

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
July 12, 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 and District Treasurer/Clerk Karen Thompson

Approval of Minutes:

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the Minutes of the Regular Board Meeting of June 14, 2018 as presented. On a roll call vote, President Hansen, Trustee Easler and Trustee Kehoe voted aye.

Public Comments:

Joseph Greenwood of Blackberry Court in Lake in the Hills was present. With regard to the backup that occurred last month on Clark, he is suggesting that there be a preventative maintenance program in place to check all equipment so that issues like this can be avoided in the future. District Manager explained our process of checking the lift station and equipment each week. He also commented that we have an outside source that will call us via an auto dialer if an issue is detected. He further indicated that he appreciates the thoughts and suggestions.

Consent Agenda:

- A. Approval of Application and Certificate for payment #2 in the amount of \$177,842.75 to Energenecs, Inc. for the Reconfiguration of Existing Hoffman Air Blowers project.
- B. Approval of Final Plat of Resubdivision of Lot 2 in Restart Lake in the Hills, Dated 1/26/18
- C. Approval of Change Order #1 in the amount of \$7,950.00 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- D. Approval of Change Order #2 in the amount of \$9,496.13 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- E. Approval of Change Order #3 in the amount of \$17,697.74 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- F. Approval of Application and Certificate for payment #1 in the amount of \$152,132.40 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.

Trustee Easler commented that all of these changes orders are approved by a professional Engineer. District Manager concurred and indicated that you can find their signature on the bottom of each change order.

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

Specific Agenda:

A. Acceptance of Postl Yore's resignation as District Engineers effective July 5, 2018.

District Manager reminded the Board that there are five outstanding projects that Postl Yore is currently working on (Blowers, Digester #4, Barium, Phosphorus, and the Pipe Lining Project). He is suggesting that Postl Yore continue with at least the first four of these projects since they have all been started. He then provided details on the progress of each of these projects. He further indicated that the pipe-lining project could be handled by the new District Engineer if they are appointed before construction begins. President Hansen and the other Board members indicated that this would be fine.

District Manager further indicated that he has prepared an RFQ for a District Engineer. This RFQ contains an aggressive timeline, which would include having a recommendation to the Board by the August meeting. He forwarded a copy of this RFQ to the District Attorney for review. District Attorney would like to review further and will get back to him by Monday. Once the Attorney approves the RFQ it will be sent to several local firms, will be published in the newspaper and will be posted on the District's website.

The District Attorney asked about the interview and selection process. She further indicated that because we are three member Board, only one Trustee could be on the evaluation and selection committee. She offered her assistance as well. District Manager sought suggestions from President Hansen regarding who would serve on this committee.

Motion was made by Trustee Easler, seconded by Trustee Kehoe to approve Specific Agenda Item A and accept Postl Yore's resignation as District Engineers effective July 5, 2018.

Trustee Easler asked the District Attorney to confirm that we would be in compliance if we continue to use Postl Yore's services to complete these projects after his official resignation. The District Attorney indicated that she will review further, but does not think that it will be an issue because all of the construction contracts have been approved. Instead, it would just be a change to the capacity of the Engineer. The fees for his services will be submitted and presented to the Board for approval as they always have been.

On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

Accountant's Report:

District Treasurer presented copies of the June 2018 Treasurer reports. She indicated that there was nothing notable to highlight for June, but would be happy to answer any questions.

Trustee Easler asked the Treasurer to point out any large or out of the ordinary bills that come in each month before they are approved by the Board. District Treasurer indicated that she will do that in her report under Approval of Bills. She further reminded him that the large payments to contractors will be on the Consent Agenda so they would be voted on there as opposed to her list of bills.

Motion was made by Trustee Kehoe seconded by Trustee Easler to approve the June 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. Per Trustee Easler's request, she pointed out some of the larger bills that were on the list to be approved. She also stated that she has copies of the bills if anybody wanted to see any detail.

A motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the List of Bills as presented for payment totaling \$ 280,774.13 with \$ 27,321.92 from the General Corporate Fund, \$ 220,637.21 from the Operations and Maintenance Fund, \$ 32,815.00 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 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 June 2018 Managers Report and provided a verbal recap of some items.

With regard to the backup on Clark, we have been in contact with our insurance company and they have covered this customer's claim.

Precipitation for June was more than double the average. There were high flows throughout the system, but the plant was able to handle well and there were no backups.

District Manager presented a draft copy of the Tax Levy. It reflects a 2% reduction. Last year's levy reflected an 11% reduction. He plans to present the final copy to the Board for consideration at the August meeting.

He presented a memo to the Board regarding the Bio Solids handling. He is recommending that we take over the pressing operation and hire a new employee to handle this process. This would result in savings for the District. Trustee Easler wanted to confirm when the cost savings would be seen and what the term of the contract will be. District Manager explained the process and indicated that the contract with Synagro only for the hauling and land application would be for a 5 year term.

District Manager further asked the District Attorney to confirm that we are okay to do a change order to extend our contract with Synagro. This change order would narrow the scope by eliminating the pressing operation; but keeping the hauling and land application. District Attorney indicated that she would like to research further, but thinks that since we are narrowing the scope and not adding to the scope it should be okay. She will research, confirm and let District Manager know.

District Manager indicated that in August he will have an Ordinance prepared for the Board's consideration that lines up our bill due date to match the Village of Lake in the Hills bills. This was discussed several months ago, but we were waiting until we had used up our current bill stock.

He further indicated that at the August meeting draft copies of the Audit will be ready for review. We will seek approval of the final copy at the September meeting.

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

Engineer's Report:

None (*District Manager provided an update on the ongoing construction projects during the Specific Agenda*).

Attorney's Report:

District Attorney reported on the litigation to recoup the escrow funds. She reminded the Board that previously the McHenry County States Attorney did a quo warranto action to declare both the land annexation and contract invalid and to state that President Hansen and Trustee Kane were validly seated as Trustees. Then the order was voluntarily dismissed. Moving forward with the litigation to recoup this money, we need to revisit some of these issues because it could complicate our efforts in an adversarial litigation case. One option is to go back to that quo warranto action and ask the McHenry County States Attorney to refile it. We've moved on from the de facto issues, but refiling would legally solidify those positions so that things are not in limbo. She spoke to McHenry County Chairman Jack Franks about this. We only have one year to do this, which is around August 27th. If it is refiled, the court can rule on the undecided issues. Since it is now a non-adversarial case this should not be an extensive piece of litigation. Trustee Easler asked some questions regarding the contract. District Attorney explained and indicated that she would be available to answer any questions. District Manager questioned how these outstanding issues became in limbo. District Attorney explained and further commented that it would have been better if the Judge had ruled on the case instead of just dismissing it. District Attorney indicated that she will continue to keep the Board updated.

Unfinished Business:

Trustee Easler asked for an update on the consolidation process. President Hansen indicated that the City of Crystal Lake and the Villages of Huntley & Lake in the Hills have asked for a more in depth study. An RFQ was issued by McHenry County. Trustee Easler wanted to know who will pay for this study. President Hansen indicated that the Sanitary District will pay for it. Trustee Easler doesn't understand why the Sanitary District would pay for it when we did not request this study. He also doesn't believe that there is anybody out there who can go through and study the entire system. Trustee Easler believes that this could be a very expensive study. He believes that each entity who requested this study should share the cost. President Hansen indicated that this study will need to be done and whether it is paid for by the County, the Villages, the City or the Sanitary District it is all coming from taxpayer money. He further stated that the other entities don't want to pay for it because they have to face elections. In order for consolidation to move forward, this is what they want done. He further commented that a few months ago he thought the Village had bowed out, however, they are back in it but need this study done before moving forward.

District Attorney commented that this RFQ is being put together by the County and will go through the County's purchasing department. She further stated that since consolidation is such a new process we are in uncharted territory. She also pointed out that the timeframe of the County's RFQ is over lapping with the timeline of the District's RFQ for a new Engineer. If this creates complications, the County would be okay with doing an extension.

Trustee Easler further commented that the potential for consolidation might create issues when entering into a contract with a new District Engineer. It also creates uncertainty for the District Staff regarding their employment. President Hansen further commented that there are many unknown factors that will need to be considered. District Attorney agreed that things should be thoroughly discussed and vetted. This will not be something that will happen overnight.

District Manager indicated that he has been contacted by a few people regarding the County's RFQ. They have asked to schedule site visits at the plant. He is concerned that this could create potential inequities in the RFQ process. He is uncertain about how he should proceed and is looking for direction from the Attorney and the Board. District Attorney agreed and said that to be fair you need to share information and give the same opportunities to all. District Manager suggested that the County's purchasing department send out a notice and an addendum to notify all interested parties that tours will be available on a certain date & time. The District Manager will cancel his upcoming tours and will direct those parties back to the County's purchasing department.

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 Kehoe. The motion passed after a verbal vote. All Board members who were present voted aye.

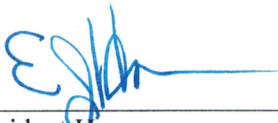
The meeting was adjourned at 7:52 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 9th day of August, 2018.



President Hansen