



Central Lake County Joint Action Water Agency
Executive Committee Meeting Minutes
April 12, 2018

A regular meeting of the Executive Committee of the Central Lake County Joint Action Water Agency was convened by Mr. May at 8:30 a.m. on April 12, 2018, at the Paul M. Neal Water Treatment Facility, 200 Rockland Road, Lake Bluff, Illinois. Present at the time were Pat Muetz, Gurnee; Jeff Hansen, Lake Bluff; Karl Warwick, Lake Villa; Paul Kendzior, Libertyville; Clay Johnson, Lindenhurst; Adam Wedoff, Round Lake; David Kilbane, Round Lake Beach; Mike May, Volo; and, Kevin Timony, Wauconda.

Absent were representatives from Grayslake, Lake County, Mundelein, and Round Lake Consortium.

Also present at the meeting were Executive Director Darrell W. Blenniss, Jr.; Director of Operations William J. Soucie; Cheri Graefen, Lauterbach & Amen; Brad West, West's Insurance; and, Len Rago, Carollo Engineers.

Minutes

A motion was made by Mr. Timony to approve minutes of the February 8, 2018, regular meeting of the Executive Committee as presented. The motion was seconded by Mr. Muetz; and, upon voice vote, the motion was unanimously passed.

Phil Perna joined the meeting at 8:32 a.m.

Review of Bills

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

● Invoices Paid	Operating & Capital Expenses	\$1,647,561.37
● Payroll	Prior Month Payroll	\$220,732.42
● IMRF	Pension Payments	\$34,936.49
● Health Insurance	UnitedHealthcare & VSP	\$43,723.91
	Total	\$1,946,954.19

A motion was then made by Mr. Warwick and seconded by Mr. Wedoff 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. FYE 2019 Property/Liability Insurance Renewal:

Mr. Blennis introduced Mr. Brad West of West’s Insurance Agency.

Mr. Brad West outlined the proposed coverages and quotes received from providers for the continuation of the Agency’s existing property and liability coverage as shown below:

● Property	Chubb	\$83,415	Year 1 of 2
● Liability	One Beacon	\$61,980	Year 2 of 3
● Crime	Liberty Mutual	Prepaid	N/A
● Pollution	Westchester	\$2,848	N/A

Mr. West responded to Mr. Muetz’ inquiry in regards to network security coverage noting that network security coverage is included with under the Public Officials Liability Policy.

A motion was then made by Mr. Muetz and seconded by Mr. Warwick to recommend that the Board of Directors bind coverage for FYE 2019 as outlined above. Upon voice vote, the motion was unanimously passed.

Mr. Atassi joined the meeting at 8:38 a.m.

Mr. West departed the meeting at 8:39 a.m.

B. Resolution #18-10 - LCPW - Service Extension for Mettawa:

Mr. Blennis stated that Resolution 18-10 which would grant authority to LCPW for water service in the Village of Mettawa had been distributed for the Committee’s review. He indicated that the previous authorization expired on January 1, 2018, and that the connection fees have been updated for inflation to \$2,969 per unit. Mr. Blennis noted that the authorization included in Resolution 18-10 expires on January 1, 2020.

Mr. Blennis explained that additional time is needed to complete the connections and that the Agency has sufficient capacity to handle this request. Mr. Blennis then stated that a letter from LCPW on this matter is also provided for the Committee’s review.

Mr. Bob Irvin, Village Administrator, Village of Mettawa, the discussed Village’s interest to extend the time period longer than two years with the Committee.

A motion was then made by Mr. Warwick and seconded by Mr. Kendzior to recommend that the Board

of Directors approve Resolution #18-10 authorizing LCPW to extend water service into Mettawa, with an expiration date of January 1, 2020, and to charge a connection fee of \$2,969 per unit. Upon voice vote, the motion was unanimously passed.

C. FYE 2019 Final Budget:

Mr. Blenniss outlined the proposed FYE 2019 Final Budget, including FYE 2019 Revenues and Expenditures and the proposed FYE 2019 water rate.

After a brief discussion, a motion was made by Mr. Perna and seconded by Mr. Warwick to recommend that the Board of Directors approve the FYE 2019 Final Budget as presented. Upon voice vote, the motion was unanimously passed.

D. FYE 2019 Financial Plan:

Mr. Blenniss then outlined the FYE 2019 Financial Plan for the Committee.

A motion was then made by Mr. Perna and seconded by Mr. Kilbane to recommend that the Board of Directors approve the FYE 2019 Long Range Financial Plan as presented. Upon voice vote, the motion was unanimously passed.

E. Pump Rebuild/Repair - HydroAire:

Mr. Blenniss stated that a purchase order to HydroAire in the amount of \$121,134 for the repair/rebuild of a finished water pump that was scheduled for maintenance, had been distributed for the Committee's review. He stated that due to the approval thresholds, this amount requires the approval of the Board of Directors.

Mr. Blenniss then explained that due to the process to evaluate and repair/rebuild pumps of this size, it is inefficient and expensive to subject the item to competitive price comparisons or bidding. He further noted that the recommended approach is consistent with past repairs of this type.

A motion was then made by Mr. Johnson and seconded by Mr. Kendzior to recommend that the Board of Directors waive the competitive bid process and accept the purchase order in the amount of \$121,134.00 to HydroAire to repair/rebuild a finished water pump. Upon voice vote, the motion was unanimously passed.

F. Updated Invoice Format & Late Notice Provision Reminder:

Mr. Blenniss outlined the new updated invoice format beginning in May 2018 member water usage invoices. He explained that the new format includes a "Payment Due" date. Mr. Blenniss further explained that pursuant to Section 506 of the Water Purchase and Sale Contract (WPSC), the Agency must send out water bills by the 10th of the month and the bills are due by the 10th of the following month. He indicated that in addition, a notice that late payments are subject to late penalties has been added to the new invoice format.

Mr. Blenniss then explained that Section 508 of the WPSC states that the members are subject to late penalties for all payments received after the 10th of the month for the invoices that were due. He noted that Agency Legal Counsel has reviewed this section and computed the late penalty to be 9.5%

annual percentage rate or 0.026% daily percentage rate (DPR); and, that this calculation will be performed each January for use during the calendar year.

Mr. Blenniss stated that the Agency will send out a Late Notice for all invoices that are outstanding each month and that once payment is received, a late penalty invoice will be calculated. He further stated that any late penalties owed will be communicated to the Agency's Board of Directors each month in the Executive Director's Report; and, if no action is taken to waive the penalties, a late penalty invoice will be sent to the appropriate member.

G. Scope of Work and Budget for Phase 2 of the Comprehensive Plan - Carollo Engineers:

Mr. Blenniss and Mr. Rago outlined the Scope and fee from Carollo Engineers for Phase 2 of the Comprehensive Plan process which will focus on system redundancy and reliability. It was noted that this is a 12 month projected effort, but that segments will be presented for review from time-to-time during the process.

After a brief discussion, a motion was made by Mr. Warwick and seconded by Mr. Muetz to recommend that the Board of Directors accept the scope and budget from Carollo for Phase 2 of the Comprehensive Plan as presented. Upon voice vote, the motion was unanimously passed.

Old Business

None

Report of the Executive Director

Water Sales:

Mr. Blenniss noted that January actual sales were under forecast by 6.2%.

Other Items:

Mr. Blenniss noted that a draft of the Agency's Transmission System Process and Procedures was distributed to the Committee for informational purposes.

Mr. Blenniss stated that due to the timing of advertising and bid openings, that several contracts were not available for review at the time of this meeting and will be sent directly to the Board of Directors for their review and approval in April.

Report of the North and West Membership Expansion Committees

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

Ms. Graefen departed the meeting at this time.

Executive Session & Action on Executive Session Items

Security Procedures - 5 ILCS 120/2(c)(8) - Emergency Supply Plans

A motion was made to convene an Executive Session pursuant to 5 ILCS 120/2(c)(8) in regards to Security Procedures - Emergency Supply Plans by Mr. Kendzior and seconded by Mr. Muetz. Upon voice vote, the motion was unanimously passed and an Executive Session of the Executive Committee convened at 9:24 a.m.

At 9:31 a.m., the regular session of the Executive Committee reconvened. A motion to approve the Emergency Supply Plans as presented in Executive Session was made by Mr. Timony and seconded by Mr. Muetz. Upon voice vote, the motion was unanimously passed.

Adjournment

There being no further business, a motion was made by Mr. Timony and seconded by Mr. Warwick to adjourn the meeting at 9:32 a.m. On a voice vote, the motion was unanimously passed and the meeting was adjourned.

Respectfully Submitted,

Tracy Hall

Recording Secretary