

**LAKE IN THE HILLS SANITARY DISTRICT
AGENDA
REGULAR MEETING
OF THE BOARD OF TRUSTEES
July 12, 2018
7:00 P.M.**

REGULAR MEETING OF THE BOARD OF TRUSTEES

Roll Call

Approval of the Minutes

Public Comments

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.**

Specific Agenda

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

Accountant's Report

Approval of Bills

**LAKE IN THE HILLS SANITARY DISTRICT
AGENDA REGULAR MEETING OF
THE BOARD OF TRUSTEES**

July 12, 2018

7:00 p.m.

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Manager's Report

Operations Update

2018/2019 Tax Levy

Biosolids Handling

Engineers Report

Attorney's Report

Unfinished Business

New Business

Adjournment

**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,

A handwritten signature in black ink, appearing to read "Karen Thompson", with a long, sweeping horizontal line extending to the right.

Karen Thompson,
District Clerk

APPROVED this _____ day of _____, 2018 .

President Hansen

July 6, 2018

Mr. Rick Forner
Lake in the Hills Sanitary District
515 Plum Street
Lake in the Hills, Illinois 60156

RE: 2017 Reconfiguration of Existing Hoffman Air Blowers
Recommendation for Payment – Application #2
Lake in the Hills Sanitary District

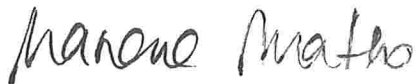
Dear Mr. Forner:

Enclosed is Pay Application #2 Pay Request for work completed by Energenecs, Inc. on the Lake in the Hills Sanitary District 2017 Reconfiguration of Existing Hoffman Air Blowers project. This pay application reflects work completed through June 29th, 2018.

We find the partial waivers to be in order, and recommend payment in the amount of **ONE HUNDRED SEVENTY SEVEN THOUSAND EIGHT HUNDRED FORTY TWO DOLLARS AND SEVENTY FIVE CENTS (\$177,842.75)** to Energenecs, Inc., 700 East Milan Drive, Saukville, Wisconsin 53050.

Please find enclosed one (1) original copy of the Application for Payment, Contractor Pay Estimate, Partial Waivers and Certified Payroll – Compliance Letters. Please contact me with any comments or questions.

Sincerely,
Postl-Yore and Associates, Inc.

A handwritten signature in black ink, appearing to read "Marzena Bratko".

Marzena Bratko
Project Engineer

Enclosures

APPLICATION AND CERTIFICATE FOR PAYMENT

OWNER: LAKE IN THE HILLS SANITARY DISTRICT
PROJECT: 2017 RECONFIGURATION OF EXISTING
HOFFMAN BLOWERS
CONTRACTOR: ENERGENECS, INC.
CONTRACT FOR: LAKE IN THE HILLS SANITARY DISTRICT
ENGINEER: POSTL YORE AND ASSOCIATES

APPLICATION #: 2
DISTRIBUTED TO:
OWNER
ENGINEER
CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Payment Application Continuation Sheet - Schedule of Units Completed is attached.

1. ORIGINAL CONTRACT SUM	\$ 659,000.00
2. Net Change By Change Orders	\$ 0.00
3. CONTRACT SUM TO DATE (Line 1 & 2)	\$ 659,000.00
4. TOTAL COMPLETED TO DATE	\$ \$279,978.06
5. RETAINAGE: (10% of Line 4)	\$ \$27,997.81
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$ \$251,980.25
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior certificate)	\$ \$74,137.50
8. CURRENT PAYMENT DUE	\$ \$177,842.75
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$ \$407,019.75

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, the work has been performed in a good and workmanlike manner and in accordance with all applicable governmental approvals and required permits; that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown is now due. Contractor certifies that there are no liens on any of the work or materials that the Owner has made prior payment for, or the existence of any such liens have been fully disclosed to the Owner in writing.

CONTRACTOR:

Date: 6/29/18

By: *Wesley*

State of: Wisconsin

County of: Ozaukee 24 day of June

Subscribed and sworn to before me this 24 day of June

Notary Public: *Linda G. Mogar*

My Commission expires: 5/1/20

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, The Engineer certifies to the Owner that to the best of their knowledge, information and belief the Work has progressed as indicated, the quality of the completed Work is in accordance with the Contract Documents, the work has been performed in a good and workmanlike manner (subject to the fact that the Engineer has not reviewed safety precautions) and the completed work is in accordance with all applicable governmental approvals and required permits; and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED
(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and the Schedule of Units Completed that changed to conform to the amount certified.)
\$ 177,842.75

ENGINEER:

By: *Shane Mathis*

Date: 07.06.18

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for line items may apply.

APPL. NUMBER: 2

APPL. DATE: June 29, 2018

PERIOD FROM: 6-1-18

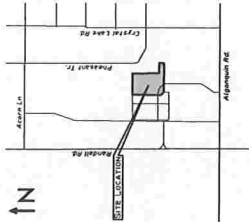
TO: 6-30-18

ARCHITECT'S PROJECT NO: 01-11-18

A Item No.	B Description of Work	C Scheduled Value	D WORK COMPLETED THIS APPLICATION		F Stored Mat. (not in D or E)	G Total Completed and Stored To Date (D+E+F)	H Balance to Finish (C-G)	I Retainage
			Previous Applications	Work in Place				
010	Energeneics Inc	\$ 163,881.00	\$ 82,375.00	\$ 26,655.46		\$ 109,030.46	\$ 54,850.54	\$ 27,997.81
020	Mission Controls	\$ 176,777.00	\$	\$ 141,421.60		\$ 141,421.60	\$ 35,355.40	\$
030	Werner	\$ 16,132.00	\$	\$ 14,518.80		\$ 14,518.80	\$ 1,613.20	\$
040	Gardner Denver	\$ 227,174.00	\$	\$ 0		\$ 227,174.00	\$ 227,174.00	\$
050	United Power	\$ 43,816.00	\$	\$ 8,763.20		\$ 8,763.20	\$ 35,052.80	\$
060	Utility Worx	\$ 31,220.00	\$	\$ 6,244.00		\$ 6,244.00	\$ 24,976.00	\$
070						\$	\$	\$
080						\$	\$	\$
090						\$	\$	\$
100						\$	\$	\$
110						\$	\$	\$
120						\$	\$	\$
130						\$	\$	\$
140						\$	\$	\$
150						\$	\$	\$
160						\$	\$	\$
170						\$	\$	\$
180						\$	\$	\$
190						\$	\$	\$
200						\$	\$	\$
210						\$	\$	\$
220						\$	\$	\$
230						\$	\$	\$
240						\$	\$	\$
250						\$	\$	\$
260						\$	\$	\$
270						\$	\$	\$
280						\$	\$	\$
290						\$	\$	\$
300						\$	\$	\$
310						\$	\$	\$
320						\$	\$	\$
TOTAL		\$ 659,000.00	\$ 82,375.00	\$ 197,603.06	\$ -	\$ 279,978.06	\$ 379,021.94	\$ 27,997.81

P.L.N. 19-29-151-026

MAIL PLAT TO:
HAEGER ENGINEERING, LLC
105 EAST STATE AVENUE
PO BOX 1000
ALGONQUIN, IL 60110



TAXING DISTRICTS (ACCORDING TO MOHAWK COUNTY GIS WEBSITE
<http://www.mohawkcountyny.gov/gis/index.html>)
ALGONQUIN TWP. & BR.
ALGONQUIN TWP. & BR.
LAKE IN THE HILLS SANITARY DISTRICT
LAKE IN THE HILLS VILLAGE
LAKE IN THE HILLS VILLAGE
COLLEGE DISTRICT 600 ELGIN
ALGONQUIN TOWNSHIP
LAKE IN THE HILLS DISTRICT
MOHAWK COUNTY CONSERVATION

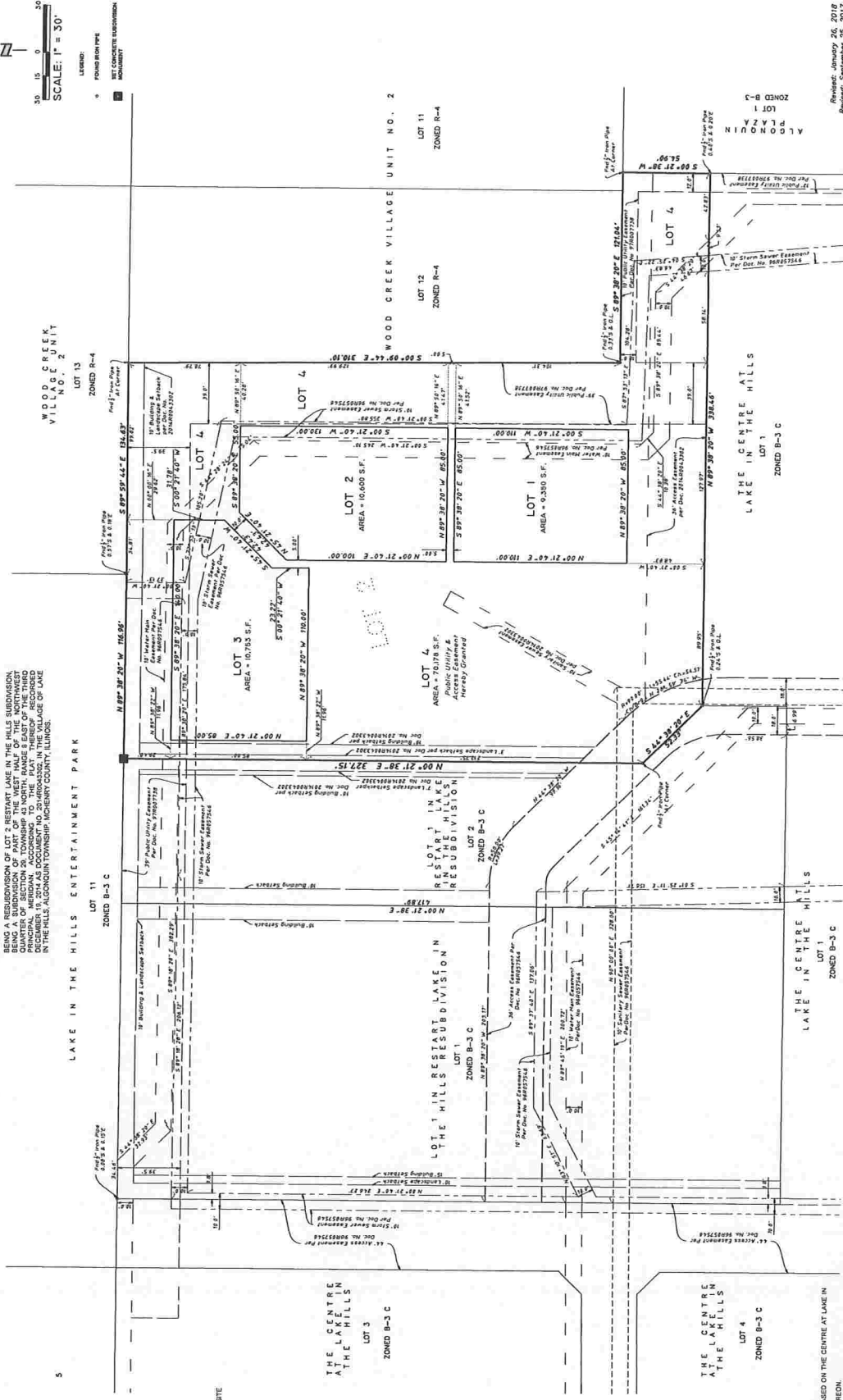
FINAL PLAT

OF

RESUBDIVISION OF LOT 2 IN RESTART LAKE IN THE HILLS

ALGONQUIN TOWNSHIP

BEING A RESUBDIVISION OF LOT 2, RESTART LAKE IN THE HILLS SUBDIVISION, QUARTER OF SECTION 29, TOWNSHIP 43 NORTH, RANGE 8 EAST, OF THE THIRD PRINCIPAL MERIDIAN, MOHAWK COUNTY, ILLINOIS, AS SHOWN ON THE PLAT OF THE RESTART LAKE IN THE HILLS SUBDIVISION, MOHAWK COUNTY, ILLINOIS, DATED DECEMBER 15, 2014 AS DOCUMENT NO. 20140883302, IN THE VILLAGE OF LAKE IN THE HILLS, ALGONQUIN TOWNSHIP, MOHAWK COUNTY, ILLINOIS.



- SURVEYOR'S NOTES:**
1. THE BASIS OF BEARING SHOWN HEREON IS BASED ON THE CENTRE AT LAKE IN THE HILLS.
 2. UNDERGROUND UTILITIES ARE NOT SHOWN HEREON.
 3. A TITLE COMMITMENT POLICY WAS NOT PROVIDED FOR THIS SURVEY. THIS SURVEY IS NOT A GUARANTEE OF THE ACCURACY OF THE INFORMATION PROVIDED. IT IS PROVIDED TO THE SURVEYOR PRIOR TO THE COMPLETION OF THIS SURVEY.
 4. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS NOTED THE EXISTING UTILITIES AND STRUCTURES WITHIN THE LAKE IN THE HILLS.
 5. ZONE CLASSIFICATION IS BUSINESS DISTRICT 11.
 6. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS NOTED THE EXISTING UTILITIES AND STRUCTURES WITHIN THE LAKE IN THE HILLS.
 7. SUBDIVISION ARE RECORDED AUGUST 11, 2015 AS DOCUMENT NO. 20150883302.

HAEGER ENGINEERING
consulting engineers
105 East State Avenue
Algonquin, Illinois 60110
Phone: 815.295.1515
Fax: 815.295.1516
www.haeger-engineering.com

Revised: January 26, 2018
Plat Number: 19-29-151-026
Approved: August 13, 2017

SECTION 01 26 63

CHANGE ORDERS

ORDER NUMBER: 1

DATE: 06-26-2018

AGREEMENT DATE: 02-08-2018

The directed to make the following changes to this CONTRACT:

1. Changes to the contract specifications – See Attachment A
2. Changes to the contract price – See Attachment B

No other work is changed by this Change Order. All materials shall be as specified and approved.

Not valid until signed by the OWNER. Signature of the Contractor indicates his agreement herewith, including any adjustment in the CONTRACT PRICE or CONTRACT TIME.

Original CONTRACT PRICE	\$1,820,000.00
Current CONTRACT PRICE adjusted by previously CHANGE ORDER(S)	\$ -0-
The CONTRACT PRICE prior to this CHANGE ORDER was	\$1,820,000.00
The CONTRACT PRICE will be (increased) (decreased) by this Change Order	\$ 7,950.00
The new CONTRACT PRICE including this CHANGE ORDER will be	\$1,827,950.00
The CONTRACT TIME will be (increased) (decreased) by _____ ()	

calendar days.

The date for completion of all work will be _____ (Date).

Approved this _____ day of _____, ____

Approved this 27 day of July 18

OWNER

CONTRACTOR

Approved this 26th day of June, 2018
Marlene Blalock
ENGINEER



QYK and Natgun
Generations Strong

11 Teal Road, Wakefield, MA 01880 | 781.246.1133 | Fax 781.224.5163

June 1, 2018

Mr. Ken Scharlow
AMS Mechanical Systems, Inc.
9341 Adam Don Pkwy.
Woodridge, IL 60517

Reference: Lake in the Hills, IL – Digester
Change Order for Stairway Installation

Dear Mr. Scharlow,

DN Tanks is providing the below change order cost to install the stairway on the digester No. 3 tank in Lake in the Hills as a part of the current contract to construct the digester No. 4 tank.

A. Stairway Installation Labor:	\$4,450.00
B. (10) Concrete Piers:	\$1,000.00
C. Concrete Pad	\$2,500.00
D. Total Change Order Amount:	\$7,950.000

Please feel free to contact me at 972-823-3310 if you have any questions concerning this change order proposal.

Sincerely,

Atticus Mulholland
Project Manager – DN Tanks

SECTION 01 26 63

CHANGE ORDERS

ORDER NUMBER: 2DATE: 07/03/2018AGREEMENT DATE: 02/08/2018

The directed to make the following changes to this CONTRACT:

1. Changes to the contract specifications – See Attachment A
2. Changes to the contract price – See Attachment B

No other work is changed by this Change Order. All materials shall be as specified and approved.

Not valid until signed by the OWNER. Signature of the Contractor indicates his agreement herewith, including any adjustment in the CONTRACT PRICE or CONTRACT TIME.

Original CONTRACT PRICE	\$ <u>1,820,000.00</u>
Current CONTRACT PRICE adjusted by previously CHANGE ORDER(S)	\$ <u>7,950.00</u>
The CONTRACT PRICE prior to this CHANGE ORDER was	\$ <u>1,827,950.00</u>
The CONTRACT PRICE will be (increased) (decreased) by this Change Order	\$ <u>9,496.13</u>
The new CONTRACT PRICE including this CHANGE ORDER will be	\$ <u>1,837,446.10</u>
The CONTRACT TIME will be (increased) (decreased) by _____ ()	
calendar days.	
The date for completion of all work will be _____ (Date).	

Approved this _____ day of _____, ____

Approved this 3rd day of 07, 2018

OWNER

Kenneth Scharlow / cmw

CONTRACTOR

Approved this 06 day of 07, 2018
Harrie Mallo

ENGINEER



Distribution to:

☐ Owner
☐ Architect
☐ Contractor
☐ Field

Change Order

Project:
 (name and address) 25046 / LITH DIGESTER #4 PROJ
 LAKE IN THE HILLS SANITARY DIS
 515 PLUM STREET
 LAKE IN THE HILLS, IL 60156

Change order number: C001
 Initiation date: 06/06/18
 Architect's project no:

To:
 (contractor) AMS MECHANICAL SYSTEMS, INC.
 9341 ADAM DON PARKWAY
 WOODRIDGE, IL 60517

Contract for: LITH DIGESTER #4 PROJ
 Contract date:

You are directed to make the following changes in this Contract:

Billing Item	Description	Amount
C001	Halliday H2W Cast-in-Hatch	9,496.13
	(Revised due to change from Type 1 Frame and Grate on the (2) Sanitary Sewer Manholes to a Halliday H2W Cast-in-Hatch.)	
	Total:	9,496.13

Not valid until signed by the Owner, the Architect, and the Contractor.

The original (Contract Sum) (Guaranteed Maximum Price) was	\$1,820,000.00
Net change by previously authorized Change Orders	\$0.00
The (Contract Sum) (Guaranteed Maximum Price) prior to this Change Order was	\$1,820,000.00
The (Contract Sum) (Guaranteed Maximum Price) will be (increased) (decreased) (unchanged) by this Change Order	\$9,496.13
The new (Contract Sum) (Guaranteed Maximum Price) including this Change Order will be	\$1,829,496.13
The Contract Time will be (increased) (decreased) (unchanged) by () days	
The date of Substantial Completion as of the date of this change order therefore is	

Architect

Contractor
 AMS MECHANICAL SYSTEMS, INC.
 9341 ADAM DON PARKWAY
 WOODRIDGE, IL 60517

Owner
 LAKE IN THE HILLS SANITARY
 ATTN: ACCOUNTS PAYABLE
 515 PLUM STREET
 LAKE IN THE HILLS, IL 60156

By _____
 Date _____

By Ken Scharlow / smw
 Date 06/06/2018

By _____
 Date _____



11013 122nd Street – Pleasant Prairie, WI 53158
262-857-7414 262-857-2927 fax

To: AMS Mechanical	Attention: Ken Scharlow
Fax:	Phone: (630) 320-7714
Email: kscharlow@AMS-PMT.COM	Date: 5/16/18
From: Kevin Garrison	Number of Pages: 1
Bid#	Job# 218020 phase #: 600
DKC change order request# 1-R1	GC reference#

RE: RESPONSE TO PLAN CHANGES:

Below, please find our quote for the Changes requested on the above project.

We have been directed to change from a Type 1 Frame and Grate on the (2) Sanitary Sewer Manholes to a Halliday H2W cast-in hatch.

Furnish H2W Access Frame & Cover – 2 @ \$1,673.75 = \$3,347.50

Furnish X1S Retro-Grate – 2 @ \$501.25 = \$1002.50

Freight Cost for Halliday Items – 1 @ \$235.00

Credit Type 1 CL – 2 @ \$265.00 = <\$530.00>

DKC 10% OH&P on Materials = \$405.50

DKC Add'l Labor – 4.75 Hours @ \$100.00 = \$475.00

Change 72" Manhole from Type A (72" Base Reducing to 48" Riser) to 72" constant - \$973.50

Change 96" Manhole from Type A (96" Base Reducing to 48" Riser) to 96" constant - \$2,348.50

Since the work is not in our scope of work, we will only proceed with such work upon issuance of an agreed Subcontract Change Order or clear written directive from you that the work is extra, that we are fully entitled to an equitable subcontract adjustment, and that we are to proceed immediately with the added work.

Please issue a change order in the amount of \$8,257.50

Thank You,
Kevin Garrison

SECTION 01 26 63

CHANGE ORDERS

ORDER NUMBER: 3DATE: 07/03/2018AGREEMENT DATE: 02/08/2018

The directed to make the following changes to this CONTRACT:

1. Changes to the contract specifications – See Attachment A
2. Changes to the contract price – See Attachment B

No other work is changed by this Change Order. All materials shall be as specified and approved.

Not valid until signed by the OWNER. Signature of the Contractor indicates his agreement herewith, including any adjustment in the CONTRACT PRICE or CONTRACT TIME.

Original CONTRACT PRICE	\$ <u>1,820,000.00</u>
Current CONTRACT PRICE adjusted by previously CHANGE ORDER(S)	\$ <u>17,446.00</u>
The CONTRACT PRICE prior to this CHANGE ORDER was	\$ <u>1,837,446.10</u>
The CONTRACT PRICE will be (increased) (decreased) by this Change Order	\$ <u>17,697.74</u>
The new CONTRACT PRICE including this CHANGE ORDER will be	\$ <u>1,855,143.80</u>
The CONTRACT TIME will be (increased) (decreased) by _____ ()	
calendar days.	

The date for completion of all work will be _____ (Date).

Approved this _____ day of _____, ____

Approved this 3rd day of 07, 2018

OWNER

Kenneth Scharlow / smw

CONTRACTOR

Approved this 6th day of 07, 2018
hanouel masha

 ENGINEER



Distribution to:

____ Owner
____ Architect
____ Contractor
____ Field

Change Order

Project:
(name and
address) 25046 / LITH DIGESTER #4 PROJ
LAKE IN THE HILLS SANITARY DIS
515 PLUM STREET
LAKE IN THE HILLS, IL 60156

Change order number: C002

Initiation date: 06/19/18

Architect's project no:

To:
(contractor) AMS MECHANICAL SYSTEMS, INC.
9341 ADAM DON PARKWAY
WOODRIDGE, IL 60517

Contract for: LITH DIGESTER #4 PROJ

Contract date:

You are directed to make the following changes in this Contract:

Billing Item	Description	Amount
C002	Aeration pipe size increase	17,697.76
Total:		17,697.76

Not valid until signed by the Owner, the Architect, and the Contractor.

The original (Contract Sum) (Guaranteed Maximum Price) was \$1,820,000.00
Net change by previously authorized Change Orders \$9,496.13
The (Contract Sum) (Guaranteed Maximum Price) prior to this Change Order was \$1,829,496.13
The (Contract Sum) (Guaranteed Maximum Price) will be (increased) (decreased)
(unchanged) by this Change Order \$17,697.76
The new (Contract Sum) (Guaranteed Maximum Price) including this Change Order will be \$1,847,193.89
The Contract Time will be (increased) (decreased) (unchanged) by () days
The date of Substantial Completion as of the date of this change order therefore is _____

Architect

Contractor
AMS MECHANICAL SYSTEMS, INC.
9341 ADAM DON PARKWAY
WOODRIDGE, IL 60517

Owner
LAKE IN THE HILLS SANITARY
ATTN: ACCOUNTS PAYABLE
515 PLUM STREET
LAKE IN THE HILLS, IL 60156

By _____
Date _____

By Kenneth Scharlow / smc
Date 06/19/2018

By _____
Date _____

Change Request Proposal



Project:
(name and
address) 25046 / LITH. DIGESTER #4 PROJ
LAKE IN THE HILLS SANITARY DIS
515 PLUM STREET
LAKE IN THE HILLS, IL 60156

Change request number: 1003
Description: CO #002 - Aeration pipe size increase.

Customer: LAKE IN THE HILLS SANITARY

Notice to Proceed

Submitted date:
Received date:
Rough order of magnitude: 0.00

Status: Executed
Origination date: 06/06/18

Quotation

Submitted date: 06/06/18
Due date:
Submitted amount: 17,697.76
Requested days delay: 0

Revenue Detail

Billing Item	Description	Revenue
C002	Aeration pipe size increase	17,697.76
Total Revenue For CR 1003		17,697.76

Approvals

Customer: LAKE IN THE HILLS SANITARY
Authorized Representative: _____

Contractor: AMS MECHANICAL SYSTEMS, INC.

By: _____

By: Kenneth Schanlow / smw

Date: _____

Date: 06/19/2018

Susan Weber

From: Kenneth Scharlow
Sent: Tuesday, June 19, 2018 9:08 AM
To: Susan Weber
Subject: FW: 5-16-18 DKC 218020 CO Req 1
Attachments: CO#C001_R1_\$9,496.13.pdf; CO#C002_revised.pdf

Susan,

Can you put this as back up in the revised CO# 02 - labor number changed - went lower from 12,000 to

\$88.38 per hour * 1.15 markup * 10 days Journeyman = \$8,130.96

Can you include this as back for me?

Thank you,

Ken Scharlow

Sr. Project Manager – Commercial Group
Direct 630.320.7733 | Cell 630.272.7692
www.amsmechanicalsystems.com

24 Hour Service 800.794.5033

From: Susan Weber
Sent: Wednesday, June 6, 2018 12:09 PM
To: Kenneth Scharlow
Subject: RE: 5-16-18 DKC 218020 CO Req 1

See attached "revised" Change Orders. Change order no. C001 reflects the revised cost. Change order no. C002 was updated due to increase in C001.

Let me know what you need me to do.

From: Kenneth Scharlow
Sent: Wednesday, June 6, 2018 9:54 AM
To: Susan Weber
Subject: FW: 5-16-18 DKC 218020 CO Req 1

Susan,

Can you add 15% and send this as backup with our CO to Marzena today?

Thank you,

Ken Scharlow

Sr. Project Manager – Commercial Group
Direct 630.320.7733 | Cell 630.272.7692
www.amsmechanicalsystems.com

Moore Products

$$\begin{aligned} & \$8,232 \times 1.15 = 9,466.80 \\ & \$9,466.80 + \$8,130.96 \\ & = \$17,597.76 \end{aligned}$$

July 6, 2018

Mr. Rick Forner
Lake in the Hills Sanitary District
515 Plum Street
Lake in the Hills, Illinois 60102

RE: Aerobic Digester #4
Recommendation for Payment – Application #1
Lake in the Hills Sanitary District

Dear Mr. Forner:

Enclosed is Pay Application #1 for work completed by AMS Mechanical Systems, INC on the Lake in the Hills Sanitary District Aerobic Digester #4 Project. This pay application reflects work completed through June 16th, 2018.

We find the partial waivers to be in order, and recommend payment in the amount of ONE HUNDRED FIFTY TWO THOUSAND ONE HUNDRED THIRTY TWO DOLLARS AND FORTY CENTS (\$152,132.40) to AMS Mechanical Systems, Inc., 9341 Adam Don Parkway, Woodridge, IL 60517.

Please find enclosed one (1) original copy of the Application for Payment, Contractor Pay Estimate, Partial Waivers and Certified Payroll Reports. Please contact me with any comments or questions.

Sincerely,
Postl-Yore and Associates, Inc.

A handwritten signature in black ink, appearing to read "Marzena Bratko".

Marzena Bratko
Project Engineer

Enclosures

**MECHANICAL SYSTEMS, INC.**www.amsmechanicalsystems.com**9341 Adam Don Pkwy
Woodridge, IL 60517**

Main: (630) 887-7700 Fax: (630) 887-0770

INVOICENUMBER: **25046A01**DATE: **6/6/18**

PLEASE MAKE CHECKS PAYABLE AND REMIT TO:
AMS Mechanical Systems, Inc.
9341 Adam Don Pkwy
Woodridge, IL 60517
Attn: Accounts Receivable

Bill to:

LAKE IN THE HILLS SANITARY
ATTN: ACCOUTNS PAYABLE
515 PLUM STREET
LAKE IN THE HILLS, IL 60156

Job: **25046**

LITH DIGESTER #4 PROJ
LAKE IN THE HILLS SANITARY DIS
515 PLUM STREET
LAKE IN THE HILLS, IL 60156

Invoice #: **25046A01**Date: **06/06/18**

Customer P.O. #:

Payment Terms: **NET CASH**Salesperson: **KEN SCHARLOW**Customer Code: **31827**

Remarks: FROM DRAW REQUEST BILLING ENTRY

Quantity	Description	U/M	Unit Price	Extension
	MOBILIZATION			2,500.00
	EXCAVATION and UNDERGROUND			166,536.00
PIPING				

Total: 169,036.00**Retention: -16,903.60****Current Due: 152,132.40**

Application and Certificate For Payment -- page 2

To Owner: LAKE IN THE HILLS SANITARY
From (Contractor): AMS MECHANICAL SYSTEMS, INC.
Project: LITH DIGESTER #4 PROJ

Application No: 1 Date: 06/06/18 Period To: 06/30/18
Contractor's Job Number: 25046
Architect's Project No:

Item Number	Description	Scheduled Value	Work Completed			Materials Presently Stored	Completed and Stored to Date	%	Balance to Finish	Retention	Memo
			Previous Application	This Period							
0010	MOBILIZATION	10,000.00	0.00	2,500.00		0.00	2,500.00	25.00	7,500.00	250.00	
0020	1M GALLON TANK Coordination and Pre-Planning	1,043,500.00	0.00	0.00		0.00	0.00	0.00	1,043,500.00	0.00	
0030	EXCAVATION and UNDERGROUND PIPING	338,800.00	0.00	166,536.00		0.00	166,536.00	49.15	172,264.00	16,653.60	
0040	AERATION EQUIPMENT MATERIAL (EQUIPMENT MOORES)	129,580.00	0.00	0.00		0.00	0.00	0.00	129,580.00	0.00	
0050	AERATION EQUIPMENT LABOR	24,000.00	0.00	0.00		0.00	0.00	0.00	24,000.00	0.00	
0060	ACTUATOR VALVES MATERIAL (SWANSON FLO)	32,000.00	0.00	0.00		0.00	0.00	0.00	32,000.00	0.00	
0070	ACTUATOR VALVES LABOR	5,000.00	0.00	0.00		0.00	0.00	0.00	5,000.00	0.00	
0080	SCADA CONTROL	121,738.00	0.00	0.00		0.00	0.00	0.00	121,738.00	0.00	
0090	ELECTRICAL	62,700.00	0.00	0.00		0.00	0.00	0.00	62,700.00	0.00	
0100	ELECTRICAL - EXCAVATING	8,000.00	0.00	0.00		0.00	0.00	0.00	8,000.00	0.00	
0110	DEMOBILIZATION	5,000.00	0.00	0.00		0.00	0.00	0.00	5,000.00	0.00	
0120	PIPING from U/G to AERATION TK LABOR and MATERIAL	8,000.00	0.00	0.00		0.00	0.00	0.00	8,000.00	0.00	
0130	SUMP PUMPS and LABOR	4,000.00	0.00	0.00		0.00	0.00	0.00	4,000.00	0.00	
0140	ADDITIONAL HAULING for SHOTCRETE OVERSPRAY	2,000.00	0.00	0.00		0.00	0.00	0.00	2,000.00	0.00	
0150	TARPING and PROTECTION of area for SHOTCRETE	2,000.00	0.00	0.00		0.00	0.00	0.00	2,000.00	0.00	
0160	CONCRETE PIERS and PAD for STAIRS	4,682.00	0.00	0.00		0.00	0.00	0.00	4,682.00	0.00	
0170	PAINTING	19,000.00	0.00	0.00		0.00	0.00	0.00	19,000.00	0.00	
Application Total		1,820,000.00	0.00	169,036.00		0.00	169,036.00	9.29	1,650,964.00	16,903.60	

Application and Certificate For Payment

Page 1

To Owner: LAKE IN THE HILLS SANITARY ATTN: ACCOUNTS PAYABLE 515 PLUM STREET LAKE IN THE HILLS, IL 60156		Project: LITH DIGESTER #4 PROJ LAKE IN THE HILLS SANITARY DIS 515 PLUM STREET LAKE IN THE HILLS, IL 60156		Application No: 1 Period To: 06/30/18 Architect's Project No: Contract Date:
From (Contractor): AMS MECHANICAL SYSTEMS, INC. 9341 ADAM DON PARKWAY WOODRIDGE, IL 60517		Contractor Job Number: 25046 Via (Architect):		
Phone: 630 887-7700		Contract For:		

Contractor's Application For Payment

Change Order Summary	Additions	Deductions
Change orders approved in previous months by owner		
Change orders approved this month		
Totals		
Net change by change orders		

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor: [Signature] Date: 6-6-18
 By: [Signature] State of: ILLINOIS County of: DuPage
 Subscribed and sworn to before me this 6th day of June, 2018
 Notary Public: Jacqueline M. Melfi OFFICIAL SEAL
 My commission expires 11-12-19 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES: 11/12/19

Original contract sum	1,820,000.00
Net change by change orders	0.00
Contract sum to date	1,820,000.00
Total completed and stored to date	169,036.00
Retainage	
10.0% of completed work	16,903.60
0.0% of stored material	0.00
Total retainage	16,903.60
Total earned less retainage	152,132.40
Less previous certificates of payment	0.00
Current sales tax	0.00
0.000% of taxable amount	0.00
Current sales tax	0.00
Current payment due	152,132.40
Balance to finish, including retainage	1,667,867.60

Architect's Certificate for Payment

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the Amount Certified.

Amount Certified: \$ 152,132.40

Architect: [Signature] Date: 07.06.18
 By: [Signature]

This Certification is not negotiable. The Amount Certified is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

July 5, 2018

President Eric Hansen and
Board of Trustees
Lake in the Hills Sanitary District
515 Plum Street
Lake in the Hills, Illinois 60156

RE: Letter of Resignation

Dear President Hansen:

I hereby tender my resignation from the position of District Engineer for the Lake in the Hills Sanitary District, McHenry County, IL as of July 5, 2018.

We appreciate the opportunity to have served the District over the past 12 years in this position.

Sincerely,
Postl-Yore and Associates, Inc.

A handwritten signature in black ink, appearing to read "Brett Postl", written over a horizontal line.

Brett Postl, P.E., PMP
President

LAKE IN THE HILLS SANITARY DISTRICT
MONTHLY TREASURER REPORT - GOVERNMENTAL FUNDS
 Month of June, 2018

	MONTH	YTD	BUDGET
Beginning Cash and Investments			
First National Bank	1,284,239.04	1,292,012.41	
Credit Cards	(531.20)	(406.93)	
TOTAL BEGINNING CASH AND INVESTMENTS	1,283,707.84	1,291,605.48	
Revenues and Receipts			
Real Estate Taxes			
General Fund	136,370.72	150,893.87	289,000.00
Audit Fund	9,145.58	10,119.56	19,400.00
Chlorination	9,484.28	10,494.32	20,100.00
Liability Insurance	64,594.61	71,473.76	137,000.00
Social Security	22,016.99	24,361.74	46,700.00
Retirement	50,131.12	55,469.96	106,300.00
Replacement Taxes	-	344.62	-
Safety Grant Recvd from IL Public Risk Fund	-	-	-
Interest Income	313.43	590.36	1,000.00
TOTAL REVENUES AND RECEIPTS	292,056.73	323,748.19	619,500.00
Expenditures			
GENERAL FUND			
PERSONNEL SERVICES			
Salaries of Trustees, Manager, Treasurer & Clerk	13,644.59	27,894.18	170,000.00
CONTRACTUAL SERVICES			
Professional Engineering	2,040.00	5,100.00	40,000.00
Legal Services	618.25	2,251.00	36,000.00
Other Professional Services	-	-	5,000.00
	2,658.25	7,351.00	81,000.00
ADMINISTRATIVE EXPENSES			
Printing, Publications	888.72	1,077.84	5,000.00
Office Supplies, Equipment	135.92	541.42	3,000.00
Postage	-	-	1,500.00
Treasurer's Bond	-	-	4,000.00
Community Affairs	-	-	2,000.00
Memberships and Dues	100.00	100.00	4,500.00
	1,124.64	1,719.26	20,000.00
OPERATING EXPENSES			
Building and Grounds Upkeep	1,656.11	2,187.31	12,000.00
Utilities	1,783.39	5,284.81	26,000.00
J.U.L.I.E.	-	-	3,000.00
Training and Education	-	-	2,000.00
Travel Expenses	-	40.00	2,000.00
Computer Hardware, Software & Support	374.95	537.40	8,000.00
	3,814.45	8,049.52	53,000.00
CONTINGENT AND MISCELLANEOUS EXPENSES			
Not Otherwise Appropriated	-	-	1,000.00
	-	-	1,000.00
TOTAL GENERAL FUND	21,241.93	45,013.96	325,000.00

Expenditures (continued)

CHLORINATION FUND	2,183.90	2,183.90	24,000.00
	<u>2,183.90</u>	<u>2,183.90</u>	<u>24,000.00</u>
AUDIT FUND	-	-	25,000.00
	<u>-</u>	<u>-</u>	<u>25,000.00</u>
PUBLIC LIABILITY INSURANCE FUND			
Workers' Compensation	4,076.00	4,076.00	24,000.00
Property	-	-	45,000.00
Vehicles	-	-	18,000.00
General Liability	-	-	80,000.00
Administrative Fee	123.00	123.00	800.00
	<u>4,199.00</u>	<u>4,199.00</u>	<u>167,800.00</u>
SOCIAL SECURITY FUND	<u>4,423.46</u>	<u>8,863.83</u>	<u>55,000.00</u>
IMRF FUND	<u>11,228.11</u>	<u>22,604.81</u>	<u>150,000.00</u>
OTHER EXPENDITURES (RECEIPTS)	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>43,276.40</u>	<u>82,865.50</u>	<u>746,800.00</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>248,780.33</u>	<u>240,882.69</u>	<u>(127,300.00)</u>
Ending Cash and Investments			
First National Bank	1,532,569.78	1,284,239.04	
Credit Cards	<u>(81.61)</u>	<u>(531.20)</u>	
TOTAL ENDING CASH AND INVESTMENTS	<u>1,532,488.17</u>	<u>1,283,707.84</u>	
GENERAL CORPORATE FUND			

LAKE IN THE HILLS SANITARY DISTRICT
MONTHLY TREASURER REPORT - O&M/SEWERAGE FUNDS
 Month of June, 2018

		MONTH	YTD	BUDGET
Beginning Cash and Investments				
First National Bank - O & M Account	O&M	336,857.40	559,902.23	
First National Bank - Certificate Fund	Bond & Int	42,430.29	29,423.42	
First National Bank - Depreciation Account	Construction	1,930,087.43	1,900,909.65	
First National Bank - Surplus Funds	Construction	23,567.65	14,532.59	
First National Bank - Bond & Interest Fund	Bond & Int	593,893.57	527,845.89	
First National Bank - Sinking Funds	Bond & Int	547,995.04	533,136.32	
Algonquin Bank & Trust - Cash Mgr	O&M	2,995,032.03	3,007,896.46	
Algonquin Bank & Trust - Operating	O&M	14.00	2,164.00	
Home State Bank	O&M	46,651.01	46,412.23	
Illinois State Bank	O&M	28,902.34	28,820.69	
Credit Cards		(650.92)	(918.59)	
TOTAL BEGINNING CASH AND INVESTMENTS		6,544,779.84	6,650,124.89	
SEWERAGE FUNDS				
Revenues and Receipts				
Sewer Bill Income		44,249.24	132,674.29	3,600,000.00
Septage Income		5,194.44	16,740.30	200,000.00
Wastewater Discharge Income		-	6,755.84	45,000.00
Refunds		(175.49)	(1,280.25)	-
Connection/Tap-On Fees		10,400.00	31,200.00	125,000.00
Annexation Fees (inc. GIS)		-	-	5,000.00
Downstream & Misc Charges		-	-	500.00
Liftstation Recapture		-	-	-
Gain/Loss - Sale of Equipment		-	-	-
Interest Income		5,144.75	10,698.28	10,000.00
TOTAL REVENUES AND RECEIPTS		64,812.94	196,788.46	3,985,500.00
Expenditures				
PERSONNEL SERVICES				
District Personnel Salaries		44,178.18	87,972.60	580,000.00
ADMINISTRATIVE EXPENSES				
Telephone		-	470.42	3,500.00
Postage		3,786.19	4,585.93	21,000.00
Printing and Publications		-	-	2,200.00
Office Supplies		256.91	489.63	8,500.00
Collection and Billing Expenses		2,939.62	11,583.72	80,000.00
Professional Service		81.01	165.89	20,000.00
Training, Travel and Education		-	-	5,000.00
Computer Hardware, Software, and Support		576.25	1,433.55	24,000.00
Community Affairs		-	20.00	2,000.00
Medical and Life Insurance		16,611.04	33,222.08	210,000.00
		24,251.02	51,971.22	376,200.00
OPERATIONS AND MAINTENANCE				
Operating Supplies		7,103.44	15,514.62	60,000.00
Maintenance and Repair (Plant)		17,454.29	25,547.78	150,000.00
Maintenance and Repair (Collection Systems)		4,727.53	26,942.34	310,000.00
Utilities and Energy		33,952.51	64,703.31	390,000.00
Grounds Upkeep		2,050.84	2,427.87	30,000.00
Gasoline/Oil		857.85	1,723.60	15,000.00
Computer and Support Services		-	-	2,000.00
Emergency Communications		4,672.70	9,487.52	54,000.00

Sludge Management	56,004.63	97,827.88	500,000.00
Professional Services	787.00	2,828.65	24,000.00
Residential Reimbursement	3,200.00	3,200.00	10,000.00
Compliance Requirements/Permits	-	-	28,500.00
GIS	-	-	10,000.00
	<u>130,810.79</u>	<u>250,203.57</u>	<u>1,583,500.00</u>

Expenditures (continued)

CAPITAL IMPROVEMENTS

New Construction	106,097.00	147,383.00	3,000,000.00
Plant Equipment	-	-	30,000.00
Collection System	-	-	370,000.00
Vehicles	-	-	130,000.00
Legal Expense	-	-	5,000.00
Engineering Expense	4,210.00	12,337.00	375,000.00
Bond, Finance Consulting Expense - Series 2014A	-	-	1,000.00
	<u>110,307.00</u>	<u>159,720.00</u>	<u>3,911,000.00</u>

BOND TRANSFERS

2008 Debt Certificates, Principal	-	-	105,000.00
2008 Debt Certificates, Interest	-	-	53,000.00
Administration Fees - 2008 Debt Certs	-	-	3,500.00
	<u>-</u>	<u>-</u>	<u>161,500.00</u>

Series 2014 Bond, Principal	-	-	105,000.00
Series 2014 Bond, Interest	-	-	114,000.00
Administration Fees - 2014 Series Bond	-	-	3,500.00
	<u>-</u>	<u>-</u>	<u>222,500.00</u>

CONTINGENT AND MISCELLANEOUS EXPENSES

Not Otherwise Appropriated	-	-	3,000.00
	<u>-</u>	<u>-</u>	<u>3,000.00</u>

TOTAL EXPENDITURES

<u>309,546.99</u>	<u>549,867.39</u>	<u>6,837,700.00</u>
-------------------	-------------------	---------------------

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES

<u>(244,734.05)</u>	<u>(353,078.93)</u>	<u>\$ (2,852,200.00)</u>
---------------------	---------------------	--------------------------

Ending Cash and Investments

First National Bank - O & M Account	O&M	333,836.87	336,857.40
First National Bank - Certificate Fund	Bond & Int	55,439.54	42,430.29
First National Bank - Depreciation Account	Construction	1,941,941.35	1,930,087.43
First National Bank - Surplus Funds	Construction	17,478.64	23,567.65
First National Bank - Bond & Interest Fund	Bond & Int	599,908.56	593,893.57
First National Bank - Sinking Fund	Bond & Int	562,853.27	547,995.04
Algonquin Bank & Trust - Cash Mgr.	O&M	2,709,824.68	2,995,032.03
Algonquin Bank & Trust - Operating	O&M	-	14.00
Home State Bank - Now Account	O&M	46,931.86	46,651.01
Illinois State Bank	O&M	28,904.64	28,902.34
Credit Cards	O&M	(1,106.32)	(650.92)

TOTAL ENDING CASH AND INVESTMENTS

<u>6,296,013.09</u>	<u>6,544,779.84</u>
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SEWERAGE FUNDS

**LITH SANITARY DISTRICT
Bills Paid Before Meeting
July 12, 2018 Meeting Date**

Name	Memo	Amount
General Fund		
<hr/>		
TOTAL GEN FUND BILLS PAID BEFORE MEETING		\$ -
<hr/>		
O & M Fund		
Ansercall	Emerg Comm	\$ 100.00
AT&T	Emerg Comm	\$ 315.47
Verizon Wireless	Emerg Comm	\$ 307.75
TOTAL O & M BILLS PAID BEFORE MEETING		\$ 723.22

**LITH SANITARY DISTRICT
Recurring Bills
July 12, 2018 Meeting Date**

Name	Memo	Amount
General Fund		
Illinois Municipal Retirement Fund	Employer Portion of IMRF - June 2018	\$ 11,228.11
United States Treasury	District Pd Payroll Taxes (SS & Med)	\$ 4,423.46
TOTAL GENERAL FUND RECURRING BILLS		\$ 15,651.57
<hr/>		
O & M Fund		
Humana	Health Insurance Premiums	\$ 16,611.04
Payment Services Network	Collections Expenses May 2018	\$ 751.47
United States Postal Svs - CAPs Account	Postage - QU Bills	\$ 3,776.26
TOTAL O & M RECURRING BILLS		\$ 21,138.77

Approved _____

President Hansen

LITH SANITARY DISTRICT - Governmental Fund
Bills Presented to Board for Approval
July 12, 2018

Name	Memo	Amount
GENERAL CORP FUND BILLS		
First National Bank of Omaha	Computer Exp	\$ 99.95
Interstate Gas Supply, Inc.	Utilities - Nat Gas	\$ 117.06
Nicor Gas	Utilities - Nat Gas	\$ 281.24
Pitney Bowes - meter rental	Postage - Meter Rental	\$ 132.35
Postl-Yore and Associates	Engineering	\$ 7,310.00
Shaw Suburban Media	Publishing	\$ 43.64
Storino Ramello & Durkin	Legal Svs - May 2018	\$ 1,443.75
The Home Depot	Building & Grounds	\$ 81.61
TruGreen	Building & Grounds	\$ 801.55
TruGreen	Building & Grounds	\$ 459.20
TruGreen	Building & Grounds	\$ 900.00
TOTAL GENERAL CORP FUND BILLS		\$ 11,670.35

LITH SANITARY DISTRICT - O&M/Sewerage Fund
Bills Presented to Board for Approval
July 12, 2018

Name	Memo	Amount
O & M BILLS		
AMS Mechanical	Maint/Repair - Plant, Was Bldg VFD	\$ 8,098.14
Andritz Separation Inc	Maint/Repair - Plant, GBT	\$ 289.87
AT&T-Alarms	Emerg Comm	\$ 3,619.18
AT&T-Alarms	Emerg Comm	\$ 167.41
Automatic Control Services	Pro Svs - Calibration	\$ 2,000.00
Automatic Control Services	Pro Svs - Calibration	\$ 372.40
Calco, Ltd. Inc.	Supplies - Lab	\$ 108.00
CCT Environmental	Maint/Repair - Plant, Effluent Channel	\$ 661.45
Cintas Corporation #355	Supplies - Personnel	\$ 861.52
Civic Systems LLC	Comp Support	\$ 3,340.00
Comcast Cable	Comp Support & Telephone	\$ 360.11

ComEd, Inc.	Utilities - Coll Sys Dam LS	\$	762.69
ComEd, Inc.	Utilities - Coll Sys Beach LS	\$	104.19
ComEd, Inc.	Utilities - Coll Sys Meadowbrook LS	\$	379.90
Consolidated Electrical Distributors, Inc	Maint/Repair - Coll Sys, Decatur LS	\$	105.00
Consolidated Electrical Distributors, Inc	Maint/Repair - Plant, Bar Screens	\$	86.05
Consolidated Electrical Distributors, Inc	Maint/Repair - Plant, Elec Control Valve	\$	104.99
Controls Consulting	Engineering - SCADA	\$	3,640.00
Controls Consulting	Engineering - Fiber Optics	\$	1,680.00
Dynegy Energy Services	Utilities- Plant, Concord, Decatur & Pyott Rd LS	\$	31,159.49
First National Bank of Omaha	Pro Svs, Emerg Comm, M/R Plant, Supplies - Personnel	\$	466.81
First National Bank of Omaha	Maint/Repair - Plant & Vehicles	\$	639.51
FLSmith USA Inc	Maint/Repair - Plant, Grit Bldg	\$	2,617.88
Fox Valley Operators Assn.	Training & Education	\$	210.00
Gate Options	Maint/Repair - Plant, Ent Gates	\$	331.32
Illinois EPA	Compliance/Permit Fees	\$	17,500.00
Logsdon Office Supply	Office Supplies	\$	61.79
Logsdon Office Supply	Office Supplies	\$	257.58
Lou's Gloves Inc	Supplies - Lab	\$	105.00
Marc Kresmery Construction LLC	Maint/Repair - Plant, RAS	\$	3,204.56
Marc Kresmery Construction LLC	Maint/Repair - Coll Sys, Concord LS	\$	3,819.14
Metropolitan Industries Inc	Maint/Repair - Coll Sys, Dam LS	\$	6,231.00
PetroChoice LLC	Gas/Fuel	\$	980.66
PetroChoice LLC	Gas/Fuel	\$	1,327.39
Postl-Yore and Associates	Engineering - Collection Sys	\$	340.00
Postl-Yore and Associates	Engineering - Phosphorus	\$	680.00
Ralph Helm Inc.	Maint/Repair - Plant	\$	41.90
Ralph Helm Inc.	Maint/Repair - Plant	\$	60.85
Ryco Landscaping	Grounds Upkeep	\$	2,664.00
Seiler Instrument & Mfg. Co., Inc.	GIS	\$	2,495.00
Sievert Crane & Hoist	Pro Svs - Cranes	\$	1,275.00
Storino Ramello & Durkin	Collections	\$	1,543.75
Suburban Laboratories, Inc.	Pro Svs - Lab	\$	132.00
Synagro WWT	Sludge Mgt - June 2018	\$	42,199.89
Technology Masters Inc	Comp Support	\$	670.00
Third Millennium Associates	Collections	\$	2,519.30
United Laboratories	Supplies - Maint	\$	717.54
USA BlueBook	Supplies - Maint	\$	169.85
Warehouse Direct	Pro Svs	\$	16.29
Water One, Inc.	Supplies - Personnel	\$	22.50
Water One, Inc.	Supplies - Personnel	\$	70.00
Wilkens-Anderson	Supplies - Lab	\$	324.57
Wilkens-Anderson	Supplies - Lab	\$	142.98
Xylem Water Solutions U.S.A., Inc.	Maint/Repair -Coll Sys, Pump #3 Decatur LS	\$	30,816.44
Xylem Water Solutions U.S.A., Inc.	Maint/Repair - Coll Sys, 30 Hp Pump Concord LS	\$	15,997.08
Ziegler's Ace Hardware	Supplies - Maint	\$	223.25

TOTAL O&M FUND BILLS

\$ 198,775.22

CONSTRUCTION FUND BILLS

Controls Consulting	Engineering - Air Supply	\$	1,120.00
Controls Consulting	Engineering - Digester #4	\$	1,400.00
Postl-Yore and Associates	Engineering - Air Supply	\$	7,797.50
Postl-Yore and Associates	Engineering - Digester #4	\$	22,497.50
TOTAL CONSTRUCTION FUND BILLS		\$	<u>32,815.00</u>

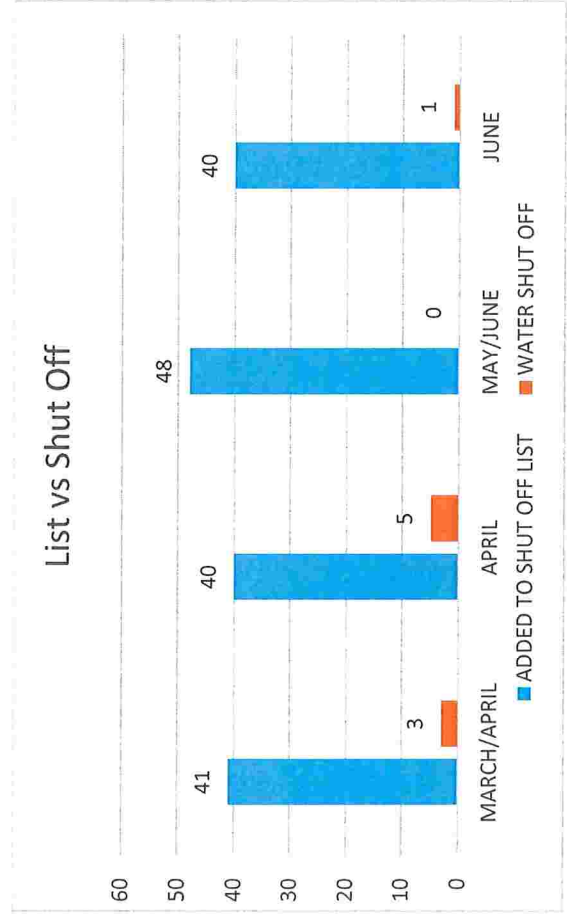
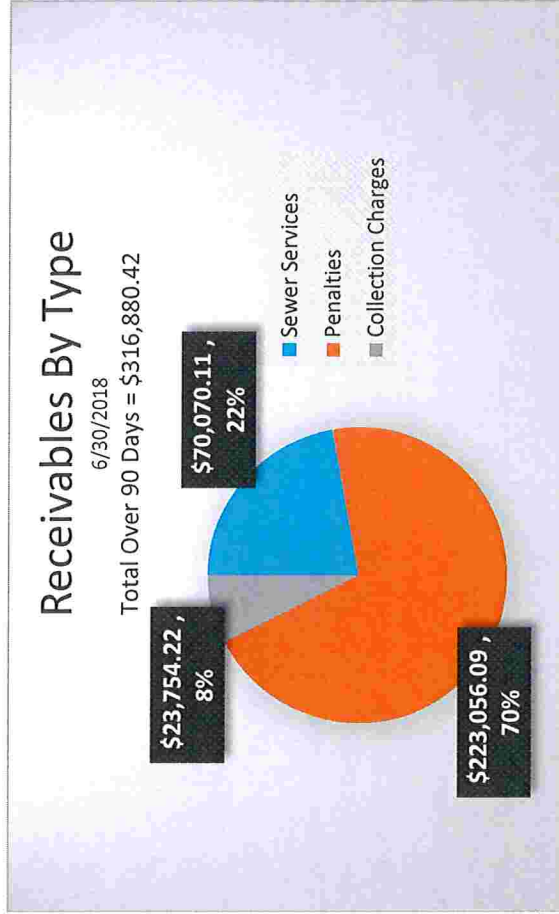
GRAND TOTAL OF ALL BILLS PRESENTED FOR APPROVAL IS \$ 280,774.13 OF WHICH \$ 27,321.92 IS FROM THE GENERAL CORPORATE FUND, \$ 220,637.21 IS FROM THE OPERATIONS AND MAINTENANCE FUND, \$ 32,815.00 IS FROM THE CONSTRUCTION FUND, AND \$ 0.00 IS FROM THE BOND AND INTEREST FUND.

Approved_____

President Hansen

Accounts Receivable Analysis

June 2018



Monthly Shut Off Summary

Lake in the Hills

- 1 shut off – account was paid in full post shut off .

Huntley

- NONE

Crystal Lake

- NONE

MANAGER'S REPORT

Month of June, 2018

<u>Customers:</u>	CURRENT	TOTAL for YEAR	DATA for June 2017
Total accounts thru June 2018:	11,695		11,681
New Customers:	3	7	1
Connections:	3	14	0
Permits Issued:	2	14	0
Permits Issued Past 13 Months:	28		10
Total Permits Issued to Date:			
<i>Residential:</i>	10,162		
<i>Commercial:</i>	121		
<i>Industrial:</i>	1		

ILLINOIS E.P.A. SANITARY SEWER EXTENSION PERMITS ISSUED PAST 12 MONTHS

NAME	PE	DWELLINGS
Melody Living of Lake in the Hills	388	Assisted Living (September 2017)

COLLECTION SYSTEM EMERGENCY RESPONSES:

DATE	LOCATION	PROBLEM	DISTRICT PROBLEM
6/7/18	17 Clark Street	Lift Station	Yes
6/15/18	9 Wander Way	Service Line	No
6/*27/18	3051 Noelle Bend	Standing Water	No

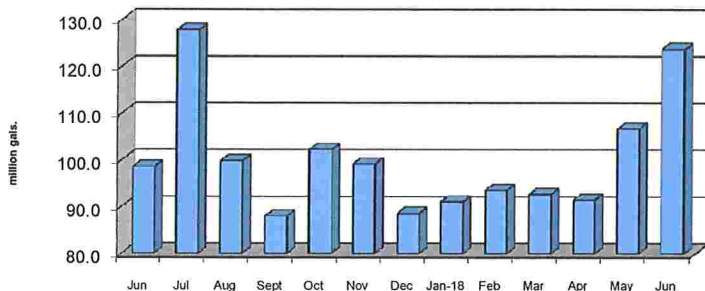
COLLECTION SYSTEM ACTIVITIES:

District personnel televised 42 line segments of sanitary sewer totaling 6,925 lf.
 District personnel cleaned and root cut 10 line segments of sanitary sewers totaling 3,045lf.

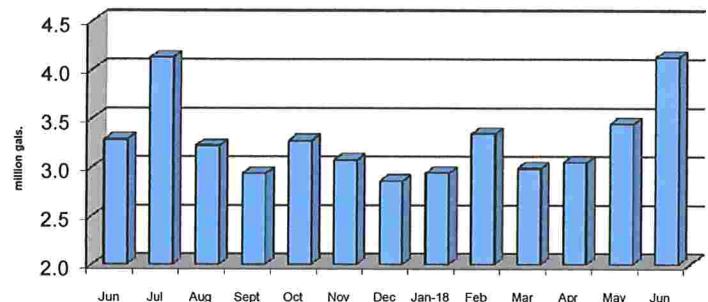
FLOWS:

Total Flow for Month:	123.685	million gallons
Average Daily Flow:	4.123	mgd
Maximum Daily Flow:	9.237	mgd (6/27)
Precipitation Total:	8.93	inches
Historical Monthly Precipitation Avg.:	3.98	inches
Septage Accepted:	352,611	gallons

Total Monthly Flows



Monthly Average Daily Flows



MANAGER'S MONTHLY REPORT

June, 2018

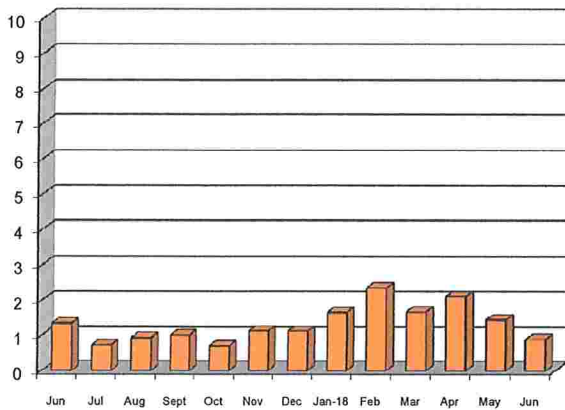
Page 2

TREATMENT PLANT OPERATIONS:

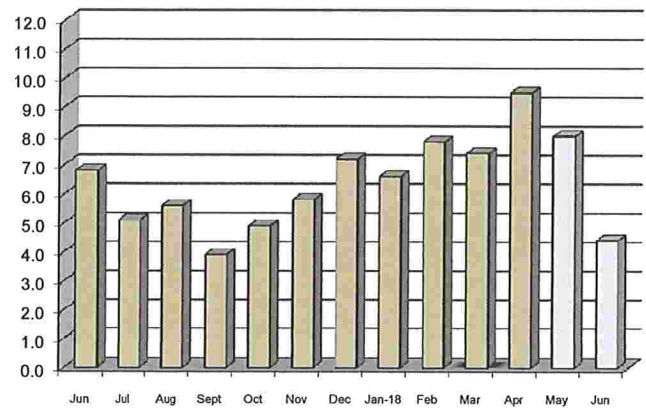
	<u>Average in</u>	<u>Average out</u>	<u>Average % reduction</u>
C.B.O.D:	102 mg/L	0.9 mg/L	99.1%
Total Suspended Solids:	269 mg/L	4.4 mg/L	98.4%
Ammonia Nitrogen:	15.5 mg/L	0.07 mg/L	99.6%
Phosphorus:		0.61 mg/L	
Fecal Coliform:		36 colonies (daily max.)	

This data represents the monthly averages taken from District records and not yet submitted to the Illinois E.P.A.

**Effluent Monthly Average -
CBOD**



**Effluent Monthly Average -
Total Suspended Solids**



Shaded = Filters By-Passed Either Fully or Partially.

PLANT OPERATIONS SUMMARY:

Wasted:	4.075 million gallons
Decanted:	0.000 million gallons
Thickened	4.694 million gallons
To Digester	1.173 million gallons
Pressed	0.917 million gallons

PERSONNEL ACTIVITIES:

None

Respectfully submitted,

Rick Forner, Manager



*An Ordinance Levying Taxes for the Lake in the Hills
Sanitary District for Fiscal Year 2018-2019*

WHEREAS, the Board of Trustees of the Lake in the Hills Sanitary District, in the County of McHenry, State of Illinois, did on the 10th day of May, 2018, pass the Combined Budget and Appropriation Ordinance for said District for the fiscal year commencing on May 1, 2018, and ending on the 30th day of April, 2019, the amount of which is ascertained to be the aggregate sum of \$ 7,584,500.00, which Combined Annual Budget and Appropriation Ordinance was published on the _____ day of _____, 2018.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Lake in the Hills Sanitary District in the County of McHenry, State of Illinois, as follows:

SECTION 1: There is hereby levied upon all of the taxable property within the corporate limits of the Lake in the Hills Sanitary District, for the year 2018, the total sum of \$662,500., and that the objects and purposes of which said Levy is made and amounts appropriated for the same are as follows:

	<u>Total Levied</u>
A. GENERAL FUND	\$ 283,700
B. CHLORINATION FUND Chlorination, Disinfection & Treatment	19,000
C. AUDIT FUND Auditing Expense and Fee	10,000
D. PUBLIC LIABILITY INSURANCE FUND Public Liability Insurance	149,800
E. SOCIAL SECURITY FUND Social Security Contribution	50,000
F. ILLINOIS MUNICIPAL RETIREMENT FUND Pension Contribution by Employer	150,000
G. SEWERAGE OPERATIONS & MAINTENANCE FUND	
1. Personnel Services	
2. Administrative Expenses	
3. Operation and Maintenance of Plant	
4. Capital Improvements	
5. Bond and Interest Account	
6. Contingent Expenses	
GRAND TOTAL SEWERAGE OPERATIONS & MAINTENANCE FUND	-0-

SUMMARY OF TAXES LEVIED

General Corporate Fund:	\$ 283,700
Chlorination Fund:	\$ 19,000
Audit Fund:	\$ 10,000
Public Liability Insurance Fund:	\$ 149,800
Social Security Fund:	\$ 50,000
Illinois Municipal Retirement Fund:	\$ 150,000

TOTAL \$ 662,500

SECTION 2: The tax so levied and assessed as aforesaid shall be collected and enforced in the same manner and by the same officers as in general taxes of the Lake in the Hills Sanitary District, County of McHenry, State of Illinois, and shall be paid over by the officers collecting the same to the Finance Director of the Board of Trustees of the Lake in the Hills Sanitary District.

SECTION 3: The Clerk of the Board of Trustees of the Lake in the Hills Sanitary District shall make and file with the County Clerk of McHenry County, Illinois, a certified copy of this Ordinance, and that the rate percent be ascertained and the tax extended, as provided by law, against the property included in the Lake in the Hills Sanitary District, County of McHenry, State of Illinois.

SECTION 4: The provisions of 35 ILCS 200/18-55 *et seq.*, the Truth in Taxation Law, were complied with by the Lake in the Hills Sanitary District.

SECTION 5: This Ordinance shall take effect from and after its passage, approval and publication in pamphlet for (which publication is hereby authorized) as provided by law.

Ayes:

Nays:

Absent:

Abstain:

APPROVED:

President Eric Hansen

(SEAL)

ATTEST: _____
Clerk Karen Thompson

Passed: _____

Approved: _____

Published: _____

CERTIFICATION

I, KAREN THOMPSON, do hereby certify that I am the duly appointed and qualified Clerk of the Lake in the Hills Sanitary District, McHenry County, Illinois, and that as such Clerk, I am the keeper of the ordinances, records, corporate seal and proceedings of the President and Board of Trustees of said Lake in the Hills Sanitary District.

I do hereby further certify that at a meeting of the President and Board of Trustees of the Lake in the Hills Sanitary District, held on _____ day of _____, 2018, the foregoing Ordinance entitled ***An Ordinance Levying Taxes for the Lake in the Hills Sanitary District for Fiscal Year 2018-2019*** was duly passed and approved by the President and Board of Trustees of the Lake in the Hills Sanitary District.

The pamphlet form of Ordinance No. 393, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Lake in the Hills Sanitary District office, 515 Plum Street, commencing on the _____ day of _____, 2018, and continuing for at least 10 days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Sanitary District Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Clerk of said District for safekeeping, and that I am the lawful custodian and keeper of the same.

In witness whereof, I have affixed my name as Clerk and caused the seal of said District to be affixed hereto this _____ day of _____, 2018.

Karen Thompson, Clerk
Lake in the Hills Sanitary District,
McHenry County, Illinois

(SEAL)

Memo

To: President Eric Hansen and Board of Trustees

From: Rick Forner, District Manager

Date: July 6, 2018

Cc: Tamara Mueller, Assistant Manager; Karen Thompson, District Clerk; Ann Williams, District Attorney; Brett Postl, District Engineer

RE: Biosolids Handling

The following outlines our current Biosolids handling process and evaluates the consideration of taking a portion of the process in house.

Our current process for handling the Biosolids (waste sludge) from the District's treatment process is as follows:

- The liquid Biosolids produced by the District's treatment process is directed to the gravity belt thickener, operated by the District staff, to increase the percent solids from approximately 0.5% to 3%.
- Thickened Biosolids are sent to the digesters to aerate for approximately 30 days to reduce the volatile organics.
- Thickened Biosolids is then directed from the digesters to the sludge press, operated under contract with Synagro, where again the moisture content of the Biosolids is reduced to a product that is approximately 16% solids.
- The Biosolids is then stored on site until farm lands are available for land application, where it is incorporated in to the soil as fertilizer for crops. The haul off and land application is performed under contract by Synagro.

We are in our final stages of the contract with Synagro for the processing, hauling and land application of the District's Biosolids at a cost of \$ 0.046/gallon. In 2016/2017 the District paid Synagro \$422,160 and 2017/2018 \$461,865 for processing of the District's Biosolids.

Currently Synagro has provided the District with a proposal, attached, consisting of a 5 year contract at our current pricing for years 1 & 2, then years 3,4 & 5 will be adjusted based on a CPI adjustment.

District staff has analyzed the cost of maintaining our Biosolids process status quo and the possibility of taking the pressing portion of the process in house while leaving the hauling and land application to an outside contractor.

To keep everything apples to apples, the analysis was based on 1,000 dry tons of Biosolids annually, since this is our permit limit as permitted through the Illinois Environmental Protection Agency. 1,000 dry tons equates to approximately 14,320,500 gallons or 7,745 cubic yards of Biosolids material.

Based on the proposal from Synagro, to keep the current Biosolids process of pressing, hauling and land application of 14,320,500 gallons of liquid Biosolids annually at \$0.046/gallon, the cost to the District would be \$658,743/year.

District staff estimates that the cost to press the Biosolids in house and enter into a contract with a hauler, which includes the land application would be as follows:

Annual Cost

Personnel, including benefits	\$74,000
Polymer	\$30,000
Maintenance of equipment	<u>\$60,000</u>
Sub Total	\$164,000

Hauling & land application, by contract	
7745 cy/yr @ \$22.00/cy	<u>\$170,390</u>
Total	\$334,390

For the District to take over the pressing of the Biosolids, certain capital expenditures need to be accomplished, these have been included in the 2018/2019 budget, and these expenditures include:

Purchase of the 2 meter press and Equipment, based upon an independent audit.	\$300,000
Dump truck (used equipment)	\$50,000
Loader (used equipment)	\$80,000
Rehabilitation of polymer equipment	<u>\$60,000</u>
Capital Costs	\$490,000

Based upon a 1st year operational cost of \$334,390 and a capital cost of \$490,000 it would be in year 2 that the District would begin to realize a \$300,000 annual savings in the Biosolids processing costs if the District assumed the pressing operations.

In addition to the savings, other positive factors that would be realized if the District assumed the pressing operations include, but not limited to:

- Provide more control of the pressing operations for efficiencies.
- One operator to run both the press and gravity belt thickener.
- Allows Chief Operator to resume main duties of running the plant.
- Reduces overall operating costs, which helps to keep customer's bills down.

Staff recommends that the District take over the Biosolids pressing operation and contract out for the hauling and land application portions of the process and begin realizing a savings of approximately \$300,000 in year two.

Based upon a positive response from the Board to move forward with Staff's recommendation, we propose the following schedule:

- 7-12-18 Direction from Board to proceed
- 7-13-18 Develop Request for Proposal for hauling & land application.
- 7-13-18 Notify Synagro of our intent to assume pressing operation.
- 7-30-18 Independent audit of 2 meter press and equipment.
- 8-9-18 Authorize Capital purchases
- 8-9-18 Award Hauling & Land Application Contract.
- 9-1-18 Take over pressing operation



Materials Management Agreement

This Agreement made and entered into as of this ____ day of _____, 2018__ by and between Contractor and Customer.

C U S T O M E R	Customer Legal Name Lake in the Hills			
	Street Address 515 Plum Street			
	City / Town Lake in the Hills	County McHenry	State IL	Zip Code 60156
C O N T R A C T O R	Synagro Legal Name Synagro Central LLC			
	Street Address 435 Williams Court, Suite 100			
	City / Town Baltimore	State MD	Zip Code 21220	
T E R M	Commencement Date September 1st 2018		Expiration Date September 1st 2023	
	The "Term" of this Agreement shall be from the Commencement Date up to and including the Expiration Date. This Agreement and any extensions shall automatically renew on a year-to-year basis following expiration of the Term, until Contractor or Customer delivers notice to the other party of its intent to terminate the Agreement. Such notice must be delivered at least 30 days prior to the end of the then-current Term. If Contractor provides Contractor Services to Customer outside of the Term without another written agreement, then such services shall be deemed provided pursuant to the terms of this Agreement (other than the Term) and Customer's request for or acceptance of Contractor Services shall be deemed consent to the terms of this Agreement. No such provision of services by Contractor shall be deemed an agreement to provide any further services or extend the term of this contract for additional periods.			
B I L L I N G	Customer Contact Name Rick Forner		Telephone # 847-658-5122	
	Street Number / P.O. Box 515 Plum Street		Fax #	
	Address		Contact Person Rick Forner	
			E-mail Address rforner@lithsd.com	
	City / State Lake in the Hills/ IL		Zip Code 60156	
S I G N A T U R E S	FOR CUSTOMER:		Date	
	Signature			
	Name and Title			
	FOR CONTRACTOR:		Date	
	Signature			
	Name and Title			

SCOPE OF SERVICES AND PRICING APPENDIX

Scope of Service.

The scope consists of dewatering 10,400,000 gallons per year at the permanent dewatering facility on site and land applying the material as cake. We provide personnel three days a week and a dump truck for moving material to the storage pad. The cake is stored on site and we haul out the cake product in bulk periodically. Each haul event takes about two days.

Synagro is responsible for maintenance of the press equipment and building

Customer Materials.

Provide 10,400,000 gallons per year for us to dewater at the on-site dewatering facility

Method of Delivery of Customer Materials. The Customer Material shall be delivered to Contractor in the following manner:

10,400,000 gallons/year

"Customer Facility(ies) " shall mean the following locations where Customer Material(s) are generated or stored:

1. Lake in the Hills Dewatering facility

Contractor right to refuse loads. If trucks or containers are loaded by Customer or its agents, Contractor has the right to refuse loads that are not within legal weight restrictions, are defective, or are not filled to mutually agreed-upon minimums or maximums.

PRICE

The Agreement Price(s) shall be as follows:

RATE	QUANTITY	UNIT	SERVICE
\$0.046	10,400,000	Gallon	Dewatering and Land Application

Proposing a 5 year contract

To provide Lake in the Hills a cost savings, we are proposing holding this price for years 1 and 2. Years 3, 4, and 5 will get a CPI adjustment.

CPI. All Agreement Prices shall be adjusted as follows:

All Agreement Prices shall be adjusted annually beginning on _____, 20__ based on the Non-Seasonally Adjusted Consumer Price Index established by the United States Department of Commerce, Bureau of Labor Statistics, for _____ with the CPI immediately preceding the Commencement Date being the base index. Said adjustment shall apply to all fees contained herein, and shall be based on the following formula:

New Price = (Price Adjustment) x First Year Agreement Price

Price Adjustment = $1 + \left(\frac{\text{Current CPI} - \text{Base CPI}}{\text{Base CPI}} \right)$

CPI = _____.

Base CPI = _____.

Once the CPI is available, the price adjustment shall take effect retroactively, where applicable, as of the dates specified above for price adjustments. No New Price shall ever be lower than any existing current Agreement Price in effect immediately before the annual adjustment.

Fuel Surcharge Adjustment

All Agreement Prices shall be adjusted monthly for a fuel surcharge ("Fuel Surcharge Adjustment") to reflect any increased change in diesel fuel prices, in accordance with the table below, if the cost of retail on-highway diesel fuel (Department of Energy, Energy Information Administration – _____) is at, or exceeds, \$_____ per gallon (Base Price).

The Fuel Surcharge Adjustment will be based on the following chart and the Retail On-Highway Diesel Price – _____ as published by the U.S. Department of Energy's Energy Information Administration for _____ and will be applied to the then current fixed or unit fee, as applicable. The Fuel Surcharge Adjustment will be no more than once a calendar month beginning with the second calendar month following the Commencement of Services and shall be adjusted as of the first day of each month. Fuel Surcharge Adjustment will then be applied as follows:

Diesel Price \$/Gallon - Note ¹	Fuel Surcharge Adjustment %
< \$(Base Price)	None
Base Price to Base Price plus \$.049	0.5 %
Base Price plus \$0.05 to Base Price plus \$0.099	1.0 %
Base Price plus \$0.1 to Base Price plus \$.0149	1.5 %

For each \$0.05/gallon increase thereafter add 0.5%

EXAMPLE:

Base Price = \$3.01 / Gallon

Diesel Price \$/Gallon - Note ¹	Fuel Surcharge Adjustment %
≤ \$3.00 (Base Price)	None
\$3.01 - \$3.049	0.5 %
\$3.05 - \$3.099	1. %
\$3.10 - \$3.149	1.5 %

Note 1 - Fuel Rate based on DOE EIA monthly retail on-highway diesel prices (_____)

GENERAL TERMS AND CONDITIONS

1. Definitions. As used in this Agreement:

A. "Affiliate" shall mean any Person which, directly or indirectly, owns or controls, or is under common ownership or control with, or is owned or controlled by, such Person.

B. "Agreement" shall mean this agreement, and each and every exhibit, appendix and schedule attached hereto, and by reference made part of this Agreement.

C. "Agreement Price(s)" shall mean any one or, collectively, all the prices to be paid by the Customer to Contractor for Contractor Services.

D. "Authorizations" means all authorizations, permits, applications, notices of intent, registrations, variances, and exemptions required for the removal, transportation and land application of Customer Materials in compliance with all Laws.

E. Agreement shall consist of the following documents which Customer acknowledges receiving copies of:

1. The Agreement
2. Scope of Service and Price Appendix
3. General Terms and Conditions

F. "Contractor Facility" shall mean a facility operated or controlled by Contractor or an Affiliate of Contractor.

G. "Contractor Services" shall be those services described in Scope of Service and Price Appendix.

H. "Customer" shall mean the entity identified as Customer in the first paragraph of this Agreement and its permitted successors and assigns.

I. "Customer Material(s)" shall mean the materials generated by or stored at the Customer's Facility which are described in Scope of Service and Price Appendix, Section A. 2. and meet(s) the requirements set forth in Appendix 2.

J. "Governmental Authority" means any governmental authority including the United States of America and any State, local authority, political subdivision, agency, department, commission, board, bureau, court, tribunal having jurisdiction over this Agreement, Customer Material(s), or Contractor, Customer, or Customer Facility.

K. "Hazardous Materials" means any "petroleum," "oil," "hazardous waste," "hazardous substance," "toxic substance," and "extremely hazardous substance" as such terms are defined, listed, or regulated under Laws.

L. "Intended Use" shall mean any use, placement or disposal of Customer Materials pursuant to this Agreement including by example, land application, composting, deposit in landfill, or incineration.

M. "Laws" means any Authorization and any applicable federal, state, or local law, rule, regulation, ordinance, order, decision, principle of common law, consent decree or order, of any Governmental Authority, now or hereafter in effect.

N. "Non-Conforming Material(s)" shall mean material(s) which (i) fail(s) to meet the description or characteristics described in Appendices 1 and/or 2, or (ii) are Hazardous Materials, or (iii) contain a concentration of polychlorinated biphenyls equal to or greater than 50 milligrams per kilogram of total solids (on a dry weight basis).

O. "Party" shall mean either Customer or Contractor; "Parties" shall mean Customer and Contractor.

P. "Person" shall mean any partnership, corporation, Governmental Authority, trust or legal entity, as well as a natural person.

Q. "Term" shall mean the term of this Agreement including any extensions, as provided for in the Agreement.

3. Services. Contractor shall provide Contractor Services to Customer.

4. Price and Adjustments.

A. The Agreement Price(s) for Contractor Services is set forth in Scope of Services and Price.

B. Contractor will have no duty to handle Non-Conforming Materials unless Customer and Contractor mutually agree to terms including cost for the handling of such Non-Conforming Materials on a case-by-case basis. If Contractor discovers material is Non-

Conforming after it takes possession, then Customer shall reimburse all costs and expenses of Contractor in handling such Non-Conforming Material until Customer arranges for removal and transportation of such Non-Conforming Material for appropriate processing and disposal, plus 10% of such costs and expenses.

5. Ownership of Materials. Customer shall retain all title to and ownership of the Customer Material and Non-Conforming Materials.

6. Rejection or Revocation of Acceptance of Materials.

A. Contractor shall have the right to reject any Non-Conforming Material prior to taking possession or revoking its acceptance after taking possession of any Non-Conforming Material, provided that Contractor notifies Customer by telephone or in writing of such rejection of Non-Conforming Materials promptly upon Contractor's discovery thereof. Any such notice of rejection not given initially in writing shall be promptly confirmed in writing to Customer. Contractor shall provide Customer with the documentation used to identify Customer Materials as Non-Conforming, and Customer shall have the right to re-test the Customer Materials.

B. Within twenty-four (24) hours after receipt of notice of rejection of Non-Conforming Material (or such longer period provided that Customer is acting with due diligence). Customer shall in accordance with Laws, arrange for and pay all costs associated with the testing, removal and transport of such Non-Conforming Material for appropriate processing and disposal. If Customer fails to remove Non-Conforming Material(s) within 10 business days of the date Customer is notified by Contractor, then Contractor shall have the right, but not the obligation, to remove, store, handle, transport, store, process and dispose of Non-Conforming Materials and Customer shall reimburse Contractor for all costs and expenses associated therewith, plus 10% of such costs and expenses.

C. Nothing in this section shall be construed to limit Customer's obligation to indemnify Contractor.

7. Change in Conditions Affecting Quality of Materials.

Customer shall immediately notify Contractor of changes or irregularities related to the creation, processing or conditions that would reasonably be expected to affect the quality, character or composition of Customer Materials. Customer shall promptly furnish to Contractor any information regarding known or suspected changes in the composition or characteristics of the Customer Materials.

8. Record Keeping. Contractor shall maintain records of the Contractor Services to the extent Contractor is required by Law, and further, shall maintain records to the extent specifically set forth in Scope of Services and Price. Customer shall maintain records to the extent Customer is required by Law. Customer shall keep and maintain records showing all data necessary for computation of the invoiced amounts during the term of the Agreement and for eighteen (18) months after the termination of the Agreement. Customer shall, upon reasonable notice from Contractor, allow Contractor to inspect and copy all records reasonably necessary for Contractor to compute the amounts to be invoiced.

9. Terms of Payment. Customer shall pay Contractor the full amount due under any invoice within thirty (30) days of the date of the invoice. Any invoice amount not paid in full within thirty (30) days of the date of the invoice shall bear interest at the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the maximum legally permissible interest rate on any unpaid balance thereof. Interest shall be computed from the date of the invoice.

10. Default Termination.

A. In the event a Party seeks to terminate this Agreement because the other Party has failed to perform one or more of its material obligations hereunder, then the non-defaulting Party shall give a default notice to the defaulting party. Such default notice shall list with reasonable detail the nature of the default. Unless otherwise stated in Subsection B below, a defaulting Party shall have a right to cure a default within 10 days. If the defaulting Party fails to cure the default within 10 days after the receipt of the default notice, then this Agreement may be terminated by the non-defaulting party by delivery of notice of termination, effective on the termination date stated in in such termination notice.

B. Notwithstanding any provision herein to the contrary, Contractor may immediately terminate this Agreement upon notice to Customer if:

- (i) Customer fails to make full payment within 30 days of any invoice date;
- (ii) there is a change in or to the interpretation of any Laws which increases Contractor's risk or cost, or which would serve to delay Contractor's performance of Contractor Services;
- (iii) Contractor reasonably determines that performing Contractor Services will cause personal injury, or damage to a Party's facilities, equipment or operation, or will cause Contractor to be in violation of Laws, or will produce or cause to be produced a process byproduct that is classified as Hazardous Material(s); or
- (iv) Customer fails to provide the NANI or NANI Equivalent as provided for in Section 29.A.4.b. of this Agreement.

C. Non-Default Termination

If the Customer has exercised a discretionary right to early termination that is not based on default, the Contractor will be compensated for early termination costs, including but not limited to, recovery of capital costs, lost profit, demobilization costs, employment severance payments and cost to terminate subcontractors and equipment leases.

11. Indemnification.

A. Contractor shall defend, indemnify and hold harmless Customer, its directors, officers and agents from and against any and all claims, suits, actions, proceedings, liabilities, losses, damages, fines, penalties and expenses of every character whatsoever (including, but not limited to, liability for pollution, environmental or natural resource damage or restoration, nuisance, bodily injury, sickness and/or disease, including death, and loss of or damage to property), to the extent proximately caused by Contractor's negligence or breach of this Agreement. If any such suits, actions or proceedings are threatened or commenced, Customer shall promptly notify Contractor.

B. Customer shall defend, indemnify and hold harmless Contractor, its partners, directors, officers, employees and agents from and against any and all claims, suits, actions, proceedings, liabilities, losses, damages, fines, penalties and expense of every character whatsoever (including, but not limited to, liability for pollution, environmental or natural resource damage or restoration, nuisance, bodily injury, sickness and/or disease, including death, and loss of or damage to property), to the extent they arise out of: (i) Customer's failure to comply with any of its obligations under this Agreement; (ii) Customer's delivery of Non-Conforming Material to Contractor; (iii) Contractor's acceptance, handling, use or application of Non-Conforming Material; and (iv) any other negligent act or omission or willful misconduct by Customer. If any such suits, actions or proceedings are threatened or commenced, Contractor shall promptly notify Customer.

12. Access. Customer shall provide Contractor access to Customer Facility(ies) as and when requested by Contractor in order to provide Contractor Services. Customer shall bear all costs or fees associated with providing access to Contractor.

13. Compliance with Laws. Unless otherwise specifically provided in this Agreement, Contractor shall comply with Laws directly regulating Contractor Services and Customer shall comply with all Laws imposed upon.

14. Physical Damage Responsibility; Insurance.

A. Contractor shall provide workers compensation insurance for all its employees providing services under this Agreement in accordance with applicable law. Contractor's liability and out of pocket expenses is capped at the insurance provided in this agreement.

B. Contractor shall provide commercial general liability insurance to cover the liabilities of Contractor arising out of the Contractor Services with limits of one million dollars (\$1,000,000) for each claim, one million dollars (\$1,000,000) products aggregate and two million dollars (\$2,000,000) general aggregate. Such insurance shall provide that coverage shall not be canceled without thirty (30)

days prior notice to Contractor and Customer, or ten (10) days' notice in the event that such coverage is cancelled for non-payment. Contractor shall provide evidence of said insurance, in the form of an insurance certificate, within thirty (30) days from the date hereof. Said certificate shall name Customer as an additional insured.

C. Contractor shall provide general liability and property damage insurance to cover the liabilities of Contractor arising out of the use of vehicles in the performance of Contractor Services with a combined single limit of one million dollars (\$1,000,000), with an umbrella policy of five million dollars (\$5,000,000).

15. Force Majeure. Neither Party shall be liable to the other Party for breach or for failure or delay in the performance of its obligations hereunder caused by any act or occurrence beyond its reasonable control, including, but not limited to: fires; floods; strikes (except any strikes involving a Party's personnel); a change in Federal, State, or local law or ordinance; orders or judgments of any Federal, State or local court, administrative agency or governmental body; change in permit conditions or requirements; accidents; extreme weather conditions including, for example, hurricanes, tornadoes, unusually high amounts of precipitation, unusual extremes of temperature or wind, or unusually extended periods of adverse weather conditions; acts of war, aggression or terrorism (foreign or domestic); equipment failure (other than due to the inadequate maintenance thereof); and acts of God. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute an act or occurrence beyond a Party's reasonable control: (i) reasonably anticipated weather conditions normal for the region in which the work is performed or (ii) any failure to pay any sums in accordance with the terms of this Agreement. Whenever the provisions of this Section are believed to apply, the Party relying thereon shall give prompt notice to the other Party of the circumstances, the basis for applicability of this Section and the time required to cure such breach or delay and Contractor and Customer shall use reasonable best efforts to agree on appropriate mitigating actions under the circumstances. This provision provides performance (including schedule) and financial relief if a Force Majeure event interferes with the Contractor's performance

16. Representation of Authority. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver and perform this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

17. Survival of Obligations. Notwithstanding the expiration or sooner termination of this Agreement, any duty or obligation which has been incurred and which has not been fully observed, performed and/or discharged, and any right, conditional or unconditional, which has been created and has not been fully enjoyed, enforced and/or satisfied, shall survive such expiration or termination until such duty or obligation has been fully observed, performed and/or discharged and such right has been fully enjoyed, enforced and/or satisfied.

18. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and verbal, between the Parties with respect to the subject matter hereof.

19. Amendments. This Agreement may be amended from time to time only by an instrument in writing signed by the Parties to this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same contract. The Parties may execute more than one copy of this Agreement, each of which shall constitute an original.

21. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties thereto and their successors and permitted assigns. The Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except that Contractor may assign performance and/or collection to an Affiliate of Contractor without the consent of Customer.

22. Modification. This Agreement may not be amended, altered or modified except in writing signed by the Parties hereto. No waiver by either Party of any breach by the other Party of any provisions of this Agreement shall be construed as a waiver of any subsequent breach, whether of the same or of any different provision of this Agreement. No course of conduct or series of dealings shall constitute a waiver hereunder.

23. Governing Law, Venue Selection. This Agreement shall be governed by and construed under the laws of the State of Delaware.

24. No Third Party Liability. Neither this Agreement nor any Subcontract is intended to give rise to or recognize any third party beneficiary to this Agreement.

25. Partial Invalidity. If any provision of this Agreement is determined to be invalid, illegal or unenforceable for any reason, that provision shall be deleted from this Agreement and such deletion shall in no way affect, impair, or invalidate any other provision of this Agreement, unless it was material to the consideration for the performance required. If a provision is deleted which is not material to such consideration, the remaining provisions shall be given the force and effect originally intended.

26. Consent to Breach Not Waiver. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. No consent by any Party to, or waiver of, a breach by the other Party shall constitute consent to, waiver of, or excuse of any other different or subsequent breach.

27. Notice. Except as otherwise specifically provided in this Agreement, all notices must be given in writing sent by recognized overnight courier or registered or certified US mail, postage prepaid, return receipt requested, addressed listed on the first page and with an additional copy of any notice to Contractor sent to:

435 Williams Court, Suite 100
Baltimore, MD 21220
Attn: Legal Manager

Notice shall be sent to the referenced persons and addresses unless the Parties are otherwise notified in writing of a change in the name or address of the person to be notified.

28. Consequential Damages. In no event shall Contractor, its affiliated corporations and Affiliates or its and their directors, officers, employees or any of its subcontractors be liable for any incidental, indirect, special, punitive, economic or consequential damages, suffered or incurred by Customer or any of its agents or contractors as a result of Contractor's performance or non-performance of services pursuant to this Agreement. In no event shall Contractor's liability hereunder exceed the value of the payments to Contractor under this Agreement, regardless of legal theory.

29. Drafting Responsibility. Neither Contractor nor Customer shall be considered the drafter of this Agreement, and any ambiguities herein shall not be construed against either Contractor or Customer, both having participated in the drafting of this Agreement.

29. Customer Materials. Customer represents and warrants the following with respect to the quality of Customer Materials:

A. Biosolids.

1. **Hazardous Materials.** Customer will not provide Hazardous Materials to Contractor.

2. **Polychlorinated Biphenyls.** Customer Materials shall not contain a concentration of polychlorinated biphenyls (PCB's) equal to or greater than 50 milligrams per kilogram (dry weight basis), nor shall Customer Materials violate more stringent state or local standards, where applicable.

3. **Suitability of Materials for Intended Use.** All Customer Materials are suitable for their Intended Use and the qualities and characteristics of Customer Materials meet or exceed the minimum requirements under Laws for Intended Use.

4. **Land Application of Biosolids.** If land application is an Intended Use of Customer Materials, the following shall apply:

a. Customer agrees to provide Contractor with Customer Materials that meet federal, state and local land application criteria at the time they are released to Contractor. Where Contractor Services include pathogen reduction requirements and/or vector attraction reduction, Customer is not obligated to meet pathogen and/or vector attraction reduction requirements.

b. Customer shall provide Contractor documentation that Customer's biosolids meet 40 CFR PART 503, state and local land application quality criteria with respect to the three biosolids quality criteria (i.e. metals content, pathogen reduction requirements, and vector attraction reduction requirements) unless Contractor has specifically agreed otherwise as part of the Contractor Services described below. This information is to be supplied to Contractor using a Notice and Necessary Information ("NANI") form or NANI Equivalent within 45 days after the end of the Customer's monitoring period based on the biosolids testing frequency in 40 CFR 503.16. "NANI Equivalent" shall mean lab results which clearly show the three biosolids quality criteria are met (e.g. metal test results, fecal coliform test results, SOUR test results). If Customer has more than one Customer Facility, a NANI Form or NANI Equivalent is required for each Customer Facility at which Contractor Services are being provided. If Customer uses more than one treatment process within Customer Facility, (for example, customer produces anaerobically digested and lime stabilized biosolids) a NANI form or NANI Equivalent is required for each treatment process used by the Customer. If Customer has stored biosolids in more than one location/structure within Customer Facility produced over different time periods or tested separately due to its unique characteristics or Customer's desired sampling program, a NANI form or NANI Equivalent are required for each Customer Facility storage location/structure. Contractor shall have the right to rely upon any information or certification provided by Customer and shall not have any independent duty to investigate or inquire regarding the subject matter of Customer's certification or of the information which Customer provides to Contractor. Where Contractor Services include pathogen reduction requirements, the NANI Form or NANI Equivalent provided Customer is not required to document compliance with pathogen reduction requirements by Law. Where Contractor Services include vector attraction reduction, the NANI Form or NANI Equivalent provided by Customer is not required to document compliance with vector attraction reduction requirements.

c. If Customer fails to provide the NANI Form or NANI Equivalent when required by Law, Contractor shall have the immediate right, but not the obligation, to suspend or terminate Contractor Services or this Agreement. Customer shall be liable for all additional costs and expenses arising out of such suspension or termination.

d. Contractor will land apply Customer Materials based on the most current NANI Form or NANI equivalent test results provided to the Contractor.

5. **Disposal of Biosolids into Landfill.** Where Customer Materials are to be disposed of in landfill(s), Customer Materials must meet the requirements in 40 CFR Part 258 (e.g., pass paint filter test and be non-hazardous per 40 CFR Part 261) and any applicable state requirements

B. Industrial Residuals:

1. **Hazardous Materials.** Customer will not provide Hazardous Materials to Contractor.

2. **Polychlorinated Biphenyls.** Customer Materials shall not contain a concentration of polychlorinated biphenyls (PCB's) equal to or greater than 50 milligrams per kilogram (dry weight basis), nor shall Customer Materials violate more stringent state or local standards, where applicable.

3. **Suitability of Materials for Intended Use.** All Customer Materials are suitable for their Intended Use and the qualities and characteristics of Customer Materials meet or exceed the minimum requirements under Laws for Intended Use.



Materials Management Agreement

4. Cadmium. Customer will provide Contractor with the total cadmium (Cd) concentration of the residuals in milligrams per kilograms (mg/kg) dry weight with the frequency required by Laws.

5. Disease Vectors. Customer Materials shall not attract disease vectors that endanger public health.

6. Disposal of Biosolids into Landfill. Where Customer Materials are to be disposed of in landfill(s), Customer Materials must meet the requirements in 40 CFR Part 258 (e.g., pass paint filter test and be non-hazardous per 40 CFR Part 261) and any applicable state requirements.

C. Additional Customer Materials (if any):