

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
February 8, 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:

Motion was made by Trustee Easler and seconded by Trustee Kane to approve the Minutes of the Regular Board Meeting of January 11, 2018 as presented. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

Public Comments:

Joe Greenwood of Lake in the Hills spoke regarding awarding contracts. He believes that there should be a really strong effort to get multiple bids. Since we are a small community, any contracts need to be thoroughly reviewed before they are approved.

District Manager appreciates Mr. Greenwoods input and responded by explaining our bidding process and our attempt to get competitive bids. All State laws are followed. Even for small projects we attempt to get multiple, competitive bids so that we can get the best cost for our customers.

Consent Agenda:

- A. Approval of a Wastewater Discharge Agreement with Transport Service Company.

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

Specific Agenda:

- A. Award of a contract for the construction of Digester #4, per the recommendation of the District Engineer.

The District Engineer provided his letter of recommendation. He further commented that he had approximately 6-8 bid sets picked up. We received 2 bids back. Generally, you would expect the bids to be received from Tank Contractors; however, in this case they were received from General Contractors. This is due to the large electrical component, underground improvements, and valve actuators required for the project. The Tank Contractors will be a subcontractor on this project.

As mentioned last month, the District Engineer anticipated that this project would come in at approximately \$1.6 million, however, the lowest bid was \$1.8 million. He has gone thru the numbers and every aspect of the project is 10-15% more than originally anticipated. He does not believe that we will be able to get a better price on this project in the future. We do have the capital improvement budget for this project.

District Manager asked if these prices are reflective of the fact that the economy has improved and more work is available for contractors. District Engineer believes this is correct. He indicated that he called a couple of large well-established contractors to encourage them to bid, however, they were too busy to bid on this project. He still believes that we did receive very competitive bids.

Trustee Easler asked about the timeline of the project. District Engineer indicated it is 285 days and therefore, would be complete this year. Some of the extended timeframe in the contract is due to seasonal constraints (ie. to get grass planted in the fall instead of summer).

District Engineer explained the limitations, inefficiencies and issues with the current steel tank. He also explained the capital improvement budget and the need to put money back into the plant to keep it up to par. He further explained that the current steel tank does function, but not very well. This project is being proactive; not reactive. He believes this is a good investment, although it is not an IEPA requirement.

President Hansen asked if we move forward with this project, are there any other projects that will have to be put off due to lack of funding. District Engineer does not believe that will be the case. There is a sewer repair project along the creek from Oak to Willow that will need to be done that is in the budget and the funds are there. Also, once the tank is built there will need to be some paving & reconstruction of the back driveway. This is also in the capital improvement budget and is funded.

District Manager commented that the 2020 capital improvement budget has been previously approved and they are working on the 2021 budget. He further commented that each year the IEPA comes up with new stricter requirements on our permit and he believes it is best to be proactive on projects to keep a step ahead. He explained the issue of the volatiles coming off of the sludge. If the volatiles are above 70% when hauled to the field for land application it has to be integrated into the soil right away. This puts a premium on that cost of sludge handling. He believes that bringing this new tank online will help with the detention time in the digesters which will drop the volatile percentage below 70% which will ultimately save money. The sludge hauler contract will be up for renewal this fall, so this should also help lessen the cost upon renewal.

President Hansen asked if the old tank will be repurposed. District Engineer stated that as the budget allows, the old steel tank will eventually be demolished.

Motion was made by Trustee Easler and seconded by Trustee Kane to approve Specific Agenda Item A and award the contract for the construction of Digester #4 to AMS Mechanical Systems, Inc. in the amount of \$1,820,000.00. President Hansen commented that if holding off on this project would lower the cost he would consider delaying the approval. District Engineer repeated that if he thought this was an artificially high bid he would not recommend approval. On a roll call vote President Hansen and Trustees Easler and Kane voted aye.

Attorney Report: *(due to the inclement weather President Hansen adjusted the Agenda so that the Attorney could report and then leave early)*

District Attorney had nothing to report. President Hansen asked if there were any questions for the Attorney. Trustee Easler commented that he does not have any questions, but he appreciates the fact that she was in attendance for the awarding of the contract. District Attorney was dismissed and left the meeting.

Accountant's Report:

District Treasurer presented a copy of the January 2018 Treasurer Reports. She commented that January was a quarterly bill due month so those numbers are reflected in the sewer bill income of the O&M report.

She also explained that we did resume our water shut off process in January after taking December off in the spirit of the holidays. She indicated that the report includes residents from both Huntley and Lake in the Hills and additionally provided information to substantiate the numbers provided on the A/R Analysis report.

District Treasurer reported that she reached out to the County in response to Trustee Easler's question last month regarding if there would be any changes to the property tax distribution schedule as a result of the large number of residents who prepaid their property taxes. The County has indicated that their goal is to get 2 distributions to us in May instead of the typical 1 distribution.

District Treasurer responded to the question that President Hansen had last month regarding the Debt Transparency Act. She indicated that this Act applies to State Agencies and does not appear to impact the District.

Motion was made by Trustee Easler seconded by Trustee Kane to approve the January 2018 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. She also indicated that she has separated out the line item for the District Attorney's fees related to the recovery of the escrow money.

A motion was made by Trustee Kane and seconded by Trustee Easler to approve the List of Bills as presented for payment totaling \$ 184,404.26 with \$ 19,285.32 from the General Corporate Fund, \$ 129,951.44 from the Operations and Maintenance Fund, \$ 34,417.50 from the Construction Fund and \$ 750.00 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 January 2018 Managers Report and provided a verbal recap of some items.

We did have 4 call outs in January. None were the District's issue. We do encourage our residents to contact us first before they could potentially incur the expense of a plumber. We do not charge the residents for us to come and check everything out.

The District Manager also presented a copy of the 2017 Annual Managers Report.

He highlighted a few sections of this report. First, he commented on the connections by development graph. Indicated that these are starting to pick up a little bit as we received 2 more today. This graph gives everyone an idea of where some of these new homes or businesses are being developed.

We had 21 call outs for 2017 and only 3 were related to the District's issues.

We televised about 11.5 miles of sanitary sewers. This is within our yearly goal. Approximately 2.5 miles of pipe needed cleaning. The fact that we keep up on this is indicative of the fact that we only had 21 call outs last year and only 3 of those were the District's issue.

He also commented on the plant operations summary (page 3 of his written report). He commented that we have seen significant reduction in our expenditures for sludge handling with the improvement project that was implemented a few years ago. He indicated that our contract with Synagro will be up for renewal this fall. The District is looking at potential cost savings for us to take over the pressing part and just contract out for the hauling.

He also mentioned the revenues that the District received for the municipal water discharges and for the septage disposal.

Lastly he explained the overtime by District personnel. The vast majority (81%) of this is for weekend rounds. He further explained that the overtime is equally spread around among staff.

Trustee Easler asked about the Village's deep well and the barium issue. District Manager referred that question to the District Engineer to update the Board during his report.

District Manager provided a status update on the operational assessment by Knight Engineering. They have been in contact with him and are currently working out their questions and determining what data they are going to require from us. Once Knight Engineering makes those determinations and have their team set up they will email Rick and he will provide that information to them.

Reported that our Auditor will not be returning and we will be soliciting bids for that service.

Motion was made by Trustee Easler and seconded by Trustee Kane to approve the Managers Report for January 2018 and the Annual Report for 2017. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

District Engineer:

Updated the Board on the barium issue. He and the District Manager met with one of the Village's water operators & toured their facilities. They looked at capacities of recharge wells and timing so they could fully understand the discharge and the concentrations.

In January they filed the 6 month required report with the IEPA.

Regarding the barium, there have been some discrepancies in the findings so additional testing and analysis is needed. He is putting together a plan to do more specific sampling of lines throughout the District. He indicated that we are on time with the IEPA, but due to these additional challenges, we are not ahead of the schedule.

Trustee Easler commented that it would be good to make sure the Village of Lake in the Hills is aware of our requirements with the IEPA on this. District Engineer confirmed that the Village is aware of these requirements and they understand that there will be costs involved. Both the Village and the District want to find the best way to treat this at the least expensive cost to the public.

District Manager further commented that the Water Superintendent at the Village of Lake in the Hills posed some question to him late last year when they were looking at their budget. District Manager also indicated that Huntley was aware of this.

The blower contracts have been issued and executed. They had a preconstruction meeting and are gearing up. Some submittals of the motors were rejected as they did not meet requirements. Those are being resubmitted. He anticipates the electrical work will begin in 4 weeks. Also discussed the lead-time on

the motors. Then they will look at the logistics on the removal of 2 of the blowers. Project moving along well.

Regarding the Digester #4 project that was approved tonight, he will get the contracts prepared for signature. For this project there will be tank work, concrete work, electrical work, controls work, underground work and a massive amount of excavation. Some dirt will need to be hauled off site which does add expenses. He has some documents for President Hansen to sign tonight. He anticipates that in the next 30-60 days the excavation will begin.

He has started preparing the specs for the sanitary sewer rehab project. This is on the sewer line that runs along the creek from Oak to Willow. He explained the "cured in place" repair process to the Board. Anticipates that these bids will go out shortly. It is better to get bids early in the season before contractors get booked up. He believes that we can allow some flexibility on when this will need to be done during the season. This will help keep the bids cheaper.

District Manager further commented that we have been preparing for this repair project. He indicated that this area is heavily wooded and 2 years ago we cleared a 20 foot wide easement to allow room for a contractor to get their equipment in.

Unfinished Business:

None

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 Kane and seconded by Trustee Easler. The motion passed after a verbal vote. All Board members who were present voted aye.

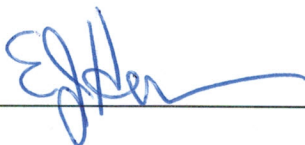
The meeting was adjourned at 7:36 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 8th day of March, 2018.



President Hansen