

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
June 14, 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 Cheryl Kehoe. 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 Kehoe and seconded by Trustee Easler to approve the Minutes of the Public Hearing and Regular Board Meeting of May 10, 2018 as presented. On a roll call vote, President Hansen, Trustee Easler and Trustee Kehoe voted aye.

Public Comments:

Joe Greenwood of Blackberry Court in Lake in the Hills was present and introduced himself to the new Trustee Cheryl Kehoe.

Consent Agenda:

- A. Approval of Application and Certificate for payment #1 in the amount of \$74,137.50 to Energenecs, Inc. for the Reconfiguration of Existing Hoffman Air Blowers project.
- B. Ordinance No. 392 Establishing Prevailing Wage Rates for the Lake in the Hills Sanitary District.

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the Consent Agenda as presented (Items A – B). On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

Specific Agenda:

None

Accountant's Report:

District Treasurer reminded the Board that May begins a new fiscal year and that is why the monthly and year to date columns are identical on the May Treasurer reports. She further commented that the reports have also been updated to reflect the 2018-19 fiscal year budget numbers.

She also let the Board know that due to the large number of residents who prepaid their property taxes, the County was able to get two installments of property tax revenue to us in May.

She also provided an update regarding the Audit process. She indicated that George Roach and staff have been in the office several days over the past two weeks gathering information and auditing our processes.

She anticipates that by the August meeting George will have draft copies of the financials ready for review.

Motion was made by Trustee Easler seconded by Trustee Kehoe to approve the May 2018 Treasurer Reports. On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

Approval of Bills:

District Treasurer presented a list of bills for approval. She indicated that there was nothing atypical on the bills this month and they are all pretty self-explanatory. She also stated that she has copies of the bills if anybody wanted to see any detail.

Trustee Easler had a question regarding the District's credit cards. District Treasurer indicated that we have 2 Visa cards and 1 Home Depot credit card. He further questioned whether the Auditor will review these credit card statements. District Manager indicated that the auditor may spot check some of these credit card statements, but will not review all of them in detail. He further stated that the District only uses credit cards for smaller purchases or for online purchases of materials or repair items. In most cases we set up an account with a vendor and receive invoices as opposed to using the credit card. Trustee Easler further questioned whether these statements are available for review by the public. District Manager indicated that these statements are kept on file with all of our other vendor files and if someone wanted to review them they could do so via a FOIA request.

A motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the List of Bills as presented for payment totaling \$ 222,122.40 with \$ 30,246.90 from the General Corporate Fund, \$ 159,916.00 from the Operations and Maintenance Fund, \$ 31,959.50 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 Kehoe voted aye. (A copy of the bills approved will be kept with the Board Meeting documents)

Manager's Report:

District Manager presented a written copy of the May 2018 Managers Report and provided a verbal recap of some items.

With regard to the main line blockage at the residence on Willow Street, the info was turned over to the District's insurance company. The insurance company is dealing directly with that homeowner to provide restitution for those damages.

Precipitation for May was quite a bit over the normal range. The plant was able to handle this high precipitation well.

In May the District staff went thru CPR and AED training. This training provided staff with knowledge of how to perform CPR and use an AED on both children and adults. All staff became certified. Trustee Easler questioned whether the Good Samaritan Law would apply if staff that was trained by the District needed to use these skills in an emergency situation. His concern is that the District could be held liable since they provided the training. The District Attorney did a quick internet search on this. She read the details aloud. Based on what she read it appears that the Good Samaritan Law would apply and the District would not be liable. The only exception would be if it was done in a willful and wanton way to intend to injure or harm the person.

District Manager updated the Board on the meeting he had with the developers of the Beehive Living project. District Manager said that he provided the developers with some detail on how the connection fees were determined as well as some comparisons to other facilities that are being constructed in town. He has not heard anything back from them.

The District's annual IEPA inspection is tomorrow. The inspector will review our processes and equipment, go thru paperwork, and review our lab testing procedures and documentation. In the past we have always received good reviews from them and he doesn't anticipate anything different this time around.

He indicated that we did have another backup on June 7th at a property on Clark. This backup was the result of a "perfect storm" of things that went wrong. He provided the Board with the details. They are now working on rectifying this so that it doesn't happen again. This has been turned over to our insurance company.

He provided the Board with a sewer rate comparison chart. As seen on this chart we continue to have one of the lowest rates in the area for wastewater treatment. He further commented that the average monthly rate we charge (identified on this chart as \$28.45) includes the both the regular sewer user fees and the property tax fees. This was done so that we could more accurately compare our overall rates to that of the entities who do not levy a tax. Again, we are still lower than others in the area. District Engineer further commented that a lot of the fees other entities charge are related to capital projects. He stated that some entities are assessing high fees to pay for large expenditures or to rebuild plants because they did not plan ahead well. Our District has tried to stay ahead on these type of projects and on maintenance so that we do not have to assess large fees to our customers to cover expenses. District Manager further stated that he is kicking around the idea of cutting the District's tax levy and shifting that over to the user fees. This would be a stepped program. His initial thought is to reduce the levy by 20-25 percent and then look at user fees in 2019 to ensure the fees are adequate enough to cover the needs of the District going forward. He is looking for input over the next week from any of the Trustees regarding this. Trustee Easler wanted to make sure that everybody knows that the tax levy only applies to homes that use our services. He was wondering if reducing the levy would be a permanent thing or if in the future we would need to levy again and if we would have enough money to continue to fund capital improvement projects. District Manager indicated that we have always tried to plan ahead for projects from a funding standpoint. If this is done we would continue that planning as normal, but expenses for that would be covered by user fees instead of a tax levy. President Hansen agreed that most people do not like a tax and would rather cover expenses with a user fee. Trustee Easler commented that it seems like most user fees go up almost every year, so that may be a better option. District Engineer reminded everyone that because the Bonds are secured by that tax levy you would want to consult an attorney to confirm how or if this could be done. District Attorney also commented that you do have to find a balance when you levy so that you don't over levy as you can incur penalties. District Engineer concurred that they have a capital improvement plan in place and with the existing funds the District should be fine. District Manager further commented that the last user fee increase was back in 2014.

Motion was made by Trustee Easler, seconded by Trustee Kehoe to approve the Manager's report as submitted. On a roll call vote President Hansen, Trustee Easler and Trustee Kehoe voted aye.

District Engineer:

There are 3 major projects moving forward at this point. The submissions and back and forth with contractors is done a daily basis to make sure they are moving ahead with the right supplies and equipment.

Two of the four blowers are out at the factory right now. We expect those back this month. He and the District Manager have a meeting with the electrical contractor on this project tomorrow morning to talk about any specifics that need to be done before they complete the installation of the variable frequency drives.

The excavation for the new tank is just about done. The rain has delayed this a bit, but it should be done next week. The tank subcontractor will be onsite June 23rd. Trustee Easler asked if it would be the same tank that was constructed a few years ago. District Engineer confirmed it would be the same tank and tank contractor.

District Engineer further indicated that he had a conference with the contractor on the pipe lining and manhole repair project. Submittals are done and approved. He anticipates that the contractor will start on this in the next couple of weeks.

They are waiting for the final results from the composite samples for the barium testing. Once those are in he will come to the Board with a recommendation for an Ordinance that sets a limit on this barium.

He indicated that they have also been working with District staff on the phosphorus report that the IEPA has requested

Attorney Report:

District Attorney indicated that they are preparing a filing for the return of the escrow money. She has a document tonight for President Hansen to sign. They are missing a critical piece of information that would give us a strong case. They believe this critical information is in the files at Ancel Glink and they are hoping to get their correspondence and files pertaining to the escrow money.

Trustee Easler asked about the inspection report from Knight Engineering. District Attorney indicated that we do have the report here and President Hansen is going to discuss it in New Business.

Unfinished Business:

None

New Business:

President Hansen gave everyone a copy of the report from Knight Engineering regarding the operational assessment of the District. He indicated that there are some serious questions that were raised in this report. He was hoping to have this report sooner and would like everyone to have a chance to review it. Therefore, he is asking to have a special meeting within the next week to discuss. President Hansen further commented that he has talked with several people regarding this report and the recommendation is that we replace the current District Engineer with a new company. He is requesting that the Board meet next Wednesday June 20th. District Clerk indicated that she will be in Florida and will be unavailable. District Attorney suggested that the District Manager could maintain this role by recording the meeting in the Clerk's absence. District Attorney also indicated that she would work with the District Manager on the agenda for the meeting,

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 Kehoe and seconded by President Hansen. The motion passed after a verbal vote. All Board members who were present voted aye.

The meeting was adjourned at 7:41 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 12th day of July, 2018.



President Hansen