kucera stated that was for private companies. This would be at the discretion of the board.
5. What is to be reimbursed – It was suggested that tuition only should be reimbursed, with the employee paying for his or her own books.
6. To be eligible – How long does any employee need to be employed to take advantage of the program. Chairman Topcik suggested 12 months, and be full-time.
7. Repayment obligation in the event of employee termination – Some trustees stated that there should be repayment if an employee leaves within a year after receipt of an reimbursement. Other trustees stated that there should be repayment if an employee leaves within three years after receipt of a reimbursement.

Discussion of these subjects followed. Attorney Kucera indicated that he would review this and have something to discuss in May.

## NEW BUSINESS

➔ **Technical Review Committee Meeting** – General Manager White and Chairman Topcik met with Ray Roberts, City of Zion, and Tim Nearing, Village of Winthrop Harbor, on April 5. A copy of that agenda with General Manager White's talking points were included in the board packet. General Manager White reviewed the talking points and the responses from both Mr. Roberts and Mr. Nearing. General Manager White indicated that he approached both parties about a sidewalk contract in an effort to provide the Zion Pump House Generator with a sidewalk. Mr. Roberts indicated that Zion did not have one, but Mr. Nearing said they did and would look into this. Both customers indicated that they are economically troubled at this time, and were hoping the District would keep costs down. Discussion of this subject followed.

➔ **Close of Construction Accounts** – General Manager White stated that per the bond ordinance, once all project costs have been paid, any remaining funds would need to be moved to the Bond Reserve account, to the upper limit of \$825,000. Any funds over that amount must be moved to the R&R account. In addition, any interest gained in the Bond Reserve will need to

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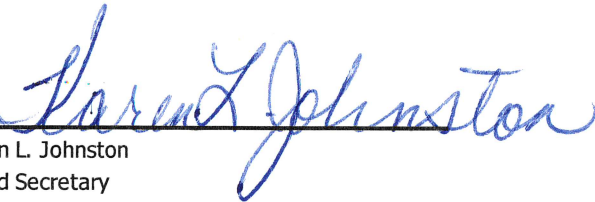
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be moved to the R&R account every month. General Manager White stated that he was asking for blanket board approval to move those funds every month. Trustee Mitchell made a motion giving approval to move the excess funds from the Construction account to the Bond Reserve account, and the excess funds to the R&R account. In addition, blanket approval to move the interest each month to the R&R account. This motion was seconded by Trustee Ruchti. Chairman Topcik asked if any further discussion was desired, as there was no further discussion, and upon the vote, the motion was carried unanimously.

- **Bond Principal & Interest Payment** – General Manager White advised the board that a new accounting tech had been assigned to the State of Illinois' bills. She advised General Manager White that she had submitted the invoices for payment, and the District should be receiving those payments shortly. General Manager White further went on to review the status of the balance in the bond sinking fund account for the May 1, principal and interest payment. He indicated that if the payment from Zion, as well as the State of Illinois payments were not received, the District would be short in this account. General Manager White asked the board for approval to move money from the R&R account to make up the shortfall. He also included a letter from Mr. Tom Foley, of Clark Dietz, certifying that the shortfall was due to non-payment by District customers. Trustee Ruchti made a motion to approve moving an amount not to exceed \$77,000 from the R&R account to the Bond Sinking Fund account to make the Bond Principal & Interest payment, which was seconded by Trustee Jaeger. Chairman Topcik asked if any further discussion was desired, as there was no further discussion, and upon the vote, the motion was carried unanimously.
- **3MG Tank Inspection** – General Manager White advised that Tank Industry Consultants had performed an inspection of this tank. He received a verbal report indicating that the tank can last another two to three years. He is awaiting the formal written report and that will be included in next month's board packet. Discussion of this subject followed.
- **Clark Dietz Letter** – General Manager White included a letter to Clark Dietz congratulating them on an award from award from the American Council of Engineering Companies of Wisconsin.

Trustee Mitchell made a motion to adjourn the meeting, which was seconded by Trustee Jaeger. Chairman Topcik asked if any further discussion was desired, as there was no further discussion, and upon the vote, the motion was carried unanimously.

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Karen L. Johnston  
Board Secretary