

Minutes

June 18, 2019– Board Meeting

On June 18, 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, Walsh, Ruchti, Moe, and Jaeger were present. Trustees Mitchell and Monk were absent. Also present were General Manager Don White, Administrative Assistant/Board Secretary Karen Johnston, and District Attorney Dan Kucera. Ms. Cheryden Juergensen from Eder, Casella & Co. was present as a guest speaker.

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 who reviewed the financial information at the District's offices, to produce the audit.

Ms. Juergensen stated that this was her firm's second year performing the annual audit. She appreciated that everything was ready, and as a result went smoothly. She proceeded to present the audit report.

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 \$841,895. After considering interest and other income and expense, the net result for the year was a \$740,750 net income.
- The 2019 demand for water increased 4.40% from 2018 levels to 883,744,000 gallons. The District had delivered 846,718,000 gallons in 2018.
- The District's net position increased during the year, which ended April 30, 2019 by \$740,750 from the 2018 balance of \$5,510,731 to the 2019 balance of \$6,251,481.
- Total revenue for 2019 of \$2,577,216 is \$73,789 more than the \$2,503,427 reported in 2018.
- Personnel expenses increased by \$49,274, and chemical expenses increased by \$15,190.
- Cash flow decreased slightly, by approximately \$120,000.
- There was a prior period adjustment, related to prior years, based on information obtained during the year, it was determined that the accrued PTO needed to be included on the financial statements.
- The 2019 delivery rate calculation is \$1.625 per 1,000 gallons.
- There is a refund of \$152,215, to be allocated to the customers based on delivered gallons of water actually billed.
- The amount needed to fully fund the R&R account is \$291,133.

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Trustee Walsh made a motion to approve the pension contribution of 17% for fiscal year 2020, 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.

Trustee Jaeger made a motion to approve the new water rate for FY20 of \$1.625, as calculated by the FY 2019 audit, 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.

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 Walsh made a motion to place the following items on the consent agenda and approve the consent agenda, 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.

- 5) Regular Session Minutes of May 14, 2018
- 6) Disbursements of June 2019.
- 7) Treasurer's Report for May 31, 2019
- 8) End of month May 31, 2019 Budget Report
- 9) End of month May 31, 2019 Monthly Operation Summation

OPERATIONS & MAINTENANCE ACCOUNT June, 2019 – Disbursements

CT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	May-19	4,102.72
2921	Federal Withholding Taxes	May-19	6,191.00
2922	IL Department of Revenue	Monthly Remittance	1,771.85
2923	WI Department of Revenue	Monthly Remittance	722.78
7205	FICA Withholding Taxes (ER Portion)	May-19	4,102.72
7255	Correll Co.	Pension - May-19	9,121.50
7211	Commonwealth Edison	Electricity - May-19	119.13
7211	Dynegy	Electricity - May-19	12,093.62
7215	PDC Laboratories	Sample Testing	1,183.50
7221	Hawkins, Inc.	Chlorine Shipment	765.00
7222	Ace Hardware	Miscellaneous Supplies	194.93
7222	Aramark Refreshment Services	Coffee Service	140.37
7222	Grainger	Miscellaneous Supplies	190.32
7222	Midwest Water Group	Lab Supplies - Swan Turbiwell W/LED Analyzer	8,023.48
3	Graybar	Maintenance Supplies	140.00

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723	Krause Electrical Contractors	Replace 600 amp breaker	2,392.00
7225	Erickson Design, C.	Maintenance Contract	990.00
7225	Hansen Associates, Inc.	Jul-19 Copier Maintenance	95.00
7225	Lakeland Larsen Elevator	Quarterly Maintenance	328.84
7225	Klean Korner	May-19 Janitorial Services	565.00
7231	DeLage Landen Financial Services	Jul-19 Copier Lease	124.12
7232	AT&T	Telephone Service - May-19	1,511.07
7232	Verizon Wireless	Cellular Phone/Data Service	564.26
7234	Office Depot	Office Supplies	336.85
7235.1	West's Insurance	Facilities Insurance Renewal 2019-2020	62,259.00
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	74.40
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	307.96
7235.2	Baillie, Anthony	Deductible Reimbursement	49.52
7235.2	Blue Cross/Blue Shield	Jul-19 Health Insurance	7,487.32
7235.2	Euclid Managers (Delta Dental)	Jul-19 Dental/Vision	488.98
7235.2	IL Public Risk	3rd Qtr. Workers Compensation	2,070.00
7235.2	Principal Insurance	Jul-19 Disability/AD&D	505.14
7241	Hamlin, James	Payroll Fees - May-19	272.79
7242	Graefe & Hansen, Ltd.	Legal Services - Employee Handbook	843.75
7242	Kucera, Daniel	Legal Services May-19	3,931.00
7243	Clark Dietz	Professional Services	5,195.00
7245	Baillie, Anthony	Tuition	1,459.11
7251	Correll Co.	Services for 2nd Qtr. 2019	853.00

FIRST BANKCARD

	Acct. 7222	Miscellaneous Supplies	50.16
	Acct. 7225	Maintenance Contract	25.00
	Acct. 7232	Telephone Expense	66.87
	Acct. 7234	Office Supplies	684.94
	Acct. 7236	Transportation	1,299.39
	Acct. 7237	Meetings/Seminars	211.79
		Total First Bankcard	2,338.15

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		Grand Total - Operations	\$143,905.18
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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

WEREAS, 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, 2019, 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 18, 2019

APPROVED:

ROLL CALL VOTE:

Trustees voting aye: P. Walsh; R. Yee; D. Jaeger; G. Topcik

Trustee voting nay: M. Ruchel

Trustees absent: D. Mitchell; A. Funk

MOTION CARRIED

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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.

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

Nays: (1) Ruchti

Absent: (2) Mitchell; Monk

UNFINISHED BUSINESS

- ***Right of Ways- Redundant Raw Water Main*** – General Manager White stated that the board had requested that he obtain estimated costs for a 60% design cost from both Clark Dietz, and Burke Engineering. Tom Foley and Jedd Anderson from those firms, respectively, discussed the project, to coordinate the design. Their conclusion was the best solution was to first proceed with soil borings to determine required distance for separation of the two pipelines. Discussion of this subject followed. Trustee Ruchti made a motion to approve phase one of the geotechnical analysis, 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.
- ***Video Security System*** – General Manager White stated that he had received the paperwork for the grant the previous day, and that after Chairman Topcik signed needed documents, the paperwork was sent back for review. We should get the grant once the signatures have been approved. General Manager White will meet with Clark Dietz to finalize the draft specifications. He asked the board for approval to solicit bids for this project. Trustee Jaeger made a motion to approve soliciting bids for the video security system, 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.
- ***Alum Class Action*** – General Manager White stated that there was nothing new to report on this subject.
- ***3MG Tank Inspection*** – General Manager White stated that he had received the inspection report from Tank Industry Consultants (TIC) regarding this subject. He indicated that they had several OSHA recommendations. Discussion of that subject followed. General Manager White indicated that TIC recommended that the spot repairs of the tanks interior floor be repaired next year. After those spot repairs are made, recoating could be held off for three to five years. Discussion of this subject followed.
- ***Flood Insurance*** – General Manager White stated that a flood survey had been done on the low lift pump station building on June 3. A certificate had been provided on June 4. Brad West submitted it to the insurance company, who requested further information from General Manager White. General Manager White provided that additional information on June 6. Brad advised that this has to be submitted to FEMA and would take around two months before a quote could be provided.

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- ➔ **Employee Handbook changes-** Attorney Kucera stated that in an ongoing review of the District's Employee Handbook, he would focus on three areas. He included a memo outlining those issues, vacation time, PTO time, and jury leave. Attorney Kucera proceeded to give a summary of each section with possible changes.

He started with vacation time. The present policy provides vacation time in accordance with the length of service. Earned but unused vacation time can rollover year to year under the current policy, with a limit of two years. Attorney Kucera suggested possible revisions of: 1) Merge vacation and PTO time into one category, PTO, but expanding the length of time for PTO. 2) Adopt a "use it or lose it" policy. Vacation time must be used in the year earned. 3) Adopt a maximum amount of vacation time that can be accrued, similar to current maximum for PTO accrual. However, he did also indicate that a fourth possibility of no change could also occur. Discussion of this subject followed.

He then went on to PTO time. Under the present policy, PTO is earned at a total of 80 hours per 12-month period. PTO can accrue to a total of 720 hours. When that maximum is reached, no further time can be accrued. Attorney Kucera suggested possible revisions of: 1) Eliminate vacation time and merge it with PTO as discussed above. 2) Revise the total of PTO hours allowed to accrue to a different maximum. 3) Adopt a "use it or lose it" policy.

Attorney Kucera proceeded to discuss the current policy on jury leave. He stated that the current policy provides for up to one week in any two-year period. Beyond that time, an employee may use PTO time. However, there is no mention of court jury payments in the employee handbook. Discussion of this subject followed. No change was proposed.

No change was proposed regarding the jury duty policy.

Discussion of all these options followed, with Trustee Walsh making a motion to amend the PTO policy to "grandfather in" an employee's current earned/unused PTO time, but applying a "lose it or use it" policy starting January 1, 2020 (originally decided as May 1, but determined calendar year to be the most efficient bookkeeping solution), the PTO policy will be changed to 80 hours per year, but must be used in that year, or will be forfeited, 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.

NEW BUSINESS

- ➔ **Eder Casella & Co. Contract Addendum-** General Manager White provided an addendum to the Eder, Casella & Co. contract for additional services. The additional services they are to provide are the preparation of graphs for the audit report. In the past General Manager White had prepared these, however, as the production of the graphs had proved onerous for General Manager White he felt that it would be in the District's best interest to have Eder Casella & Co. prepare them. Trustee Jaeger made a motion to approve the contract addendum for the additional services, which was seconded by Trustee Moe. Chairman Topcik asked if any further

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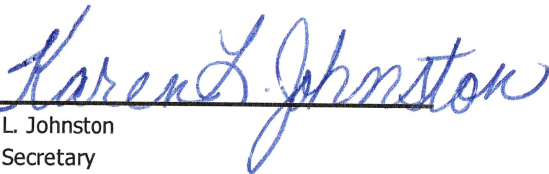
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discussion was desired, as there was no further discussion, and upon the vote, the motion was carried unanimously.

MISCELLANEOUS

- **Lake Levels** – General Manager White included a chart showing that the level of Lake Michigan is at its highest since last year. He also indicated that it could go higher. Discussion of this subject followed.

Trustee Walsh made a motion to adjourn the meeting, 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.

X 

Karen L. Johnston
Board Secretary