

Minutes

April 9, 2024– Board Meeting

On April 9, 2024, 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, Ower, Smith, and Jaeger were present. Trustee Latif was absent. Also present were General Manager Don White, Operations Manager Jeremy Thompson, and Administrative Assistant/Board Secretary Karen Johnston. District Attorney Dan Kucera was present via telephone.

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, unless any item required withdrawal for the purpose of discussion. General Manager White stated that the budget report should be pulled for discussion. Chairman Topcik then asked for a motion to approve the following remaining items for inclusion on the consent agenda, which was made by Trustee Ruchti, and seconded by Trustee Jaeger. 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 & Executive Session Minutes of March 12, 2024
- 5) Disbursements for April, 2024
- 6) Treasurer’s Report for March 31, 2024
- 8) End of month March 31, 2024 Monthly Operation Summation

General Manager White stated that a new budget report format was included along with the current format. The newly suggested format more accurately reflects the District’s accrual accounting method as opposed to a cash basis. General Manager White proceeded to discuss the differences, indicating that the accrual basis report includes all expenses for which the District has been billed, whereas, a cash basis report does not include those expenses. General Manager White suggested that this report be used starting in May, the beginning of the fiscal year. Chairman Topcik added that this report is consistent with the audited reports, which are prepared on an accrual basis, and stated he felt that this was a better report as it more accurately described the District’s current financial position. Trustee Ower asked if they could also get a monthly report. Secretary Johnston indicated that she would include a monthly budget report as well as year-to-date. The trustees agreed that this was an improved format and agreed that it was acceptable for implementation. A motion was not required for this change. Trustee Jaeger then made a motion to approve the budget, 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.

OPERATIONS & MAINTENANCE ACCOUNT **April 2024 – Disbursements**

| ACCT. # | VENDOR NAME | DESCRIPTION | AMOUNT DUE |
|---------|-------------------------------------|--------------------|------------|
| 2920 | FICA Withholding Taxes (EE Portion) | Mar-24 | 5,402.71 |
| 2921 | Federal Withholding Taxes | Mar-24 | 8,208.13 |
| 2922 | IL Department of Revenue | Monthly Remittance | 2,033.22 |
| 2923 | WI Department of Revenue | Monthly Remittance | 1,158.54 |

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| 7205 | FICA Withholding Taxes (ER Portion) | Mar-24 | 5,402.71 |
| 2925 | IDES | Mar-24 Unemployment | 139.71 |
| 7255 | Correll Co. | Mar-24 Pension | 9,633.92 |
| 7211 | Commonwealth Edison | Electricity - Mar-24 | 85.97 |
| 7215 | Central Lake County JAWA | Sample Testing | 144.00 |
| 7221 | Hawkins | Chlorine Shipment | 2,128.00 |
| 7222 | Ace Hardware | Misc. Supplies | 110.94 |
| 7222 | Cintas | First Aid Supplies | 82.75 |
| 7222 | Grainger, WW. | Misc. Supplies | 166.77 |
| 7222 | Idexx | Lab Supplies | 1,724.90 |
| 7223 | Core & Main | Meter Testing/Recalibration | 2,560.92 |
| 7223 | Tank Industry Consultants | SCU #3 Inspection | 5,885.00 |
| 7223 | Vortex | Meter Testing/Recalibration | 1,350.00 |
| 7225 | Concentric Integration | T&M Support Services/Contract Support | 1,708.33 |
| 7225 | Hansen Associates, Inc. | May-24 Copier Maintenance | 65.00 |
| 7231 | DeLage Financial | May-24 Copier Lease | 161.76 |
| 7232 | AT&T | Telephone Service | 705.22 |
| 7232 | AT&T - Voiceover IP | Telephone Service | (337.73) |
| 7232 | Verizon Wireless | Cellular Phone/Data Service | 756.85 |
| 7234 | Amazon Capital Services | Office/Computer Supplies | 63.69 |
| 7234 | GoFlo | 2024-2025 Web Hosting | 715.00 |
| 7234 | ODP Business Solutions | Office Supplies | 97.26 |
| 7235 | AARP - Health | Medical Insurance for Diane Fragassi | 371.25 |
| 7235 | AARP - Prescription | Prescription coverage for Diane Fragassi | 100.70 |
| 7235 | Blue Cross/Blue Shield | May-24 Health Insurance | 14,874.65 |
| 7235 | Euclid Managers (Delta Dental) | May-24 Dental/Vision | 662.01 |
| 7235 | IL Public Risk Fund | 2023 Final Audit - Work Comp | 597.00 |
| 7235 | Johnston, Karen | Deductible Reimbursement | 870.92 |
| 7235 | Madison, Jim | Deductible Reimbursement | 7,129.83 |
| 7235 | Principal Insurance | May-24 Disability/AD&D | 1,011.28 |
| 7239 | Security 101 | Camera System Service | 250.00 |

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| 7241 | Your Payroll Dept. | Payroll Fees - Mar-24 | 370.52 |
| 7242 | Kucera, Daniel | Legal Fees - Mar-24 | 3,015.00 |
| 7243 | Baxter & Woodman | Prof. Services - IEPA Loan Assistance | 16,900.00 |
| 7243 | Clark Dietz, Inc. | Consulting Eng. Prof. Services | 185.00 |
| 7251 | Daily Herald | Meeting Change Date - Advertisement | 51.75 |
| | | Grand Total - Operations | \$96,543.48 |

FIRST BANKCARD

| | | | |
|--|----------------|---------------------------------|--------------------|
| | Acct. 7222 | Misc. Supplies | 84.40 |
| | Acct. 7223 | Maintenance & Repairs | 369.00 |
| | Acct. 7225 | Maintenance Contract | 39.22 |
| | Acct. 7234 | Office Supplies | 79.99 |
| | Acct. 7236 | Transportation | 317.95 |
| | Acct. 7237 | Meetings/Seminars | 231.66 |
| | Acct. #7300.23 | Low Lift Pump #2 VFD Repl. Bid | 108.00 |
| | | Total First Bankcard | 1,230.22 |
| | | Grand Total - Operations | \$97,773.70 |

R&R

| ACCT. # | VENDOR NAME | DESCRIPTION | AMOUNT DUE |
|---------|---------------------|---|--------------------|
| 7300.23 | Clark Dietz | Prof. Serv. - Low Lift Pump #2 VFD Replacement | 4,000.00 |
| 7300.25 | Illinois Pump, Inc. | Rebuild of Transfer Pump #1 & onsite assembly of rebuilt Transfer Pump #1 | 19,786.00 |
| 7300.25 | Illinois Pump, Inc. | Add'l. costs for Transfer Pump #1 Rebuild | 3,700.00 |
| | | Grand Total - R&R | \$27,486.00 |

Chairman Topcik moved on to committee reports. Trustees Jaeger, the chair of the salary committee, stated that he would like this matter deliberated upon in executive session. Chairman Topcik indicated that this discussion would occur following the nominations committee report from the committee's chair, Trustee Ruchti. Trustee Ruchti provided a written report from that committee as follows

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| Chairperson, Board of Trustees | Gerold L. Topcik | District General Manager | TBD |
| Vice Chairman, Board of Trustees | Doug Ower | Operations Manager | Jeremy Thompson |
| District Secretary | Karen L Johnston | District Attorney | Dan Kucera |
| District Treasurer | TBD | District Engineer | Clark-Dietz |

He indicated as General Manager White had expressed a desire to retire, they were not sure how to handle the District General Manager and District Treasurer positions. Chairman Topcik indicated that as General Manager White has not yet retired, he could still be considered for those positions. Trustee Ruchti stated he would like to add to the report Donald White for the District General Manager and District Treasurer positions for fiscal year 2025.

Chairman Topcik then proceeded to advise the board that as his term as trustee ended May 1, 2024, he had not been reappointed to the District as trustee. Chairman Topcik indicated that he had desired to stay on the board. Trustees Ruchti and Jaeger both indicated that they would resign if the Lake County Board would agree to keep Chairman Topcik on the board. Discussion of the nominations followed with the board indicating they would wait until the May board meeting to make any decisions.

Trustee Jaeger made a motion to go into executive session to discuss personnel matters, which was seconded by Trustee Smith. 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 Jaeger made a motion that General Manager White receive a 5% increase, with a \$5,000 bonus, and Operations Manager Thompson receive a 5% increase, with a \$5,000 bonus, which was seconded by Trustee Smith. 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 reported Mike Foley of Baxter & Woodman and James Couser of Evoqua/Xylem came to the plant to inspect the traveling water screen located at the low lift pump station. Mr. Couser assessed the traveling water screen's condition and would provide an estimate of the expense to repair it as well as potential costs for its replacement. The estimated repair expenses will be incorporated by Mr. Foley into the SRF loan application. Discussion of this subject followed.
- **Bid Results for Low Lift Pump #2 Variable Frequency Drive (VFD) Replacement** – General Manager White reported that the bid for this project took place on April 2. He further stated that the District received no bids. Mr. Tom Foley of Clark Dietz provided a letter outlining the results of the bid. Mr. Foley's letter detailed who obtained plans for bidding and their reasons for not providing bids. His letter further indicated that two of the contractors have offered to submit proposals for the work, with the understanding that the proposals must be below the \$20,000 bidding threshold. He recommended that the District consider this option to keep the project moving. the Discussion of this subject followed.

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- **End of Year Projections for availability & R&R charges, and update on Facilities Cost Estimate** – General Manager White stated that the updated facilities cost estimate that was presented at the March board meeting was incorrect, as it was updated without the change made in 2022 to increase the value of the transmission line. Mr. Tom Foley of Clark Dietz updated the estimate to reflect that information, with the new estimate being \$37,849,000, a 3.1% increase from FY2023. General Manager White advised that he used this number in the calculations of the projections for the Computation of Availability and Repair and Replacement Charges for the coming fiscal year. As previously explained, the availability charges remain the same as they are based on the Water Revenue Bond issue, and each customer’s water allocation. In regard to the Repair and Replacement charges, General Manager White indicated that he estimated that there would be a total of approximately \$61,474 in total.

General Manager White included two proposals from Clark Dietz; one for consulting engineer services for fiscal year 2025, and the other for performing an in-depth study of several of the categories on the schedule of facilities. He advised the board that a similar study had been conducted in 2016, and provided that report for reference. Mr. Foley has recommended a similar study due to inflationary issues. Discussion of this subject followed.

- **Estimated Revenue Delivery Requirement and Estimated Water Rate for FY2025** – General Manager White provided the projected Revenue Delivery Requirement charges for the coming fiscal year. He reminded the board that while this is typically a refund, costs of goods and services increased during the prior year, resulting in higher expenditures; therefore, a charge is expected for fiscal year 2023.

General Manager White moved on to a discussion of the estimated water rate for fiscal year 2025. The estimated expenses from FY2024 are higher than FY2023. The current estimated water rate will be \$2.0621/1,000 gallons, which is approximately 59.99 cents higher than fiscal year 2024. Discussion of this subject followed.

- **Approval of Draft Budget** – General Manager White presented his updated estimated budget for fiscal year 2025. He also included his explanation of each budgeted line item, reviewing them with the board. Discussion of this subject followed. Trustee Ruchti made a motion to approve the proposed budget for fiscal year 2025 as presented, 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

- **Ground Storage Tank Stone** – Operations Manager Thompson advised that during their October inspection, Tank Industry Consultants advised regrading the area surrounding the ground storage tank, per AWWA recommendations. He reviewed the reasons for these recommendations. In addition, he provided quotes from two contractors, as shown in his memo, and had been awaiting an additional quote which he received after writing his memo from C. Erickson Designs for \$4,238.00. As this was considerably lower than the other two quotes, he indicated that he would be contacting Erickson to set up the work. Discussion of this subject followed.
- **Annual Drinking Water Quality Report (CCR) for Calendar Year 2023** – Operations Manager Thompson provided the Annual Drinking Water Quality Report (CCR) to the board and advised that it had been delivered

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to the District’s customers on March 25, before the required date of April 1. He indicated that the District had met all goals for 2023. He further stated that the District was required to include a Tier 3 public notice with the report, due to a sampling error in May 2023. Discussion of this subject followed.

- **Bond Principal and Interest Payment** – General Manager White stated that the District will be making the May 1, bond principal payment of \$880,000, and interest of \$31,120 on April 25, as per the bond ordinance.

MISCELLANEOUS

- **Review CRG Search Recommendations for General Manager Position. Approval as necessary to extend employment offer.** –Chairman Topcik stated that CRG had had no new recommendations for the general manager position. Discussion of this subject followed.
- **Correll Reports** – General Manager White provided the board with the quarterly reports from Correll Co., the District’s investment service.
- **PFAS Article** – General Manager White provided the board with an article regarding the EPA’s updated guidance on destroying and disposing of PFAS. Discussion of this subject followed.

Trustee Jaeger made a motion to adjourn, which was seconded by Trustee Ower.