

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
January 11, 2018**

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 Kane. Also present were District Manager Rick Forner, District Attorney Ann Williams, District Engineer Brett Postl and District Treasurer/Clerk Karen Thompson.

Approval of Minutes:

Trustee Easler had some questions on the Minutes of December 14, 2017 related to comments made by President Hansen and District Attorney Ann Williams. He wanted to confirm that they agree with what was written in the Minutes. Motion was made by Trustee Easler and seconded by Trustee Kane to approve the Minutes of the Regular Board Meeting of December 14, 2017 as presented. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

Public Comments:

Joseph Greenwood of Lake in the Hills spoke regarding Specific Agenda Item C (Approval of an agreement with Knight E/A Inc to provide an operational assessment of the Lake in the Hills Sanitary District). He encouraged the Board to approve this item as he believes that due to the past actions of the Sanitary District this outside assessment is needed.

Consent Agenda:

- A. Approval of Change Order No. 2 in the amount of -\$7,950.00 in conjunction with the Biosolids Improvements Bid Package "E", Digester #3 project under contract with DN Tanks as presented by District Engineers.
- B. Approval of Application and Certificate for payment #5 in the amount of \$32,140.00 to DN Tanks, Inc. for the Biosolids Improvement Bid Package "E", Digester #3, contract.

Motion was made by Trustee Easler seconded by Trustee Kane to approve the Consent Agenda (items A & B) as presented. On a roll call vote, President Hansen, Trustee Easler and Trustee Kane voted aye.

Specific Agenda:

- A. Approval of a Resolution to Amend Section V of the Lake in the Hills Sanitary District's Personnel Policies and Procedures, Sexual Harassment Policy. (*Resolution No. 389R*)

The District Attorney reported on the changes that were made to the District's Sexual Harassment Policy in order to comply with the new State guidelines.

Motion was made by Trustee Easler, seconded by Trustee Kane to approve Specific Agenda Item A and approve Resolution No. 389R Amending Section V of the Lake in the Hills Sanitary District's Personnel Policies and Procedures. On a roll call vote President Hansen and Trustees Easler and Kane voted aye.

B. Award of a contract for the Reconfiguration of Existing Hoffman Air Blowers, per the recommendation of the District Engineer.

District Engineer reported on the history of this project and provided the Board with some detail on the bids received. He also reported that this project would create some efficiencies in the District's electrical costs. He estimates the savings could be \$80,000 to \$100,000 per year.

He also reported that he has applied for an incentive program thru Commonwealth Edison that would reimburse the District approximately 21 cents per kWh after one year of operation, if approved. That could result in approximately \$100,000 to \$150,000 in savings.

District Engineer recommends awarding the contract to Energenecs Inc. in the base amount of \$659,000.

Trustee Easler had a question regarding whether we have any power correction capacitors on the large loads. District Engineer explained process.

Trustee Kane had a question regarding the timeline of the project. District Engineer explained the process and said they have allowed 250 days for the project to be completed.

District Manager explained that winter is a good time of year to start on the project because the air demands are down.

Motion was made by Trustee Easler, seconded by Trustee Kane to approve Specific Agenda Item B and award the contract for reconfiguration of the existing Hoffman Air Blowers to Energenecs Inc. for \$659,000. On a roll call vote, President Hansen and Trustees Easler and Kane vote aye.

C. Approval of an agreement with Knight E/A, Inc. to provide engineering services to conduct an operational assessment of the Lake in the Hills Sanitary District.

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

Trustee Easler had some questions regarding how often the District is inspected by the EPA and what the EPA is looking for during this inspection. District Manager reported that this an EPA inspection is done annually with the most recent EPA inspection done in July 2017. This inspection is done to confirm that the District is meeting the permit requirements, that the appropriate records are maintained, and that the lab processes are in compliance. The District received accolades from the EPA on the plant.

Trustee Easler asked some questions of the District Attorney to ensure that we are in compliance with the bidding process. The District Attorney explained the process and confirmed that we are in compliance with the process since this project does not exceed the \$40,000 threshold and is for professional services.

District Attorney highlighted some of the language in the contract that was specifically included to address some of the concerns that were previously brought up.

Trustee Easler questioned why the contract was adjusted from 2 months to 4 months. District Attorney reported that this was extended to give a window in case there are any difficulties. It will not exceed 4 months. Knight E/A suggested that it would probably take closer to 2 months.

Trustee Easler had some questions regarding compensation and/or termination. District Attorney directed him to Page 7, Section G of the contract titled Suspension and Termination and provided an explanation. She included verbiage which gives the Board many options for termination of the contract. In the event of termination, any potential pro-rated expenditures for fees would need to be determined at that time.

District Attorney further commented that the language she included in this contract is very "pro District" and very weighted in the District's favor and Knight E/A agreed with those provisions.

Trustee Easler questioned President Hansen regarding whether he has had any contact with anyone from the McHenry County Board or the Village of Lake in the Hills asking us to enter into this agreement. Trustee Easler believes that this was requested from McHenry County Chairman Franks during a conversation he had with President Hansen at the ad hoc meeting. President Hansen does not remember if it was requested, but believes it may have been brought up before that ad hoc meeting. President Hansen believes that he had the first discussion with Chairman Franks on this issue at some time after the financial audit was presented.

Trustee Easler further questioned President Hansen on how this assessment directly benefits the Sanitary District since the District's funds are being spent to pay for it. President Hansen explained that since he and Trustee Kane are new to the Board it is due diligence to confirm that everything is on the level and as it should be. He believes that this assessment will give them peace of mind on the operations.

Trustee Easler does not see the cost benefit of this assessment and he is wondering what the public will feel about spending money on this.

President Hansen further stated that should consolidation move forward any questions can be answered with confidence regarding the District's operations.

Trustee Easler further commented that due to FOIA any citizen can review and inspect any of the District's documents without the need to expend funds. President Hansen doesn't believe that most members of the public would have the knowledge to understand or assess the need for capital expenditures related to the plant. He wants someone independent to prepare a report.

Trustee Easler made a motion to approve Specific Agenda Item C and approve an agreement with Knight E/A Inc to provide engineering services to conduct an operational assessment of the Lake in the Hills Sanitary District. Motion was seconded by Trustee Kane. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

Accountant's Report:

District Treasurer presented a copy of the December 2017 Treasurer Reports. She also reported that although revenue seems very lean on the December financials, this is very typical and anticipated for this time of year. Also reported that January is a very busy time of year in the office as quarterly bills are due and 4th quarter and annual payroll filings (W2's, 1099's etc) are due.

Trustee Easler asked if the property tax distribution schedule will change as a result of the large numbers of residents who pre-paid their real estate taxes. District Treasurer reported that she has not heard differently, but would reach out to the County for confirmation.

Motion was made by Trustee Kane seconded by Trustee Easler to approve the December 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 \$ 189,145.93 with \$ 25,640.25 from the General Corporate Fund, \$ 122,724.68 from the Operations and Maintenance Fund, \$ 40,781.00 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:

The District Manager presented a written copy of the December 2017 Managers Report and provided a verbal recap of some items:

Due to the extreme cold temperatures there were no collection activities in December. This is due to the fact that the staff is unable to take the vactor truck out due to the risk of the water in the lines freezing.

Precipitation for the month was very low, as a result, flows were way down for December.

Plant is operating very well. The results of the effluent from the plant are in good shape with EPA guidelines.

Pointed out that we have allowed 27 days for payment on the bills that are due in January.

Information regarding the Economic Interest statements has been provided to the County. If forms are not received let the District Manager know so he can follow up with the County.

President Hansen had a question about the new Illinois initiative set forth regarding reporting liabilities. The District Attorney will review provisions regarding the Debt Transparency Act to see if there are any requirements for the District on this.

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

District Engineer:

The District Engineer asked if there were any additional questions related to the Blower project that was discussed earlier in the meeting.

Reported that he has been working on Digester #4 which will replace the steel tank. Anticipates these bids will go out in the next few days. Anticipates that this contract won't be awarded by the Board until after the operational assessment is completed as this is a \$1.5 to \$1.6 million project.

Reported that the 12 month barium report is now due. Has been testing 3 deep wells in the Village of Lake in the Hills and 1 deep well in the Village of Huntley. During this testing he has identified 1 of the

wells in the Village of Lake in the Hills that is contributing 94% of the barium. He believes that this knowledge changes the approach regarding mediation and that the most efficient method of treatment should be localized to this 1 well. The District will amend their pretreatment ordinance to include barium. The District Engineer will help put together the technical aspects of this ordinance and will work with the Village to look at how to best treat. Some additional testing will be done on this well so that we have a thorough understanding of how to move forward.

Attorney:

District Attorney gave a report regarding the recovery of the escrow money. The seller's attorney responded to her demand letter and has requested detail on some of her research. She will provide a letter with this information. She will separate any of her costs related to this process. She does remain hopeful that we will be able to recover these funds.

Spoke with McHenry Chairman and he indicated that the next ad hoc committee meeting regarding consolidation will take place on February 6, 2018 at 9:45am. The Chairman anticipates that representatives from the Villages and Cities that the Sanitary District covers will make presentations and ask questions at this meeting. He is also hoping that President Hansen will be able to attend.

Unfinished Business:

Trustee Easler asked the Attorney to separate out her expenses related to consolidation so that we can track that and/or possibly request reimbursement from other entities involved. Attorney said that she can do that, however, as of this date any previous discussions that she has taken part in are the result of larger discussions related to Board meetings. Therefore, costs have not been separated out.

Attorney said that she is not aware of any legal authority that would provide reimbursement from one taxpayer body to another taxpayer body for a consolidation consideration. She is not aware of anything in the law that would address a legal remedy on that. Consolidation is permitted under the law.

President Hansen said that the consolidation process wouldn't involve the District all that much. Most decisions are made by the County or the Village of Lake in the Hills. Will have a better idea of what's going on after the February ad hoc meeting.

New Business:

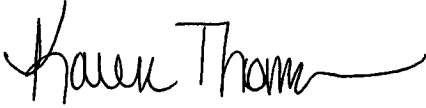
None

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.

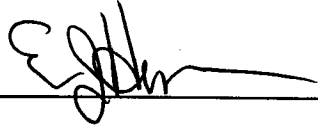
The meeting was adjourned at 7:47 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 8th day of February, 2018.



President Hansen