



**Executive Committee Meeting Minutes  
January 11, 2018**

A regular meeting of the Executive Committee of the Central Lake County Joint Action Water Agency was convened by Mr. Ellis at 8:30 a.m. on January 11, 2018 at the Paul M. Neal Water Treatment Facility, 200 Rockland Road, Lake Bluff, Illinois. Present at the time were Mike Ellis, Grayslake; Jeff Hansen, Lake Bluff; Karl Warwick, Lake Villa; Chris Clark, Libertyville; Clay Johnson, Lindenhurst; Bill Emmerich, Mundelein; Adam Weedoff, Round Lake; David Kilbane, Round Lake Beach; Mike May, Volo; and, Kevin Timony, Wauconda.

Absent were representatives from Gurnee, Lake County, Lake Bluff, Round Lake Consortium.

Also present at the meeting were Executive Director Darrell W. Blenniss, Jr.; Director of Operations William J. Soucie; Tracy Hall, Recording Secretary; Jeff White, Project Manager; Nathan Gaskill & Kyle Nichol, Lauterbach & Amen; Lenny Rago, Carollo Engineers; Amrou Atassi, CDM Smith; and, Geoff Raef, West’s Insurance.

**Minutes**

A motion was made by Mr. Emmerich to approve minutes of the December 2017 regular meeting of the Executive Committee as presented. The motion was seconded by Mr. Clark; and, upon voice vote, the motion was unanimously passed.

**Review of Bills**

**A. Items for Pre-Approval & B. Bill Summary Sheet - Ratification of Previously Paid Expenses:**

The Executive Committee reviewed bills that require pre-approval of payment by the Board of Directors as shown below:

● Carollo Engineers	0162917	Ozone Replacement Project	\$12,528.90
● CDM Smith	90034781	Preliminary Report RWPS Improvements	\$3,398.81
● Joseph J. Henderson & Son, Inc.	14903	Ozone Replacement Project	\$86,934.89
<b>Total</b>			<b>\$102,862.60</b>

The Executive Committee reviewed the following items which had been previously disbursed in the month of December and require ratification by the Board of Directors:

● Invoices Paid	Operating & Capital Expenses	\$1,295,388.43
● Payroll	Prior Month Payroll	\$213,964.33
● IMRF	Pension Payments	\$32,994.00
● Health Insurance	Unitedhealthcare & VSP	\$41,263.46
	<b>Total</b>	<b>\$1,583,610.22</b>

A motion was then made by Mr. Warwick and seconded by Mr. Emmerich to recommend that the Board of Directors approve payment and ratify previously paid items as outlined above. Upon voice vote, the motion was unanimously passed.

**New Business**

A. Vice-Chair Selection - Review / Take Action:

Mr. Blenniss explained that due to Mr. Perna’s departure from the Executive Committee, the Executive Committee must select a new Chair and Vice-Chair.

A motion was then made by Mr. Clark and seconded by Mr. Kilbane to select Mr. May to serve as the Vice-Chair of the Committee. Upon voice vote, the motion was unanimously passed.

B. Property Tax Abatement - Review / Recommendation - Resolution 18-01 - A Resolution of the Central Lake County Joint Action Water Agency Determining That For The 2017 Tax Levy There Shall Be No Abatement of Previous Levied Real Estate Taxes:

Mr. Blenniss explained that Section 10B of the Agreement which formed the Agency provides, in part, that the Agency shall set a water rate to, among other things *“pay not less than 30% of the annual debt service on the General Obligation Bonds, ..., unless it is determined by action of a 4/5ths vote of all Directors of the Agency, ..., that it is in the best interest of the Members to reduce or eliminate the abatement in any fiscal year.”*

Mr. Blenniss noted that the Abatement of the 2017 tax levy must be funded in the current budget year; and, that the approved budget does not include abatement funding. He stated that the multi-year financial plan does not include abatement funding.

Mr. Blenniss then explained that given the Agency’s policy of minimizing water rate increases, it is recommended that we not abate any taxes and authorize the transfer of any surplus for operational uses. A review of the General Obligation Bond and Interest Account indicates it will generate an excess of approximately \$36,000.

A motion was then made Mr. Emmerich and seconded by Mr. Clark to recommend that the Board of Directors adopt Resolution 18-01. Upon voice vote, the motion was unanimously passed.

C. Surplus Property - Review / Recommendation -Resolution 18-02 - A Resolution Establishing Certain Property of the Central Lake County Joint Action Water Agency to be Surplus:

Mr. Blennis explained that from time to time, Agency staff reviews the Agency's property to determine if items are beyond their useful life or no longer needed. He then outlined Resolution 18-02, declaring certain property of the Agency to be surplus.

A motion was then made by Mr. Timony and seconded by Mr. Emmerich to recommend that the Board of Directors approve Resolution 18-02 - A Resolution Establishing Certain Property of the Central Lake County Joint Action Water Agency to be Surplus as presented. Upon voice vote, the motion unanimously passed.

D. Purchase Policy Update - Review / Recommendation -Resolution 18-03 - A Resolution to Establish Authorized Purchase Policy Amounts:

Mr. Blennis outlined Resolution 18-03 which increases the Agency's purchase policy limits for various approval levels for inflation as shown below for the Committee:

Level	Proposed Purchasing Limit	Existing Purchasing Limit
Department Head	Up to \$1,500.00	Up to \$1,000
Executive Director	Up to \$15,000	Up to \$10,000
Executive Director & Board Chairman	Up to \$30,000	Up to \$20,000
Executive Director in the Case of Emergency	Up to \$75,000	Up to \$50,000

Mr. Blennis explained that the Executive Committee members recommended this analysis last year; and, that the existing purchase limits were last established in the year 2000. Mr. Blennis then stated that the proposed limits are closely in line with the inflation adjusted values of the existing limits and that the values were rounded up for greater clarity.

Following a brief discussion, a motion was made by Mr. Weedoff and seconded by Mr. May to recommend that the Board of Directors approve the increase in limits adjusted for inflation as reflected in the resolution. Upon voice vote, the motion was unanimously passed.

Mr. Worden of Lake County joined the meeting at 8:39 a.m.

E. Harassment Policy Update - Review / Recommendation -Resolution 18-04 - A Resolution Establishing Rules For Reporting And Administration Of Harassment Claims:

Mr. Blennis explained that Public Act 100-0554, which was signed into law on November 16, 2017, requires all local governments to adopt an ordinance or resolution establishing a policy to prohibit sexual harassment in their workplace. He stated that the sexual harassment policy must explicitly

prohibit retaliation for reporting sexual harassment and must also prohibit sexual harassment perpetrated by anyone in the workplace, not just employees.

Mr. Blenniss outliend Resolution 18-04 which repeals and replaces Section 5.5 of the Agency's Personnel Policies for the Committee.

A motion was then made by Mr. Warwick and seconded by Mr. Timony to recommend that the Board of Directors adopt Resolution No 18-04, updating the Agency's policies on harassment in the workplace as presented. Upon voice vote, the motion was unanimously passed.

F. Financial Services Contract Renewal - Review / Recommendation - Resolution 18-05 - A Resolution Approving An Agreement With Lauterbach & Amen, LLP For Public Finance Consulting Services And Authorizing The Chairman Of The Board Of Directors To Execute The Agreement:

Mr. Blenniss stated that the Agency's contract for financial services with Lauterbach & Amen is due to expire soon. He noted that he is recommending an extension of the contract for an additional year and further noted that Agency Staff is satisfied with the service being provided by Lauterbach and Amen.

A motion was then made by Mr. Weedoff and seconded by Mr. Clark to recommend that the Board of Directors extend the financial services contract with Lauterbach & Amen for one additional year at a cost of \$7,106.67 per month. Upon voice vote, the motion was unanimously passed.

G. FYE 2019 Budget Guidelines - Review / Recommendation:

Mr. Blenniss outlined the FYE 2019 Budget Guidelines for the Committee, noting that a detailed memo had been distributed for their review.

Mr. Blenniss then responded to questions from members of the Committee in regards to cash balances and natural gas costs.

After discussion, a motion was made by Mr. Emmerich to recommend that the Board of Directors approve the FYE 2019 Budget Guidelines as presented. The motion was seconded by Mr. Clark and upon voice vote, the motion was unanimously passed.

**Old Business**

A. Comprehensive Plan Phase I - New Sales Evaluation Framework - Review:

Mr. Blenniss stated that at the October meeting cycle, the Board of Directors reviewed the New Sales Evaluation Framework that was part of the Comprehensive Plan Phase I; and, that based on comment from the Board of Directors, an additional evaluation criteria was added as outlined below:

- Availability of Alternate Lake Michigan Water Provider
  - Customers that are likely to have access to Lake Michigan water through other providers were awarded a score of 1. Customers unlikely to have access through other providers were awarded a score of 3.
  - Weighting factor was assigned a 3, the highest.

Updated rankings: (Page 40 of the Technical Memorandum)

Hawthorn Woods & Lake Zurich (1)  
Wadsworth & Island Lake & Lake Barrington (3)  
Fox River Grove & Fox Lake (6)  
Antioch (8)  
Hainesville & Port Barrington & Tower Lakes (9)

Mr. Blennis then noted that the following materials distributed to the Committee:

1. Engineering: Updated technical memorandum from Carollo on new sales evaluation
2. Legal: Memos from Agency Legal Counsel and Lake Bluff on voting requirements for new water sales.
3. Letters from Mayors: Letters from Grayslake, Lake Bluff, and Libertyville outlining their positions on pursuing new water sales.

After a brief discussion, there was a consensus to present this criteria to the Board of Directors. No motion was made.

B. Centrifuge Replacement Options Overview:

Mr. Blennis outlined an amendment from CDM Smith on their technical memorandum which addresses the issues brought up by the Committee at the October 2017 meeting on the centrifuge replacement options. He noted that after the review of several options, staff is recommending the purchase and installation of two new centrifuges. Mr. Blennis stated that in an effort to minimize the risk of purchasing centrifuges that underperform, the following precautionary measures would be investigated with Executive Committee approval:

1. Evaluate and pre-select qualified manufacturers/equipment.
2. Require manufacturer to test CLCJAWA residual solids to confirm viability of their equipment.
  - a. Implement lessons-learned in specifications for new equipment, for example, hardened surfaces, shallower beach, larger housing, etc.
  - b. Evaluate and purchase extended warranty/service agreement/maintenance contract.

Mr. Blennis stated that if this method is acceptable, Agency Staff will work with CDM Smith to draft a engineering task order to accomplish this task for review by the Committee.

Mr. Atassi addressed questions from members for the Committee in regards to issues with the current centrifuge and indicated that the current equipment was purchased and put online immediately prior to the manufacturer going out of business. Mr. Atassi also indicated that items such as product quality, cost and manufacturer references had been evaluated during this process. He indicated that the cost of the full service maintenance contract, which included required Maintenance, as well as parts and preventative maintenance, can vary from approximately \$26K to \$30K annually.

Mr. Blennis noted that different options are available upfront in regards to how many years a warranty contract covers.

Following discussion, a motion was made by Mr. Emmerich and seconded by Mr. Clark to bring this item back to the Committee at a later time with a contract. Upon voice vote, the motion was unanimously passed.

***Report of the North and West Membership Expansion Committees***

Mr. Amrou Atassi of CDM Smith update the Executive Committee on the North and West Group expansion projects.

***Report of the Executive Director***

*Water Sales:*

Mr. Blenniss noted that November actual sales were below the forecast by 1.8%.

*Other Items:*

Mr. Soucie noted that the Agency has provided water to the City of Waukegan for a brief period of time through the Village of Gurnee's system.

Mr. Soucie and Mr. Blenniss discussed an upcoming pipeline repair located on the Property of the Water Treatment Plant and responded to questions from the Committee in regards to potential service interruptions.

***Adjournment***

There being no further business, a motion was made by Mr. Timony and seconded by Mr. Warwick to adjourn the meeting at 9:25 a.m. On voice vote, the motion was unanimously passed and the meeting was adjourned.

Respectfully Submitted,

Tracy Hall

Recording Secretary