

**Lake in the Hills Sanitary District  
Board of Trustees Regular Meeting Minutes  
March 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 Kane and seconded by Trustee Easler to approve the Minutes of the Regular Board Meeting of February 8, 2018 as presented. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

**Public Comments:**

None.

**Consent Agenda:**

None.

**Specific Agenda:**

- A. Award of a contract for the 2018 Grounds Maintenance Services per the recommendation of the Assistant District Manager.

District Manager reported that these bids were opened on March 7<sup>th</sup>. Ryco Landscaping was the only and low bidder for the project. He was happy to report that Ryco's rates/unit prices were the same as last year and the year before. The contract is a one year contract with an option for a second year. The second year does show some price increases, but we will have the option to either go with those rates or rebid it at that time. Recommendation is to award the contract to Ryco Landscaping.

Motion was made by Trustee Easler and seconded by Trustee Kane to award the 2018 Grounds Maintenance Services contract to Ryco Landscaping as presented in the amount of \$12,496.00. On a roll call vote President Hansen and Trustees Easler and Kane voted aye.

**Accountant's Report:**

District Treasurer presented a copy of the February 2018 Treasurer Reports. She noted that there was nothing atypical or out of the ordinary to report for the February financials.

She also presented a copy of the Accounts Receivable Analysis report and provided the Board with some substantiated details regarding the success of the water shut off program. She highlighted the fact that for February 2018 we only had 24 customers who were in arrears enough to be pursued for payment. When the water shut off process was started, it was capped at 40. She also referenced the outstanding

balanced that is 90 days or more past due. When we started this process in the Spring of 2015, this number was almost double what it currently is. She also indicated that a good portion of this outstanding balance is for customers who are on a payment agreement with us.

Motion was made by Trustee Easler seconded by Trustee Kane to approve the February 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.

A motion was made by Trustee Easler and seconded by Trustee Kane to approve the List of Bills as presented for payment totaling \$ 210,634.00 with \$ 27,064.09 from the General Corporate Fund, \$ 156,590.91 from the Operations and Maintenance Fund, \$ 26,979.00 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 February 2018 Managers Report and provided a verbal recap of some items.

We did have 3 call outs in February. None were the District's issue.

Regarding the treatment plant operations, everything is once again outstanding as far as the performance of the plant. This can be traced back to the work of the Operators, the Maintenance staff and the District Engineer.

We are in the process of looking for a new Auditor. Anticipates that we will have a recommendation to the Board at the April meeting.

District Manager met with Knight Engineering at the plant on Tuesday, March 6<sup>th</sup>. Staff from Knight Engineering spent a couple of hours at the plant touring the facility. They also asked questions about the District's 3-year capital plan, the improvements that are going on at the plant, the staff and any maintenance issues. He anticipates that in the next 30 days we will have a report from Knight Engineering.

He also presented the Board with a written Operations Report that contains detail on items that will be coming up at next month's meeting regarding budget & appropriations, employee compensation adjustments among other things.

Trustee Easler was looking for detail regarding the Pyott Road Lift Station repairs that were mentioned in the District Managers written report. District Manager explained the process by which Marc Kresmery Construction installed a by-pass connection within the valve pit. He further commented that some of the steel bolts in the valve vault were starting to rust and deteriorate and they were replaced with stainless steel bolts. Staff has also seen some bolts rusting at the Decatur lift station and are analyzing whether these need to also be replaced.

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

**District Engineer:**

Regarding the Digester #4 project, he has our copy of the fully executed contracts. He anticipates that if the weather is good we will see some work starting within the next 30 days.

The air blower project is moving forward. The contractor submitted shop drawings that were rejected because they swapped motors on us. This has been rectified and the specified motors have been ordered. There is a 12 week lead time on the motors.

The contractor on the air blower project has asked to substitute a panel manufacturer. The bid specifications required Chicago Panel. District Engineer said he would make sure this substitute panel would be equivalent. He wanted to get the consensus of the Board on whether they would be ok with this substitution. District Engineer further explained that in the past, from a policy standpoint, any substitutions would be rejected; however, from a functionality standpoint there would be no reason to reject it. He believes it is in the Board's right to waive a technicality like this.

Trustee Easler asked whose equipment would be inside of the substituted panel. District Engineer confirmed that the materials on the inside would be from Square D, but the substitution would be in who puts in together.

President Hansen wanted to confirm that this would not create issues with other bidders. District Engineer does not believe this would be an issue. It is not a big enough amount to make a difference.

Trustee Easler confirmed again that the components inside the panel would be what was specified. District Engineer concurred.

President Hansen asked the District Attorney if she thought this would be an issue. She indicated that it doesn't sound like it would be an issue, but she would like to review further before confirming. District Engineer said that he would get her a copy of the spec.

District Engineer asked the Board whether they would be ok with this substitution pending the Attorney's approval. They agreed.

Regarding the barium issue, choke points in the system have been identified which will allow them to isolate sections of the Village from each other. This should help find where the additional barium is coming from.

During the June of 2017 IEPA inspection it was noted that the solids loading was higher than before. This resulted in a reduced capacity of the plant. He and staff have looked at the solid loading on the plant and have had conversations with the IEPA. The new numbers reaffirm previous years and the June of 2017 numbers seem to be an anomaly. The IEPA concurs and said they will reassess in June of 2018.

District Manager reported that he recently spoke with our IEPA inspector and she concurs that this is not a concern of theirs anymore. He further explained that in 2017 we were switching around a lot of our tanks to get ready for the painting of the clarifiers and the lining of the sludge holding tank. This resulted in a large amount of solids being sent to the front of the plant which were run thru again, and therefore, were counted a second time. This would explain those high numbers from 2017.

District Engineer indicated that he will be going out to bid in the next week for the cure in place pipe lining project. At the April meeting he will have the bid results and will seek Board approval.

**Attorney Report:**

District Attorney thanked for the Board for accommodating her by letting her leave last month's meeting early due to the weather.

She spoke about the \$100,000 that is stuck in escrow and the almost \$30,000 Broker fee that we have been approached about.

She provided the Board with a recap of her process to recoup the \$100,000 earnest money. In her recap she noted that in January she sent a letter to the seller's attorney indicating that in her legal opinion there was no valid real estate agreement as there was not an adequate legal description of the property. She also provided some additional research to the seller's attorney which further explained the lack of validity in the contract.

In February, she received an email response from the seller's attorney. She read this email to the Board. The seller's attorney disagrees with her opinion, but indicates that his client would settle this matter for \$50,000.

District Attorney further explained to the Board, that if we are of the opinion that the contract was not valid then we would not owe any money under the Broker agreement. If we would decide to settle for \$50,000 we open ourselves up to the potential of also owing the Broker fee. She believes that either way we are probably going to end up in some sort of court action.

Based on the behavior of the other parties in this case and the fact that she has backed up our position with case law she feels comfortable with our legal position. However, anytime you litigate you do run the risk that things won't go your way.

If the Board directs, she can look at filing a declaratory judgement which would declare the contract invalid and would seek the return of the escrow money. From then, it would be up to the Broker to go after us for their money. If it is determined that the contract is not valid, the Broker would have no grounds to seek payment for this fee.

President Hansen does not want to settle for \$50,000. Trustee Easler does not believe that they have a valid contract. President Hansen also believes their case is weak. That opinion was concurred by Trustee Kane. Trustee Easler advised the Attorney to go ahead and file the judgement and see how they respond. District Attorney indicated that she will proceed as directed. She does not believe that we would need to take a Board vote on this direction.

District Attorney further indicated that normally these issues are discussed in closed session, however, President Hansen indicated that he wanted to be sure any discussion of money of this magnitude was held in open forum. There is no requirement that this is done in closed session.

District Attorney will proceed as directed and will file a declaratory judgement. She will keep the Board updated on any of the results.

**Unfinished Business:**

None

**New Business:**

Trustee Kane indicated that he sent his letter of resignation to the District Attorney which was forwarded to President Hansen. He is purchasing a condo that is outside of District limits and therefore, will not be able to serve on this Board anymore. He enjoyed his time here and believes that many good things were accomplished during his tenure. He hopes that this good work is continued. His resignation will be effective March 31, 2018.

Other Board members and District Staff thanked him for his service.

District Attorney indicated that she forwarded Trustee Kane's resignation letter to President Hansen and the District Manager. She said that she reached out to the McHenry County Board, as they are the appointing authority. The County indicated that people who are interested in applying for this Board position can follow the link on the County's website. (<https://www.co.mchenry.il.us/county-government/departments-a-i/county-board/county-board-appointments>).

Trustee Easler echoed the District Attorney's comments and believes this is the proper way to go about filling Trustee Kane's vacancy. He further commented that this process will allow the right committee and the McHenry County Board to look at the applications and the experience levels of each candidate.

District Attorney will send the link around to the Board and the staff so that inquiries into this opening can be correctly routed.

President Hansen asked if we could put the link on the Districts website. District Manager advised that could be done.

**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.

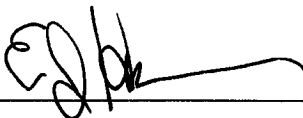
The meeting was adjourned at 7:22 pm.

Respectfully Submitted,



Karen Thompson,  
District Clerk

APPROVED this 18th day of April, 2018.



President Hansen