

Minutes

June 25, 2024– Board Meeting

On June 25, 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. Chair Ruchti opened the meeting at approximately 5:30 p.m. Upon the roll being called, Trustees Ruchti, Monk, Ower, Ewert, Smith, Jaeger were present. Trustee Latif was absent. Also present were General Manager Don White, Operations Manager Jeremy Thompson, Administrative Assistant/Board Secretary Karen Johnston, Ms. Cheryden Juergensen of Eccezion, and Lake County Public Water District County Board Representative Ms. Gina Roberts. District Attorney Dan Kucera was present via telephone. Mr. Jerry Topcik was present as a member of the public.

Representative Roberts was introduced by Chair Ruchti, who then gave her the floor. Ms. Roberts gave Mr. Topcik a plaque in appreciation of his years of public service, expressing her gratitude for his contributions. The board also expressed their gratitude to Mr. Topcik, and Representative Roberts conveyed that she had another meeting to attend and left at 5:35 p.m.

Chair Ruchti stated that Ms. Juergensen of Eccezion was present to present the final audit for fiscal year 2024. He then turned the floor over to Ms. Juergensen.

Ms. Juergensen introduced herself to the board. She indicated that the records were in good condition, as they had been in the past. She stated that there were no errors or misstatements, no unusual journal entries, and no material weaknesses, or deficiencies. She then 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 indicated that there were no significant changes this year regarding GAAP (Generally Accepted Accounting Principles). However, there was a new standard implemented last year, GASB Statement No. 96, regarding subscription-based information technology arrangements. Implementation of these standards resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. She indicated that there have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

She then went through the audit, reviewing various charts and policies. The policies and procedures were reviewed, and they found no issues. The following are the highlights of the audit:

- The results of operations for the year resulted in an operating income of \$ 654,076. After considering interest and other income and expense, the net result for the year was \$ 692,610 of net income.
- The 2024 demand for water increased 1.38% from 2023 levels to 899,335,000 gallons. The District had delivered 887,089,000 gallons in 2023.
- The District's net position increased during the year, which ended April 30, 2024 by \$ 692,610 from the 2023 balance of \$ 8,778,342 to the 2024 balance of \$ 9,470,952.
- Total revenue for 2024 of \$ 2,844,298 is \$ 271,748 more than the \$ 2,572,550 reported in 2023.
- The 2024 delivery rate calculation is \$2.0552 per 1,000 gallons.
- There is a shortage of \$201,199, 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 \$75,577. After credits for amounts paid in 2023, additional debt service coverage, and the underdrain project allocated for the year, the amount to be contributed by the District's customers is \$6,298.

Chair Ruchti asked if anyone had questions. There were none, and Trustee Jaeger made a motion to accept the audit report, which was seconded by Trustee Ewert. Chair Ruchti asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

Chair Ruchti stated that the board approves the employee pension contribution, and that the current amount was 17%. Discussion of this subject followed. Trustee Monk made a motion to approve the pension contribution of 17% for fiscal year 2025, which was seconded by Trustee Jaeger. Chair Ruchti asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

The board then discussed approval of the supplemental auditor's report which included the customer rate adjustments for the Computation of Revenue Delivery Requirement, Computation of Availability and Repair and Replacement Charges, and Computation of Rate for Delivery of Water for fiscal year 2025. Trustee Jaeger made a motion to approve the customer rate changes per the supplemental auditor's report for fiscal year 2025, which was seconded by Trustee Ewert. Chair Ruchti asked if any further discussion was desired. As there was no further discussion, and upon the vote, the motion was carried unanimously.

Chair Ruchti then indicated that he would accept a motion to place the following items on a consent agenda and to accept that consent agenda. Chair Ruchti then asked for a motion to approve the consent agenda, which was made by Trustee Jaeger, and seconded by Trustee Monk. Chair Ruchti asked if discussion was desired for those items, as there was none, and upon the vote, the motion was carried unanimously.

- 8) Regular & Executive Session Minutes of May 14, 2024
- 9) Disbursements for June, 2024
- 10) Treasurer's Report for May 31, 2024
- 11) Budget Report for May 31, 2024
- 12) End of month May 31, 2024 Monthly Operation Summation

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OPERATIONS & MAINTENANCE ACCOUNT June 2024 – Disbursements

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	May-24	4,457.68
2921	Federal Withholding Taxes	May-24	7,477.34
2922	IL Department of Revenue	Monthly Remittance	1,617.72
2923	WI Department of Revenue	Monthly Remittance	1,067.08
7205	FICA Withholding Taxes (ER Portion)	May-24	4,457.68
7255	Correll Co.	May-24 Pension	9,181.89
7235	AARP - Health	Medical Insurance for Diane Fragassi	445.25
7235	AARP - Prescription	Prescription coverage for Diane Fragassi	100.70
7222	Ace Hardware	Misc. Supplies	171.39
7222	Amazon Capital Services	Misc. Supplies	95.99
7232	AT&T	Telephone Service	2,578.50
7232	AT&T - Voiceover IP	Telephone Service	(337.73)
7235	Blue Cross/Blue Shield	Jul-24 Health Insurance	14,874.65
7222	Cintas	First Aid Supplies	78.22
7243	Clark Dietz, Inc.	Consulting Eng. Prof. Services	692.50
7211	Commonwealth Edison	Electricity - Apr-24	90.06
7225	Concentric Integration	T&M Support Services/Contract Support	4,126.63
7223	Core & Main	Meter Test & Recalibration	621.52
7251	Correll Co.	Investment Services	1,446.00
7231	DeLage Financial	Jul-24 Copier Lease	161.76
7241	Eccezion	FY2024 Final Audit - Progress Bill	28,325.00
7222	EMD Millipore Sigma	Lab Supplies	988.00
7223	Erickson Designs, C.	Install stone around ground storage tank	9,342.95
7225	Erickson Designs, C.	Landscape Maintenance	1,127.32
7235	Euclid Managers (Delta Dental)	Jul-24 Dental/Vision	662.01
7242	Graefe & Hansen, Ltd.	Employment Matters	281.25
7225	Hansen Associates, Inc.	Jul-24 Copier Maintenance	65.00
7221	Hawkins	Chlorine Shipment	4,378.20
7235	IL Public Risk Fund	Work Comp - 3rd Qtr.	4,464.00

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ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7237	IL Section AWWA	Seminars	216.00
7242	Kucera, Daniel	Legal Fees - Mar-24	1,912.50
7225	Lakeland Larsen Elevator Corp.	Elevator Maintenance	368.10
7235	Madison, Jim	Deductible Reimbursement	674.25
7221	Nalco	Nalclear Shipment	5,803.39
7222	Napa	Misc. Supplies	229.01
7212	No. Shore Water Reclamation District	Wastewater Charges	18,343.24
7234	ODP Business Solutions	Office Supplies	184.35
7215	Pace Analytical Services	Sample Testing	138.00
7235	Principal Insurance	Jul-24 Disability/AD&D	1,146.29
7223	ProFlow Pumping Solutions	Maintenance Supplies	735.37
7223	Saf-T-Gard	Electrical Hazard Glove Testing	69.38
7223	Tnemec Company, Inc.	Maintenance Supplies	368.90
7234	UPS	Shipping Charges	114.01
7222	USA Blue Book	Lab Supplies	211.65
7232	Verizon Wireless	Cellular Phone/Data Service	755.25
7241	Your Payroll Dept.	Payroll Fees - Mar-24	239.80
		Grand Total	\$134,548.05
FIRST BANKCARD			
	Acct. 7222	Misc. Supplies	150.33
	Acct. 7225	Maintenance Contract	39.22
	Acct. 7234	Office Supplies	79.99
	Acct. 7236	Transportation	217.45
	Acct. 7237	Meetings/Seminars	251.97
	Acct. 7251	Miscellaneous	200.00
		Total First Bankcard	938.96
		Grand Total - Operations	\$135,487.01

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R&R

ACCT. #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7300.27	KLM Engineering, Inc.	Install New Finial Vent	4,980.00
7300.28	Daily Herald	Bid Advertisement - LL Pump Station Brick Repair	149.50
		Grand Total - R&R	\$5,129.50

UNFINISHED BUSINESS

- **A. Update of research, grant writing services, and loan application to apply for funding from the IEPA Public Water Supply Loan Program (PWSLP)** – General Manager White advised the board that Mike Foley of Baxter & Woodman had completed the revisions for the application submittal. He further stated that Mr. Foley had submitted the application to the IEPA for review and was fairly certain that they would have comments. General Manager White included a copy of the project plan in the board packet. He advised the board that the process would take approximately six months. Discussion of this subject followed.
- **Update of Low Lift Pump #2 Variable Frequency Drive (VFD) Replacement** – At the May board meeting, General Manager White informed the board that he was seeking confirmation from Tom Haverland at Crescent Electric that their proposed cost was still valid with Schneider Electric, the VFD provider. However, upon reviewing the shop drawings, General Manager White discovered that the VFD was a wall-mounted unit, as opposed to the cabinet originally requested. General Manager White requested that Mr. Haverland confirm the availability of a cabinet after discovering this information. He stated that Mr. Haverland advised a cabinet system would incur an additional \$2,000.00 expense. General Manager White advised there was a pressing need to replace this unit as it failed over the weekend as a result of lightning. He requested that Mr. Haverland confirm the manner in which the drive will be installed in the cabinet, verifying by means of drawings to ensure that it will fit in the existing space. Discussion of this subject followed.
- **Update on Brickwork Tuckpointing at Low Lift Pump Station** – General Manager White reported that the bid advertisement for this project was published June 13. The bid opening will occur on July 9, 2024 at 11:00 a.m. at the District offices. The bid results will be presented at the board meeting that same evening. General Manager White anticipates procuring bids from several contractors as there were 12 plan holders, three of which had already visited the job site. Discussion of this subject followed.
- **Ground Storage Tank Stone** – Operations Manager Thompson reported that Ken Erickson, of C. Erickson Designs, began work on this project on Thursday, May 30. He stated they initiated the process by excavating a trench that was approximately one and a half feet deep and three feet wide, encircling the entire Ground Storage Tank. A layer of Typar was applied to the trench's base, followed by a layer of #8 stone. Then, a second layer of Typar was applied, followed by an additional four inches of stone. The work was finalized on Monday, June 3.

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Operations Manager Thompson believes the Ground Storage Tank's foundation now meets the AWWA's recommended six inches above grade. This will also ensure that proper drainage occurs away from the tank's foundation. Discussion of this subject followed.

- **Update on Transfer Pump #1 Check Valve** – Operations Manager Thompson reported that Transfer Pump #1 and the motor had been rebuilt and reinstalled in February of this year. Subsequently, we observed a fluttering noise emanating from the check valve on the discharge side of the pump. Dahme Mechanical was contacted to investigate the noise. They advised us to replace the worn check valve and advised that the lead time for a new check valve would be 16 to 30 weeks. Dahme Mechanical was able to install the new check valve on May 15, as it arrived earlier than expected. There was no longer a fluttering noise emanating from the valve, and we were able to put Transfer Pump #1 back into operation. The total expense for the installation of the new check valve was \$19,823.00. Discussion of this subject followed.

NEW BUSINESS

- **Discussion of Meeting with Representatives of Winthrop Harbor** – General Manager White stated he and Board Chair Ruchti had met with representatives from the Village of Winthrop Harbor to discuss the contract renewal. The Village was represented by Dr. Michael Bruno, Mayor, David Alarcon, Village Administrator, Tim Nearingard, Superintendent of Public Works, and Debra Melesio, Utility Billing Clerk. General Manager White attached a copy of the documents discussed at that meeting.

The initial subject of discussion was the contract renewal date and the language of the current contract. Following the discussion of the renewal terms, Mike inquired whether there were any reservations regarding the existing contract. Tim Nearingard expressed his concerns regarding the manner in which the maintenance and proprietorship of the meter pits are administered. He believes that some modifications may be necessary after he has reviewed the contracts with the Village Attorney. General Manager White then indicated that the District would appreciate an early response regarding the contract renewals prior to the August 2025 deadline. General Manager White went on to explain that the District is currently in the process of securing a State Revolving Loan (SRF) to finance projects that have been postponed for an extended period. During the conversation, General Manager White mentioned that the current contract terms have the contract renewal at ten years, and the District is interested in a 20-year contract that is more in line with the City of Zion's contract. This would result in a longer repayment period and a lower the monthly payment for the SRF loan. All agreed that there is a financial advantage to attempting to align the Village contract length with the City of Zion contract length. Mayor Bruno requested that David consult with the Village Attorney regarding the contracts and present their findings at the July council meeting for discussion. Discussion of this subject followed.

General Manager White then went over the forecasts for the R&R payment, Revenue Delivery Requirement, and the Water rate. Discussion of this subject followed.

MISCELLANEOUS

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- **Correll Co. – Quarterly Reports** – General Manager White stated that these are the reports from the District’s investment company. He stated that they issue quarterly reports which provide information on the health of the funds that Correll chooses on behalf of the plan. Discussion of this subject followed.

- **Review CRG Search Recommendations for General Manager Position. Approval as necessary to extend employment offer.** –Chair Ruchti wanted to discuss an update with the District’s search firm regarding the general manager position. He discussed the resumes from AWWA that General Manager White provided as a matter of information. Discussion of this subject followed. In addition, Chair Ruchti discussed two applicants provided by CRG Search. He discussed the possibility of interviews and felt that in person would be preferable to virtual meetings. Discussion of this subject followed, and Trustee Ower made a motion to move into executive session to discuss personnel matters, which was seconded by Trustee Ewert, and upon the vote, the motion was carried unanimously.

* * * EXECUTIVE SESSION * * *

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