

# Minutes

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*May 9, 2023- Board Meeting*

On May 9, 2023, 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, Ruchti, Monk, Walsh, Baillie, Moe, and Jaeger were present. Also present were General Manager Don White, and Administrative Assistant/Board Secretary Karen Johnston, and Operator Jeremy Thompson. District Attorney Dan Kucera was present via telephone. Mr. Brent Jones of West’s Insurance was present as a guest speaker. Ms. Kristine Smith and Mr. Doug Ower were present as newly appointed trustees.

Chairman Topcik stated that the board has two newly appointed members. He asked that they introduce themselves. They were Douglas Ower and Kristine Smith. Mr. Ower indicated that he is retired, but worked in commercial HVAC as a distributor to contractors. Ms. Smith stated that she was retired, and had worked at Abbott/Abbvie, and was in the analytical labs and product development.

Chairman Topcik indicated that Trustee Baillie wished to speak under public comment. Trustee Baillie proceeded to advise the board that he was resigning as of that evening as he had moved out of Lake County, and could no longer stand as a board member. He thanked the board for his time on the board, and wished the board the best. Chairman Topcik presented him with a certificate of appreciation. The board thanked Trustee Baillie for his service.

Chairman Topcik turned the floor over to Mr. Brent Jones of West’s Insurance Agency, to present the facilities insurance renewal. Mr. Jones provided a proposal for the board, and General Manager White included that in the board packet. Mr. Jones started by giving a brief overview of the current market conditions in commercial insurance, indicating that it had been tumultuous. He indicated that as a result of natural disasters in Florida, he has seen a standard rate increase of 25% in property rates. However, the renewal quote he received from Chubb for the District was only 5.8%, which included a 4.9% value increase, and he considers this a very favorable renewal. He advised the board that West’s had solicited quotations with carriers other than the current companies, and that those companies could not compare with Chubb. In regard to the general liability, the premium is calculated based on the revenue of the District, and on staff payroll. He advised the board that with a higher payroll, higher revenue, and slightly higher rate, the premium increased approximately 34%. As a cost saving consideration, he did ask for an optional quote on the general liability of a \$10,000 deductible. This optional quote provided a premium reduction of approximately \$2,700 annually. Mr. Jones indicated that as the District has never had a general liability claim, this would be a reasonable course of action, and that was his recommendation.

As to the Cyber Liability, he indicated that they were able to secure a renewal at 2.8% increase, which compares to 20-30-50% increases that he had seen in the marketplace. He felt that it was a very competitive offer, as well as all the lines he presented. He stated that 14.8% increase is reduced to 9.9% if the board opts for the increased deductible. He stated he is authorized to renew coverage as proposed, and asked if there were any questions. Various board members asked questions, which were answered by Mr. Jones.

Trustee Jaeger made a motion to accept West’s Insurance proposal, including the increase in the property damage deductible, 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, and Mr. Jones left the meeting at 5:50 p.m.

Chairman Topcik then suggested that no consent agenda be used as the reports in the board packet represented the final reports for fiscal year 2023, and that the board discusses all report items individually.

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- 4) Regular Minutes of April 11, 2023 – Chairman Topcik stated that as the minutes were just provided a few minutes earlier, the board takes some time to read them. He then asked if any discussion was desired. Trustee Walsh indicated that he had a comment. He stated that the the minutes did not reflect statements made at the previous meeting by Secretary Johnston. Secretary Johnston stated that the minutes reflected what was said verbatim, as they were typed directly from the recording. Discussion of this subject followed. Trustee Jaeger made a motion to approve the regular session minutes of April 11, 2023, 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.
  
- 5) Disbursements for May, 2023 – Chairman Topcik stated that before the disbursements could be approved, the fiscal year 2024 budget must be approved. He indicated that the budget was in the board packet, and asked the board to review it. General Manager White reviewed each item, and discussion of the budget followed. Trustee Walsh made a motion to approve the budget as proposed, 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.

Chairman Topcik then asked for a motion to approve the disbursements. Trustee Walsh made a motion to approve the Disbursements for May, 2023, 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.

### OPERATIONS & MAINTENANCE ACCOUNT May 2023 – Disbursements

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Apr-23	2,672.40
2921	Federal Withholding Taxes	Apr-23	4,425.71
2922	IL Department of Revenue	Monthly Remittance	1,089.10
2923	WI Department of Revenue	Monthly Remittance	475.50
7205	FICA Withholding Taxes (ER Portion)	Apr-23	2,672.40
7255	Correll Co.	Apr-23	5,087.74
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	371.25
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	113.00
7222	Ace Hardware	Misc. Supplies	111.41
7251	Advocate Occupational Heath	Drug Screen/Fit Testing	170.00
7222	Aramark	Uniforms	685.45
7232	AT&T	Telephone Service	1,133.20
7235.2	Blue Cross/Blue Shield	Jun-23 Health Insurance	8,944.84
7222	CCP Industries	Misc. Supplies	497.17

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7234	CDW Government	Computer Tablet	1,087.91
7251	Chicago Tribune	Amended Meeting Date publication	23.14
7222	Cintas	First Aid Supplies	68.81
7211	Commonwealth Edison	Electricity - Apr-23	95.93
7225	Concentric Integration	2022-2023 Support Services	1,443.63
7211	Constellation	Electricity - Apr-23	12,504.78
7251	Correll Co.	Investment Services	1,341.00
7231	DeLage Financial	Jun-23 Copier Lease	161.76
7234	Dell Technologies	Computer - Dell Precision 3630 Tower	365.76
7235.2	Euclid Managers (Delta Dental)	Jun-23 Dental/Vision	405.12
7223	E-Z Line Pipe Support	Maintenance Supplies	2,480.37
7242	Graefe & Hansen, Ltd.	Legal Fees	56.25
7222	Grainger Inc., W.W.	Misc. Supplies	-503.50
7222	Hach	Lab Supplies	926.99
7225	Hansen Associates, Inc.	Jun-23 Copier Maintenance	65.00
7221	Hawkins	Chlorine Shipment	2,028.50
7237	Hungerford Technologies	WebEx Service - Teleconference Meeting	26.00
7222	Idexx Laboratories	Lab Supplies	3,861.28
7235.2	Johnston, Karen	Deductible Reimbursement	8,213.16
7242	Kucera, Daniel	Legal Fees - Apr-23	3,307.50
7222	McMaster-Carr	Misc. Supplies	35.72
7222	No. Safety & Industrial	Misc. Supplies	140.35
7212	No. Shore Water Reclamation	Wastewater Charges	4,211.16
7223	Novaspect	Maintenance Supplies	2,457.17
7234	ODP Business Solutions	Office Supplies	378.05
7215	Pace Analytical Services	Sample Testing	156.50
7236	Pintescu, Ioan	Travel Reimbursement	65.50
7235.2	Principal Insurance	Jun-23 Disability/AD&D	666.34
7222	Reladyne	Misc. Supplies	150.20
7236	Thompson, Jeremy	Travel Reimbursement	37.91
7223	UPS	Shipping for maintenance	56.44
7222	USA Blue Book	Lab Supplies	243.86

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7232	Verizon Wireless	Cellular Phone/Data Service	636.70
7241	Your Payroll Dept.	Payroll Fees - Apr-23	201.95

## FIRST BANKCARD

	Acct. 7222	Misc. Supplies	71.31
	Acct. 7225	Maintenance Contract	39.22
	Acct. 7234	Office Supplies	94.50
	Acct. 7236	Transportation	211.94
	Acct. 7237	Meetings/Seminars	225.49
	Acct. 7238	Dues/Subscriptions	34.00
		<b>Total First Bankcard</b>	<b>676.46</b>
		<b>Grand Total - Operations</b>	<b>\$75,440.36</b>

## R&R

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7300.17	Clark Dietz	Chlorine Room Floor Repairs - Prof. Services	175.00
7300.17	Peterson Plumbing, Inc., Ernie	Chlorine Room Floor Repairs	16,708.00
		<b>Grand Total - R&amp;R</b>	<b>\$16,883.00</b>

- 6) Treasurer's Report for April 30, 2023 - Chairman Topcik reviewed the report with the board, and explained the format with the new board members. He reviewed the account balances, and explained that it also shows the summary of billings and payments to from the District's customers. Trustee Ruchti made a motion to approve the Treasurer's report, 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.
- 7) Budget Report for April 30, 2023 - Chairman Topcik reviewed the report with the board, and the new members. He explained that it is a cash budget, would be adjusted for accrual basis at the audit. He asked if there were any questions, as there were none Trustee Monk made a motion to approve the budget report, 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.
- 8) End of month April 30, 2023 - Monthly Operation Summation – Chairman Topcik said he would have General Manager White talk about this report. General Manager White explained that this is the water production report. He proceeded to go through the items, explaining them and the significance of the

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numbers. Discussion of this subject followed. Trustee Jaeger made a motion to approve the MOS report, 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.

## COMMITTEE REPORTS

**EMPLOYER/EMPLOYEE RELATIONS COMMITTEE** - Trustee Moe stated that he included a list of questions that were given to the employees during interviews that this committee conducted recently. He indicated that the employees were told their responses would be in strict confidence, and no individual responses would be identified, graded, or kept for the employee's personnel file. Trustee Moe went through the questions, included an overview of the answers, and read his report. Chairman Topcik stated that this was a relatively new committee, and Trustee Moe indicated that the committee felt this was a good starting point. Discussion of this subject followed.

**NOMINATIONS COMMITTEE** – Chairman Topcik asked Trustee Walsh to represent the report from last month. Trustee Walsh read the report, stating that Trustee Monk was also on the committee. Trustee Walsh indicated that he was withdrawing himself from the nominations for the Vice-Chairman position:

General Manager, Treasurer, Retirement Fund Trustee - Donald White  
Operations Manager – Appointed by General Manager  
Secretary of the Board – Karen Johnston  
District Consulting Engineer – Clark Dietz, Inc.  
District Attorney – Daniel Kucera  
Board Chairman – Gerold Topcik  
Vice Chairman – Michael Ruchti

Chairman Topcik stated that there were two openings that could be nominated from the floor. One for the Operations Manager, and one for the Vice-Chairman. He asked if there were any nominations from the floor for those positions. Trustee Jaeger nominated Trustee Ruchti to continue as Vice-Chairman of the Board. Trustee Ruchti accepted the nomination. Trustee Monk seconded that nomination. Chairman Topcik nominated Jeremy Thompson to be Operations Manager, which was seconded by Trustee Walsh.

Trustee Jaeger made a motion to approve the nominations as presented, 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 indicated that the recommendations would be placed on a resolution, and asked that a motion be made to approve that resolution. Trustee Walsh made a motion to approve the resolution with the approved nominations, which was seconded by Trustee Ruchti. As there was no further discussion, Chairman Topcik initiated a roll call vote. Trustees Ruchti, Monk, Walsh, Moe, Jaeger, and Topcik all voted aye, with Trustee Baillie abstaining. The motion was carried.

**SALARY COMMITTEE** – Trustee Jaeger made a motion to move into executive session to discuss employee compensation, 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.

### **\* \* \* EXECUTIVE SESSION \* \* \***

Upon leaving executive session, Trustee Ruchti indicated that he and Trustee Baillie were on the Salary Committee. Trustee Ruchti read their report. The salary recommendation for the General Manager position was a 4% increase, with a \$2,000 bonus. The recommendation for the Operations Manager position was \$92,000

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annually, with a \$3,000 bonus. Trustee Ruchti indicated that this was the Salary Committee recommendation, and, Trustee Ruchti made a motion to approve the recommendations of the Salary Committee, 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.

## UNFINISHED BUSINESS

- ***Grant Writing Services/State Revolving Loan Program*** – General Manager White stated this item has been on hold due to contracts issues. He stated it would be discussed later in the meeting, as the City of Zion has presented some water contract changes for consideration. However, General Manager White requested if the board wanted Elisa Bonkowski, with Baxter and Woodman, to update the scope of work for the generator and roof replacement, or would they rather wait until the contract negotiations were completed. Discussion of this subject followed, with the board agreeing that the scope of work should be updated in order for these projects to be shelf ready.
- ***Discussion of Contract Extensions*** – General Manager White stated that he emailed Ray Roberts of Zion Public Works on May 1, requesting an update regarding the contract extension, and the agreement between the IDNR, the City of Zion, and the District. Mr. Roberts called General Manager White and stated that he anticipated having a list of changes for the contract extension by the end of the week. General Manager White received the memorandum a few days later. That memorandum was included in the board packet. General Manager White stated that Attorney Kucera would be commenting on those changes. General Manager White turned the floor over to Attorney Kucera.

Attorney Kucera discussed the memorandum from the City of Zion’s attorney. He began by stating that the District has asked their customers, particularly the City of Zion and the Village of Winthrop Harbor, to indicate to the District that they would have no objection to the automatic extension of the current contracts.

He indicated that in their memorandum, Zion has a list of changes they would like to make to the contract. He stated that most of the changes being proposed by the city are from its attorney and are legal in nature, and he expects to deal with that attorney and respond to his various proposed changes and indicate to him the District’s position on them. Discussion of this subject followed.

- ***Update of application for Professional Services for Completion of Application for Lake County American Rescue Plan Project*** – General Manager White stated that he watched the special committee meeting that was held on April 21 that discussed ARPA funding, and how the remaining \$44,821,285 funds might be distributed. General Manager White stated that what he gathered from the presentation was that the remaining funds were being allocated to other entities. He emailed Matthew Meyers the lead on ARPA funding asking if he could provide the slides from the presentation that he could present to the board, but he has not responded to my request. General Manager White stated from what he saw, the District is not on the list. Discussion of this subject followed.
- ***End of Year Projections for availability & R&R charges, and update on Facilities Cost Estimate*** – General Manager White stated while West’s Insurance was investigating this year’s facilities insurance it was found that last year the Board raised the insured value of the pipeline that runs from the plant to the 3MG tank by a million dollars. This was not passed on to Tom Foley of Clark Dietz for this fiscal year’s estimated

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Replacement Facility costs. Therefore he asked Tom to provide two estimates, one using the \$1,000,000 increase for the replacement of the waterline and one without (both attached).

General Manager White stated that in comparing the two estimated R&R charge spread sheets; there will be a \$66,491.00/year or \$5,540.91/month increase if the \$1,000,000 increase for the pipeline is used. He reminded the board that whichever cost estimate is used it will dictate the maximum funding level for the R&R account, and that needed to be determined at the meeting. He further stated that as the monthly contribution is already sizable, it might be best to remain with the lower figure. The spreadsheets also included the availability charge, which is based on the yearly principal and interest on the outstanding bond issue and is not dependent on water sales. It is based solely on the currently allocated plant capacity for each customer. Discussion of this subject followed. Trustee Walsh made a motion to approve the Replacement Facilities estimate for fiscal year 2024, without the \$1,000,000 increase, 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.

- **Estimated refund and estimated water rate for FY2024** – General Manager White provided the estimated refund and water rate for the coming fiscal year. He stated that the current estimate for the District’s customer’s refunds is showing a decrease from fiscal year 2023. This is due to an estimated decrease in water sales, decreased depreciation, and increased expenses. It is estimated that the water rate will be \$1.6672, up from \$1.5630. Discussion of this subject followed.
- **Update of Agreement for Billing Arrangement** – General Manager White stated that both the IDNR and the City of Zion are reviewing the proposed agreement (attached). He stated that when talking with both parties they both are going to want some changes to the agreement. He further stated that once all the requested changes are submitted, he would forward them to Attorney Kucera for his review, and then would forward them to Zion, IDNR, and the Board for their comments. Discussion of this subject followed.
- **Discussion of Cyber Security** – General Manager White stated that he had been in contact with four firms for proposals for this subject. He further stated that he had discussed this with Doug from Concentric for some guidance on this matter, as the firms offer varying services and prices. Discussion of this subject followed.
- **Discussion and Approval to obtain bids for repairs & maintenance of manhole servicing Winthrop Harbor and the State of Illinois** – General Manager White provided an update of this subject. He indicated that Attorney Kucera had contacted him and advised that the contract between the District and the IDNR states that the District will maintain the waterline that is on the State’s property. Considering that the manhole is on ComEd's property, Attorney Kucera asked why the District should repair the line since the District is only responsible for the portion that is on State property. General Manager White posed this question to Laura Verden with the IDNR. She asked for the contract and addendums and where this language was in the contract so she could forward the information to the IDNR’s attorney for review. General Manager White further stated that as of this date, he had not heard back from Ms. Verden.

General Manager White further stated that he had received the proposal from Dave Kraft with Hey & Associates for the stabilization of the manhole, which was included in the board packet. He proceeded to review the proposal with the board, advising them the cost was \$13,900, plus permitting and application fees to be determined. He advised if the board proceeds with this project both INDR and the Village of Winthrop Harbor, by contract, will pay for the entire project cost (each paying for one half of the total

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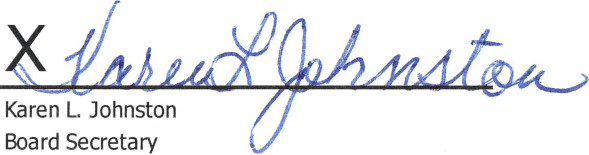
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cost). Discussion of this subject followed, with General Manager White indicating that he would wait until he heard from the State before proceeding with any contracts or work.

- **Concentric Budgetary Letter** – General Manager White stated that he had not received the budgetary letter from Concentric, but has now received that, and was included in the board packet. He reviewed the items included in the letter, explaining each item. Discussion of this subject followed.
- **Bond Principal & Interest Payment - due May 1, 2023** – General Manager White indicated that the bond payment had been made April 26 for \$858,000.00 for principal and an interest payment of \$42,703.00. The confirmation for that payment is attached. He indicated that the Bond & Interest Sinking Fund was underfunded by approximately \$5,553.00. The shortage was transferred from the R&R account, which will be replenished upon customer payments.

Trustee Walsh made a motion to adjourn, which was seconded by Trustee Monk.

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Karen L. Johnston  
Board Secretary