

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
November 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 Cheryl Kehoe. Also present were District Manager Rick Forner, District Engineer Peter Kolb, 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 October 11, 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 in attendance. He had some comments regarding the proposed settlement that is on the Specific Agenda. He outlined details of the actions taken by the prior Board to purchase land in Kane County. He further stated that the public was told that the purchase of land to expand into Kane County was being researched for 3 years, but that there were no documents to support that. He indicated that there needs to be transparency and justification for major expenditures. He believes that the moves to purchase land were a breach of public trust and should not be forgotten.

Consent Agenda:

Trustee Easler made a motion that we move Consent Agenda Item A to the Specific Agenda so that discussion can take place. Trustee Kehoe seconded the motion. On a roll call vote, President Hansen and Trustees Easler and Kehoe voted aye to remove Item A from the Consent Agenda and move it to the Specific Agenda Item A.

- ~~A. Approval of Task Order No. 18-03 from Applied Technologies for the assessment of the Water Pollution Control Facility electric services and plant power distribution.~~ *MOVED TO SPECIFIC AGENDA, ITEM A.*
- B. Approval of Application and Certificate for Payment #4 in the amount of \$211,077.40 to Energenec, Inc. for the Reconfiguration of Existing Hoffman Air Blowers project.
- C. Approval of Application and Certificate for Payment #3 in the amount of \$637,000.26 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- D. Approval of Application and Certificate for Payment #1 in the amount of \$65,043.29 to Hoerr Construction, Inc. for the 2018 Sewer Lining – Willow to Oak project.
- E. Approval of employee recognition per District Managers recommendation.
- F. Approval of writing off uncollectible residential accounts per staff's recommendation.

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

Specific Agenda:

- A. Approval of Task Order No. 18-03 from Applied Technologies for the assessment of the Water Pollution Control Facility electric services and plant power distribution. *THIS WAS MOVED FROM THE CONSENT AGENDA, ITEM A, TO THE SPECIFIC AGENDA.*

Trustee Easler asked if this assessment will also include the lift stations. District Engineer said that the direction they have received at this point is to just look at the plant and not the lift stations. They can include the lift stations if desired. Trustee Easler had some further questions regarding the Arch Flash studies. He further stressed the importance of electrical safety. District Engineer indicated that they will come up with recommendations to keep everyone safe. District Manager indicated that this assessment is the first step in reviewing and ultimately replacing older equipment. He further stated that most lift stations have been upgraded over the years through rehab, therefore, the immediate need is for the plant. Trustee Easler further stated that this project is being done to proactively upgrade the power system so that everything will be up to standards.

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve Task Order 18-03 (now known as Specific Agenda Item A). On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

- B. Proposed Settlement Agreement on escrow money relating to land purchase.

District Attorney presented Resolution No. 396 and offered to answer any questions. There were no questions. President Hansen commented that going to trial would be risky and could cost up to \$50,000 in legal fees with no guarantee that we would win the case. He further stated that after some back and forth we ended up with the District recovering \$45,000 of the \$100,000 that was previously paid for the land deposit.

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve Specific Agenda Item B and accept the terms outlined in Resolution No. 396. On a roll call vote, President Hansen and Trustees Easler and Kehoe voted aye.

Accountant's Report:

District Treasurer presented written copies of the October 2018 Treasurer reports and highlighted some pertinent items. She indicated that October was a quarterly bill due month and you can see that reflected under the revenues and receipts portion of the O&M Report. She also stated that we did receive one tap on/connection fee in October. She further indicated that the item under Miscellaneous and Contingent Expenses is for check written to the Illinois Treasurer's Office for unclaimed property. She then directed the Boards attention to the Governmental Funds report and indicated that in October we did receive two small property tax installments. She further reminded the Board that the IMRF expenses on the October report included both September and October payments. This was due to the internet issue we had at the end of September.

Motion was made by Trustee Easler seconded by Trustee Kehoe to approve the October 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. As mentioned previously, she indicated that there were two payments made to IMRF in October. Additionally, she highlighted some of the atypical or larger invoices. She further commented that the Attorney's invoice contained some fees for the recovery of the earnest money. Those fees have been listed separately on the report. She also stated that she has copies of the bills if anybody wanted to see any detail.

A motion was made by Trustee Kehoe and seconded by Trustee Easler to approve the List of Bills as presented for payment totaling \$ 304,086.38 with \$ 123,457.09 from the General Corporate Fund, \$ 126,779.29 from the Operations and Maintenance Fund, \$ 53,100.00 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 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 October 2018 Managers Report and provided a verbal recap of some items.

October was a very typical month. He indicated that there was nothing to expand upon and offered to answer any questions.

Trustee Easler added, as identified on the report, there were three emergency responses in October and none of them were the District's issue. He further added that there are very few failures of our system.

The committee for the Illinois Association of Water-Pollution Control Operators were onsite today. They reviewed the plant with regard to our nomination for plant of the year. The tour went well and they were impressed with our lab, our records, and the calibration on the equipment. We are hoping for good thoughts regarding our nomination.

In the spirit of the holidays, we will not be doing any water shut offs in December. He also reminded the Board that the office will be closed on the Friday after Thanksgiving.

The tank has been completed on the Digester #4 project. The aeration piping is in the tank. They are currently working on backfilling and are about week away from finishing that. The next step will be the electrical and controls.

All four blowers are in place and operating. Today they started the process of running three blowers and logging the data. This will be done for 30 days in consideration for the grant money from ComEd's VFD program.

The results of the internal study for the barium and phosphorus testing has been sent to the prior Engineer. They will finish up their report and recommendations.

The sewer lining project between Oak and Willow Streets has been completed. He anticipates that at the next meeting the Board will be presented with the final payment to that contractor. Everything went very well on this project. It was a difficult project, but Hoerr Construction was a great company to work with on this.

Motion was made by Trustee Kehoe, seconded by Trustee Easler 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

District Engineer, Peter Kolb from Applied Technologies provided a written report and a verbal recap. He indicated that several items on Task Order 18-01 have been completed including the site survey, wetland delineation, geotechnical investigation, and the soil management & CCDD soil assessment. There will be a kick off meeting on November 13th where they will get input from District staff before drawings are prepared. The plan is to go out for bids in February with bid awards in March 2019 and construction after that.

Regarding Task Order 18-02 he indicated that the site survey and wetland delineation have been completed. They will also discuss this Task Order at the November 13th meeting. This will go out for bids in February with bids awarded in March 2019.

He indicated that they are ready to start on Task Order 18-03 (Electrical Assessment) which has been approved tonight. The one-line diagram drawings should be done in January. Studies should be done by June 2019.

As requested, they will begin to put task orders together for the following projects: Richard Taylor Park bypass, replacement of the wash water pumps and the assessment of the replacement value for the District assets (Buildings & Structures).

District Manager indicated that both the Richard Taylor Park Bypass and the replacement of the wash water pumps have been included in the 2018-19 fiscal year budget. The assessment of the District's assets is something that our insurance carrier and auditor have requested.

Attorney's Report:

District Attorney indicated that today they had a planning and procedure meeting with County Administrator Peter Austin and representatives from Huntley and Lake in the Hills regarding moving forward with the RFQ for an assessment of the Sanitary District. President Hansen will participate in the interviews with the consultants.

Trustee Easler wanted to know who is going to pay for this assessment. District Attorney indicated that since consolidation is such a new process there are no procedures to follow. She further stated that the Villages who may absorb the customer base would like to have some information regarding the District's financials and infrastructure. This assessment is a preliminary step.

President Hansen indicated that the entities involved would like to see a 25-year plan which would provide knowledge about the current facilities, future replacement of District infrastructure as well as the District's financial position. The plan is to interview 3 or 4 consultants. There are no costs incurred yet, however, the Sanitary District will pay for this assessment.

District Attorney indicated that at this point we are taking preliminary steps to help determine if consolidation is in the best interest of the taxpayers.

Trustee Easler further commented that he does not understand why the County is taking the lead on this but is asking the Sanitary District to pay for it. He indicated that there are around 300,000 residents in McHenry County, but only 33,000 residents who pay taxes to the Sanitary District. He believes it is unfair to ask those 33,000 Sanitary District customers to pay for this instead of the full tax base of 300,000 residents who live in McHenry County.

District Attorney indicated that the information garnered from this assessment will be helpful to the Sanitary District regardless of whether consolidation moves forward or not. President Hansen added that this assessment will also include an in depth rate study. He also indicated that before any negotiations regarding consolidation can take place this study would need to be completed.

Trustee Easler further indicated that we have already paid several thousand dollars for an Engineering study earlier this year. He does not believe that the District received any benefit from that. He further stated that he does not believe it was a very in depth study as Knight Engineering only spend a couple of hours at the facility. He further stated that he believes that the in depth study that the County is putting together is going to be very expensive. Trustee Easler does not see how this study is going to directly benefit the customers who use our services.

President Hansen indicated that the general recommendation is to do a rate study every 5 years. He does not believe that this has been done for the District. He believes that is how the County and the Villages are justifying that we pay for it.

District Engineer indicated that in Lake County they did the exact same first step before considering consolidation. They actually hired two independent consultants, one for Engineering and one for the Finances. He further stated that Lake County paid for these studies. He also indicated that Lake County has a public works department and the Sanitary District there is being consolidated into the County.

Trustee Easler indicated that this started when the Village of Lake in the Hills came to the District and indicated that they wanted to take us over. He indicated that they found that they don't have the resources to do that. He still believes that the Village does not have the resources. He is concerned that we are going to be spending this money and not getting a benefit.

Trustee Easler indicated that he does not believe that the Villages care about consolidating. If they were seriously interested, he believes that they would pay for the assessment.

President Hansen indicated that they directly asked the Village of Lake in the Hills if they are interested in consolidating. He said that they are very interested in finding out whether it is worth doing. Before they can make that determination this study will need to be done. Consolidation needs to make sense, as we do not want to consolidate just for the sake of consolidating.

Trustee Easler asked the District Engineer if he knew how much these studies cost in Lake County. District Engineer does not know, but can get that information. He further indicated that the Sanitary District in Lake County only serves 12,000 to 15,000 residents compared to the 33,000 that we serve.

Trustee Easler wants to be sure that we are justifying to all of our users that we are spending money for a good cause. He wants to make sure that what we do is benefitting our customers.

President Hansen indicated that he will keep everyone apprised. Trustee Easler wanted to make sure that we are keeping this transparent and open to the public. District Attorney indicated that all information will be presented in open meetings.

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 Kehoe 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 7:40 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 13th day of December, 2018.



President Hansen