

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
December 14, 2017**

Roll Call:

The regular meeting was called to order by President Hansen at 7:00 pm at the Sanitary District offices located at 515 Plum Street. Roll call was answered by President Eric Hansen, Trustee Terry Easler and Trustee Kyle Kané. Also present were District Manager Rick Forner, District Attorney Ann Williams and District Treasurer/Clerk Karen Thompson. District Engineer Brett Postl was absent.

Approval of Minutes:

Motion was made by Trustee Easler and seconded by Trustee Kane to approve the Minutes of the Regular Board Meeting of November 9, 2017. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

Public Comments:

Joseph Greenwood of Lake in the Hills spoke and suggested that the Sanitary District Trustees contact each of the areas served by the District to share in the cost of the legal fees. He commented that there will be costs associated with consolidation of the Sanitary District. He suggested that there be a cap of \$2.1 million which is what was already approved as an expenditure to purchase land. He believes that this can be recouped within 3-4 years after consolidation.

President Hansen commented that the other areas have no interest in paying for the District's legal fees. It has been brought up. He believes that any costs associated with consolidation would not be on the District. The only thing that the District would be paying for would be the operational assessment that will be discussed tonight.

Consent Agenda:

Motion was made by Trustee Easler seconded by Trustee Kane to bring the Consent Agenda before the Board and approve as presented.

- A. Approval of Application and Certificate for payment #6 in the amount of \$31,100.00 to RP Coatings, Inc. for the 2017 Tank and Clarifier Coating contract.

On a roll call vote, President Hansen, Trustee Easler and Trustee Kane voted aye.

Specific Agenda:

- A. Approval of Invoice from Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C. dated August 11, 2017.

Motion was made by Trustee Easler to bring the Specific Agenda item A before the Board and open discussion regarding payment on invoice from Ancel, Glink Diamond, Bush, DiCianni & Krafthefer, P.C. dated August 11, 2017.

District Attorney Ann Williams reported that per her conversation with Derke Price of Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer P.C. he agreed to accept a 10% reduction in amount owed if the Board would approve tonight.

Motion was made by Trustee Easler, seconded by Trustee Kane to approve Specific Agenda Item A and make payment to Ancel Glink (et al) with a 10% reduction in the amount owed. On a roll call vote President Hansen and Trustees Easler and Kane voted aye.

B. Proposal of Knight E/A, Inc. to provide an operational assessment of the Lake in the Hills Sanitary District.

Motion was made by Trustee Kane, seconded by President Hansen to bring Specific Agenda Item B before the Board and open for discussion.

The District Attorney reported that she contacted McHenry County Chairman Franks to see if the County would consider funding a portion of this assessment under the premise that it is part of the process for due diligence for consolidation. She said that he is not willing to make that expenditure and the committee would not consider that option. If the Board determines that this assessment is necessary, either for the purpose of consolidation or for the purpose of assessing the District in the interim, it would be a cost that the District would bear. The final proposal could contain any parameters set forth by the Board before final approval is sought at the January 2018 meeting.

After much discussion regarding the need for this assessment, motion was made by President Hansen, seconded by Trustee Kane to approve Specific Agenda Item B and direct the District Attorney to enter into an agreement with Knight E/A Inc. to provide an operational assessment of the Lake in the Hills Sanitary District. On a roll call vote, President Hansen and Trustee Kane vote aye and Trustee Easler voted nay.

Accountant's Report:

District Treasurer reported that the final installment of property tax revenue has been received. She also presented a copy of the November 2017 Treasurer Reports.

Motion was made by President Hansen, seconded by Trustee Easler to approve the November 2017 Treasurer Reports. On a roll call vote President Hansen and Trustees Easler and Kane voted aye.

Approval of Bills:

District Treasurer presented a list of bills for approval.

A motion was made by Trustee Easler and seconded by Trustee Kane to approve the List of Bills as presented for payment totaling \$ 223,519.99 with \$ 22,457.97 from the General Corporate Fund, \$ 145,284.39 from the Operations and Maintenance Fund, \$ 55,777.63 from the Construction Fund and \$ 0.00 from the Bond and Interest Fund.

The motion passed after a roll call vote; President Hansen and Trustees Easler and Kane voted aye. (A copy of the bills approved will be kept with the Board Meeting documents)

Manager's Report:

District Manager presented his report for November 2017.

There were no call outs in November.

Flows are getting back to normal after a few months of high precipitation numbers.

Next quarterly bills will go out on December 29, 2017 with a due date of January 24, 2018. This will give our customers approximately 27 days to pay their bills. Also reported that we have roughly 40,000 blank bill stock which will carry us through the March billing.

The barium testing has been completed. The Engineers are evaluating those results and have a timeline of late December early January to have a report to the EPA regarding the barium levels on our effluent.

Updated the Board regarding the District's upcoming holiday schedule.

Reported that this past year we have collected approximately \$92,000 in delinquent accounts from our water shut off program. District staff has been working diligently to collect on these accounts while also being sensitive to the resident's ability to pay by giving them options to help bring their accounts current.

Motion was made by Trustee Kane and seconded by Trustee Easler to approve the Managers Report for November 2017. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

District Engineer:

In the absence of the District Engineer, the District Manager gave a report.

Blower reconfiguration project is out for bid. The bids are due on January 5th. They will be presented to the Board for consideration at the January 2018 meeting.

Working on the design and specifications for Digester #4. Assumes that in January those will be presented to the Board for consideration to go out to bid.

Been working with the electrical and controls engineers on site. Looking at electrical components and some fiber optic runs to bring some of the facilities back to the SCADA system.

Attorney:

District Attorney gave a report regarding the unwinding and recouping of expenditures from the land purchase. In addition to the \$100,000 in outstanding escrow money, she has also received an invoice from the broker for \$28,523. Regarding recouping these funds, she has sent an initial outreach to the seller's attorney and did not receive a response. At the direction of the Board, she sent a demand letter to the seller's attorney arguing that the contract is invalid and unenforceable. She gave them 15 business days for the seller's attorney to respond. If we do not hear back we may need to pursue a declaratory action for the return of that \$100,000. Will keep us updated, but feels strongly that the contract was not strong and enforceable and we have a good chance of getting these funds back. Regarding the Broker's fee there is some case law that indicates if the contract is not enforceable the broker cannot collect a commission.

She provided a written memo and a verbal update to the Board on the new State law regarding sexual harassment. The District does have a policy in place and only a few minor changes will need to be made to bring this policy in compliance with this new law.

Spoke with Chairman Franks regarding an update on the consolidation process. His staff has been in contact with the Village of Huntley and City of Crystal Lake about some of the items pertaining to consolidation. The next task force meeting will take place in January.

Unfinished Business:

- A. District's quarterly bill due date per Section 4.06 of the Lake in the Hills Sanitary District Code of Rules and Regulations.

Discussion took place regarding aligning the due date and payment period on the Sanitary District bills to match the Villages water bills. County Board Member Paula Yensen indicated that when she was a Trustee with the Village of Lake in the Hills some residents expressed confusion regarding the difference in due date and billing timeline policies between the sewer bills and the water bills. She believes that the Sanitary District's new website may help to alleviate some confusion. District Manager reported that although our bills indicate we will give customers a minimum of 15 days from the time the bills go out until payment is due we typically give closer to 20 days. President Hansen indicated that since this is not an urgent issue and because we have preprinted bill stock thru March we will hold off on making any changes until at least March.

New Business:

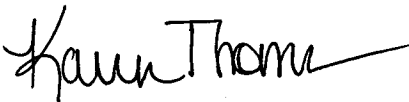
None

Adjournment:

There being no further business to bring before the Board, President Hansen asked for a motion to adjourn the meeting. Motion was made by Trustee Easler and seconded by Trustee Kane. The motion passed after a verbal vote. All Board members who were present voted aye.


The meeting was adjourned at 7:46 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 11th day of January, 2018.



President Hansen