



**Board of Directors  
Meeting Minutes  
January 24, 2018**

A regular meeting of the Board of Directors of the Central Lake County Joint Action Water Agency was convened by Chairman Hill at 6:02 p.m., on January 24, 2018 at the Paul M. Neal Water Treatment Facility, 200 Rockland Road, Lake Bluff, Illinois. Present at the meeting were: Present at the meeting were: Alternate Director Vogel, Grayslake; Director Kovarik, Gurnee; Director O’Hara, Lake Bluff; Director Werfel, Lake County; Alternate Director Harms, Lake Villa; Director Wepler, Libertyville; Director Lentz, Mundelein; Director Marturano, Lindenhurst; Alternate Director Kraly, Round Lake; Director Henley, Volo; and, Alternate Director Starkey, Wauconda.

Also present were Executive Committee Chairman Mike Ellis, Grayslake; Darrell W. Blenniss, Jr., Executive Director; Bill Soucie, Director of Operations; Jeff White, Project Manager; Agency Legal Counsel Stewart Diamond, Ancel Glink et al; Len Rago, Carollo Engineers; Amrou Atassi, CDM Smith

Absent was a representative from Round Lake Consortium.

**Public Comment**

None.

**Approval of Minutes**

A motion was made by Director Marturano and seconded by Alternate Director Starkey to approve the regular meeting minutes of the December 2017 Board of Directors meeting as presented. Upon voice vote, the motion was passed.

**Treasurer’s Reports – December 2017 & January 2018:**

Executive Director Blenniss outlined the Treasurer’s Reports for December 2017 & January 2018.

A motion was then made by Director Kovarik and seconded by Director Werfel to approve the Treasurer’s Reports for December 2017 & January 2018 as presented. Upon roll call vote, the motion was passed.

**Report and Action on Executive Committee Items**

**A. Recommendation on Payment of Bills:**

**a. Items for Pre-Approval**

**b. Operating Expenses (Formerly referred to as the Bill Summary Sheet) – Ratification of Previously Paid Expenses**

Mr. Ellis outlined the Executive Committee’s unanimous recommendation for approval on the following items which 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>

Mr. Ellis then outlined the Executive Committee’s unanimous recommendation for approval on the following items which require ratifications by the Board of Directors as shown below:

• 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 made by Director Henley seconded by Director Kovarik to approve items which require pre-approval and ratify previously paid expenses as shown above. Upon roll call vote, the motion was unanimously passed.

**B. Recommendation on Property Tax Abatement - 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.. Ellis explained to the Board of Directors 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. Ellis then 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. Ellis also 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.

Mr. Ellis stated that the Executive Committee unanimously recommended that the Board of Directors adopt Resolution 18-01 as presented.

A motion was then made by Director Kovarik and seconded by Director Marturano to adopt Resolution 18-01 as presented. Upon roll call vote, the motion was unanimously passed.

**C. Recommendation on 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. Ellis 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 for the Board of Directors, which declares certain property of the Agency to be surplus.

Mr. Ellis stated that the Executive Committee unanimously recommended that the Board of Directors adopt Resolution 18-02 as presented.

A motion was then made by Director O'Hara and seconded by Alternate Director Starkey to adopt Resolution 18-02 - A Resolution Establishing Certain Property of the Central Lake County Joint Action Water Agency to be Surplus as presented. Upon roll call vote, the motion unanimously passed.

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

Mr. Ellis outlined Resolution 18-03 for the Board of Directors 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. Ellis 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. Ellis 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.

Mr. Ellis noted that the Executive Committee unanimously recommended that the Board of Directors adopt Resolution 18-03 and approve the increase in limits as adjusted for inflation as reflected in the resolution.

A motion was then made by Director Kovarik and seconded by Director Henley to adopt Resolution 18-03 as presented, approving the increase in limits as adjusted for inflation as reflected in the resolution. Upon roll call vote, the motion was unanimously passed.

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

Mr. Ellis 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 then explained that the Agency's 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. Ellis then outlined Resolution 18-04 for the Board of Directors which repeals and replaces Section 5.5 of the Agency's Personnel Policies. He noted that the Executive Committee unanimously recommended that the Board of Directors adopt Resolution 18-04 as presented.

A motion was then made by Alternate Director Starkey and seconded by Alternate Director Kraly to adopt Resolution No 18-04, updating the Agency's policies on harassment in the workplace as presented. Upon roll call vote, the motion was unanimously passed.

**F. Recommendation on 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. Ellis explained the Agency's contract for financial services with Lauterbach & Amen will be expiring soon. He stated that Agency staff has recommended 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.

Mr. Ellis stated that the Executive Committee unanimously recommended that the Board of Directors approve extending the financial services contract with Lauterbach & Amen for one additional year at a cost of \$7,106.67 per month.

A motion was then made by Director Marturano and seconded by Director' O'Hara to approve extending the financial services contract with Lauterbach & Amen for one additional year at a cost of \$7,106.67 per month. Upon roll call vote, the motion was unanimously passed.

**G. Recommendation on FYE 2019 Budget Guidelines - Review / Recommendation:**

Mr. Ellis briefly outlined the FYE 2019 Budget Guidelines for the Board of Directors, noting that a detailed memo had been distributed for their review.

Mr. Ellis stated that the Executive Committee unanimously recommended that the Board of Directors approve the FYE 2019 Budget Guidelines as presented.

A motion was then made by Director Werfel and seconded by Director Lentz to approve the FYE 2019 Budget Guidelines as presented. Upon roll call vote, the motion was unanimously passed.

**Report & Action on North Group Membership Expansion Technical Committee Items:**

**A. North Group Construction Progress Reports, B. Approval of North Group Expenses, C. BP1A -Change Order Resolution 18-06 - Change Order #6 to North Group Bid Package #1A BP4 - Change Order, D. Resolution 18-07 - Change Order #1 to North Group Bid Package #4, E. BP3 - Construction Services**

An update was given on the North Group Expansion Project and the Construction Progress Reports were presented to the Board of Directors.

Mr. Blennis outlined the recommendation of the North Group Technical Committee to authorize payments as outlined below:

<b>Item</b>	<b>Vendor</b>	<b>Amount</b>
Bid Package 1A Construction Services	CDM Smith	\$25,934.12
Bid Package 2 Contractor Payment	Campanella & Sons, Inc.	\$374,218.23
Bid Package 2 Construction Services	CDM Smith	\$22,824.84
Bid Package 4 Construction Services	CDM Smith	\$48,122.76
Bid Package 4 Contractor Payment	Trine Construction Corp.	\$399,424.68
Detailed Engineering Design Services	CDM Smith	\$31,886.63
Easement Acquisition Services	CDM Smith	\$11,151.26

Mr. Blennis outlined Resolution #18-06 Change Order #6 to North Group Bid Package #1A for the Board of Directors. He noted that the Change Order would extend the contract completion date to January 31, 2018. Mr. Blennis stated that approval of Resolution #18-06 requires approval by the Board of Directors at this time.

Mr. Blenniss then outlined Resolution #18-07 Change Order #1 to North Group Bid Package #4 for the Board of Directors. He stated that the change order increases the overall contract price by \$29,433.83, which increases the total contract price to \$5,604,847.08.

The Scope and Fee for Bid Package #3 which was prepared by CDM Smith for construction related services for the North Group was then outlined by Mr. Blenniss for the Board of Directors. He noted that the total amount of the Scope and Fee is in an amount not to exceed \$997,737.00 and that this work is consistent with the other bid packages already under construction.

Following discussion, a single motion was made by Director Henley and seconded by Alternate Director Kraly to approve the items outlined above as presented. Upon roll call vote, the motion was unanimously passed.

***Report & Action on West Group Membership Expansion Technical Committee Items:***

***A. Approval of Expenses & B. BP4-Construction Services:***

Mr. Blenniss outlined the recommendation of the West Group Technical Committee to authorize payments as outlined below:

<b>Item</b>	<b>Vendor</b>	<b>Amount</b>
Detailed Engineering Design Services	CDM Smith	\$80,046.45
Preliminary Engineering Services	CDM Smith	\$3,000.29
		<b>\$83,046.74</b>

Mr. Blenniss then summarized the scope and fee prepared by CDM Smith for construction related services for Bid Package #4 which has a total not to exceed amount is \$327,330 for the Board of Directors.

A single motion was then made by Director Henley and seconded by Alternate Director Starkey to to approve the items outlined above as presented. Upon roll call vote the motion was unanimously passed.

***Old Business***

***A. Calendar Year 2018 Meeting Schedule***

Mr. Blenniss explained that In December 2017, the Board of Directors approved the 2018 meeting schedule for the Executive Committee, North Group Technical Committee, West Group Technical Committee, and Board of Directors, but it was later determined that there was an error with the date of the February Board of Directors meeting date. He then explained that Directors Wepler and Hill have pointed out a conflict with the April 25th meeting date and the LCML Lobby Day down in Springfield. Mr. Blenniss noted that they have requested a

discussion to see if an alternative meeting date in April could be considered.

After a brief discussion a motion was made by Alternate Director Starkey and seconded by Director Marturano to approve the Revised Calendar Year 2018 Meeting Schedule as presented. Upon roll call vote, the motion was unanimously passed.

**B. Comprehensive Plan Phase I - New Sales Evaluation Framework**

Mr. Blenniss explained that during the October 2017 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 comments and direction from the Board of Directors, additional evaluation criteria was added regarding the availability of alternate Lake Michigan water suppliers. The new criteria and weighting factor was explained by Mr. Blenniss

Mr. Blenniss then noted that the following materials were 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.

Mr. Ellis noted that there was a consensus amongst the Executive Committee at their January 2018 meeting to present this criteria to the Board, but no formal motion or recommendation was made.

The Board discussed the new sales evaluation framework and criteria and several members indicated that they were not comfortable with pursuing additional water sales in any format at this time. It was suggested that a workshop be scheduled in the upcoming months to review this matter along with potential capital improvements that could be provided to the transmission system to improve system redundancy and reliability.

Vice-Chair Kovarik suggested that the Board meet in a “Committee of the Whole” style format to discuss this topic further since several members of the Board of Directors have such strong reservations about bringing on new members or customers.

Mr. Blenniss indicated that the Board could approve the Evaluation Framework and Criteria at this time and defer the discussion and decision on applying the criteria to new sales until the workshop was completed.

A motion was then made by Vice-Chair Kovarik and seconded by Director Marturano to approve the New Sales Evaluation Framework and Criteria as presented with the clarification that any municipalities or public water suppliers and associated rankings mentioned in the study were strictly shown for illustration purposes and should not be viewed as a preference for future membership or as future customers. Upon roll call vote, the motion was unanimously passed.

Chairman Hill clarified that this approval included only the framework and associated criteria, not any new members or new customers. He further noted that a future workshop to discuss new sales was a good idea.

Mr. Diamond indicated that in the the State of Illinois, no government can be forced into an intergovernmental agreement with another.

Mr. Blenniss indicated that the issue of capital improvements to improve the reliability and redundancy of the Agency's systems are being currently being reviewed by the Executive Committee and is the primary focus of the second phase of the comprehensive planning process. Mr. Blenniss indicated that the scope of this effort is now under evaluation by the Comprehensive Planning Technical Subcommittee and that action should be made on these issues over the next several months.

***New Business***

*None.*

***Report of the Chair***

*None.*

***Report of the Executive Director***

***Water Sales:***

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

***Adjournment***

There being no further business before the Board of Directors, a motion to adjourn the meeting was made by Director Kovarik and seconded by Alternate Director Kraly; and, upon voice vote, the motion was unanimously approved. The meeting was adjourned by at 7:02 p.m.

Respectfully submitted,

Tracy Hall

Deputy Secretary