



**Board of Directors
Meeting Minutes
April 18, 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 April 18, 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: Director Rhett Taylor, Grayslake; Alternate Director Balmes, Gurnee; Director O’Hara, Lake Bluff; Director Werfel, Lake County; Director McDonald, Lake Villa; Alternate Director Justice, Libertyville; Director Lentz, Mundelein; Director Marturano, Lindenhurst; Director MacGillis, Round Lake; Director Hill, Round Lake Beach, Director Henley, Village of Volo; and, Director Knight, Wauconda.

Also present were Darrell W. Blenniss, Jr., Executive Director; Bill Soucie, Director of Operations; Jeff White, Project Manager; Stewart Diamond, Ancel Glink et al; Mike Ellis, Executive Committee Chairman; Len Rago, Carollo Engineers; and Brad West, West’s Insurance .

Absent were representatives from the Village of Mundelein and Round Lake Consortium.

Public Hearing - FYE 2019 Proposed Budget

A Public Hearing convened at 6:02 p.m. Executive Director Blenniss outlined the FYE 2019 Proposed Budget . There were no comments and the hearing was closed at 6:04 p.m.

Public Comment

None.

Omnibus Agenda Items

A motion was made by Director Taylor and seconded by Director Werfel to ratify the following omnibus agenda items from the Non-meeting Bulletin – March 2018:

Invoices & Charges: Consultant Services & Construction Contracts : \$52,070.62

Vendor	Invoice #	Description	Amount
CDM Smith	90037038	Continuing Services	\$31,570.62
Joseph J. Henderson & Son, Inc.	Pay App #20	Ozone Replacement Project	\$20,500.00

Invoices & Charges: Routine Operating Expenditures: \$1,768,799.79

Item	Description	Amount
Invoices Paid	Operating & Capital Expenses	\$1,476,705.60
Payroll	Prior Month Payroll	\$212,207.79
IMRF	Pension Payments	\$38,622.94
Health Insurance	Unitedhealthcare & VSP	\$41,263.46

North Group Expenses: \$580,160.13

Firm/Contractor	Item	Amount
CDM Smith	NG - Detailed Design Services	\$11,038.34
CDM Smith	NG - Easement Services	\$1,637.63
CDM Smith	NG - Construction Services - BP#1A	\$7,923.12
Joel Kennedy Contracting Corp.	NG - Construction Contract - BP#1A	\$30,000.00
Campanella & Sons, Inc.	NG - Construction Contract - BP#2	\$87,538.75
CDM Smith	NG - Construction Services - BP#2	\$10,637.05
CDM Smith	NG - Construction Services - BP#4	\$52,676.02
Trine Construction Corp.	NG - Construction Contract - BP#4	\$378,709.22

West Group Expenses: \$299,442.08

Firm/Contractor	Item	Amount
CDM Smith	WG - Construction Services - BP#1	\$25,157.80
Joel Kennedy Contracting Corp.	WG - Construction Contract - BP#1	\$172,890.00

Detailed Design Engineering - Bid Package #4 - North Group Expansion Project

Transfer to the North Group in the amount of \$445,896.86 in funds for Bid Package #4 be returned to them and placed into their SSA#16 fund.

Upon roll call vote, the motion was unanimously passed.

Approval of Minutes

A motion was made by Director Henley and seconded by Director Knight to approve the regular meeting minutes of the February 2018 Board of Directors meeting as presented. Upon voice vote, the motion was passed.

Treasurer’s Report – February and March 2018:

Executive Director Blenniss outlined the Treasurer’s Reports for February and March 2018.

A motion was then made by Director Henley and seconded by Director O’Hara to approve the Treasurer’s Report for February 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. Operating Expenses – Ratification of Previously Paid Expenses

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

● 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 made by Alternate Director Balmes and seconded by Director Lentz to ratify previously paid expenses as shown above. Upon roll call vote, the motion was unanimously passed.

B. Recommendation on FYE 2019 Property/Liability Insurance Renewal:

Mr. Blenniss 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. Ellis stated that the Executive Committee unanimously recommended that the Board of Directors bind coverage for FYE 2019 as outlined above.

A motion was then made by Director Henley and seconded by Director Werfel to bind coverage for FYE 2019 as outlined above. Upon roll call vote, the motion was unanimously passed.

Mr. West departed the meeting at this time.

C. Recommendation on Resolution #18-10 - LCPW - Service Extension for Mettawa:

Mr. Ellis outlined Resolution 18-10 which grants authority to LCPW for water service in the Village of Mettawa and noted that this resolution had been distributed for the Board of Directors' 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. Ellis then noted that the authorization included in Resolution 18-10 expires on January 1, 2020.

Mr. Ellis explained that additional time is needed to complete the connections and that the Agency has sufficient capacity to handle this request. Mr. Ellis then stated that a letter from LCPW on this matter is also provided for the Board of Directors' review.

Mr. Ellis noted that the Executive Committee recommended 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.

Mr. Bob Irvin, Village Administrator, Village of Mettawa, then addressed the Board of Directors. He stated that he foresees an additional 50 homes in the next year to be added to the Agency's System. Mr. Irvin then thanked the Board of Directors and Staff for their consideration of the Village's water needs. Chairman Hill noted clarified to the Board of Directors that the Village of Mettawa was not coming on as a Member of the Agency, but these homes would be covered under the County of Lake's service area.

A motion was then made by Alternate Director Balmes and seconded by Director O'Hara 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 roll call vote, the motion was unanimously passed.

D. Recommendation on FYE 2019 Final Budget:

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

Mr. Ellis then noted that the Executive Committee unanimously recommended that the Board of Directors approve the FYE 2019 Final Budget as presented.

A motion was made by Director Henley and seconded by Director Marturano to approve the FYE 2019 Final Budget as presented. Upon roll call vote, the motion was unanimously passed.

E. Recommendation on FYE 2019 Financial Plan:

Mr. Ellis and Mr. Blenniss then outlined the FYE 2019 Financial Plan for the Board of Directors.

Mr. Ellis noted that the Executive Committee unanimously recommended that the Board of Directors approve the FYE 2019 Long Range Financial Plan as presented.

Mr. Blenniss responded to Director Taylor's questions in regards to potential rate relief if the Agency were to add new customers. Mr. Blenniss stated that this was included in the Phase I Comprehensive Plan, but that Staff could further research it and include it in the Financial Plan.

A motion was then made by Alternate Director Balmes and seconded by Director Marturano to approve the FYE 2019 Long Range Financial Plan as presented. Upon roll call vote, the motion was unanimously passed.

F. Pump Rebuild / Repair - HydroAire:

Mr. Ellis 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 Board of Directors' review. He stated that due to the approval thresholds, this amount requires the approval of the Board of Directors.

Mr. Ellis 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.

Mr. Ellis noted that the Executive Committee unanimously recommended 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.

A motion was then made by Alternate Director Balmes and seconded by Director Taylor to 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 roll call vote, the motion was unanimously passed.

G. Updated Invoice Format & Late Notice 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.

Members of the Board requested that they be notified of any late payments and requested that a reminder be sent 5 days prior to the due date if the current payment due had not been received by the Agency.

H. Comprehensive Plan II Scope & Fee:

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.

Mr. Ellis noted that the Executive Committee unanimously recommended that the Board of Directors accept the scope and budget from Carollo for Phase 2 of the Comprehensive Plan as presented.

A motion was then made by Alternate Director Balmes and seconded by Director Taylor to accept the scope and budget from Carollo for Phase 2 of the Comprehensive Plan as presented. Upon roll call vote, the motion was unanimously passed.

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

A. Construction Progress Report:

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

B. Approval of Expenses:

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

● CDM Smith	NG - Detailed Design	\$14,195.58
● CDM Smith	NG - Construction Services BP#1A	\$5,066.54
● CDM Smith	NG - Construction Services BP#2	\$4,378.73
● CDM Smith	NG - Construction Services BP#4	\$51,818.58
● Trine Construction Corp.	NG - Construction Contract BP#4	\$725,870.33
	Total	\$801,329.76

A motion was then made by Director Taylor and seconded by Director Balmes to approve payments as outlined above. Upon roll call vote, the motion was unanimously passed.

C. Change Order #3 Bid Package #2 - Resolution 18-11:

Mr. Blenniss summarized this Change Order which adjusts the Final Completion date from March 11, 2018, to April 30, 2018, to accommodate landscape restoration planting season. He noted there would be no financial impact from this Change Order.

A motion was then made by Alternate Director Balmes and seconded by Director O’Hara to approve the Change Order #2 for the North Group Bid Package #2 Project. Upon roll call vote, the motion was unanimously passed.

D. Change Order #3 Bid Package #4 - Resolution 18-12

Mr. Blenniss then summarized Change Order #3 for North Group Construction Bid Package #4 for the Board of Directors.

He outlined the items included in this Change Order as follows:

- Avon/Lincoln Drive sanitary sewer replacements and watermain depth adjustments.
- Changes required from LCDOT modified future roundabout design at Fairfield and Monaville Roads.
- An individual vault size change; and modifications to the construction of the air release vaults.

Mr. Blenniss stated that the overall financial impact to the contract is \$193,483.11.

A motion was then made by Director Henley and seconded by Alternate Director Balmes to approve Change Order #3 for North Group Construction Bid Package #4 as presented. Upon roll call vote, the motion was unanimously passed.

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

A. Construction Progress Report:

An update was given on the West Group Expansion Project and the Construction

Progress Reports were presented to the Board of Directors.

B. Approval of Expenses

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

● CDM Smith	Preliminary Engineering Report	\$2,357.86
● CDM Smith	Detailed Engineering Design	\$79,915.49
● CDM Smith	Construction Services - BP#1	\$39,927.15
● Joel Kennedy Contracting Corp.	BP#1 Construction - PA#3	\$1,051,485.75
Total		\$1,173,686.25

A motion was then made by Director Henley and seconded by Director Marturano to approve payments as outlined above. Upon roll call vote, the motion was unanimously passed.

C. Notice of intent to Award BP#2

Mr. Blenniss outlined the Notice of Intent to Award the BP#2 construction contract to Campanella & Sons, Inc. in the amount of \$3,532,766.10. He noted that this is Contingent upon IEPA approval; and that the Agency will then be authorized to issue the Notice of Award and enter into a Loan Agreement for this phase of the work.

A motion was the made by Alternate Director Balmes and seconded by Director O'Hara to approve the Notice of Intent to Award to WG Bid Package #2 to Campanella & Sons, Inc. in the amount of \$3,532,766.10. Upon roll call vote, the motion was unanimously passed.

D. Construction Related Services - BP#2 - CDMS Smith:

Mr. Blenniss outlined the proposal from CDM Smith to perform construction-related services for the West Group Bid Package #2 project. He noted that the the scope of work and level of effort is consistent with the other related bid packages.

A motion was then made by Alternate Director Balmes and seconded by Director Knight to approve the proposal from CDM Smith for construction-related services for West Group Bid Package #2 in the amount of \$341,935. Upon roll call vote, the motion was unanimously passed.

Old Business

None.

New Business

A. Contract/Proposal Acceptance - I. Watermain Excavating & Repairs Services, II. Janitorial Services, III. Landscape Maintenance:

Mr. Blenniss stated that in an effort to maintain low staffing levels, the Agency contracts out several functions each year. He noted that bids for Watermain Repair Services, Landscape Maintenance Services, and Janitorial Services were distributed for the Board of Directors' review. Mr. Blenniss outlined the bids as shown below:

- Watermain Repair Services Campanella & Sons, Inc. 838.9
- Landscape Maintenance Mitch's Greenthumb \$30,542.00/year
- Janitorial Services EBM \$201.96/week

Mr. Blenniss then noted that the Watermain Repair Services is a bid score that uses a formula included in the bid documents which combines all of their hourly rates for all the various equipment and personnel into a score.

A motion was then made by Director Marturano and seconded by Alternate Director Balmes to award the bids as outlined above. Upon roll call vote, the motion was unanimously passed.

Report of the Chair

Chairman Hill noted that the West Group has requested a Special-Called meeting of the Board of Directors to be scheduled on on of the following dates: May 9, 16, 23 for the approval of the the Notice of Intent to Award for the WG BP 3 project.

A motion was then made by Director Werfel and seconded by Director Marturano to schedule the meeting for May 9th at 6:00pm in Grayslake if possible. Upon roll call vote, the motion was unanimously passed

Report of the Executive Director

Water Sales:

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

Executive Session & Action on Executive Session Items

Security Procedures - 5 ILCS 120/2(c)(8) - Emergency Supply Plans & Personnel - 5 ILCS 120/2(c)(1)- Executive Director Evaluation:

A motion was made at 7:13 p.m. to convene an Executive Session pursuant to 5 ILCS 120/2(c)(8) in regards to Security Procedures - Emergency Supply Plans & Personnel - 5 ILCS 120/2(c)(1)- Executive Director Evaluation by Alternate Director Balmes and seconded by Director Werfel. Upon roll call vote, the motion was unanimously passed.

At 7:50 p.m., the regular session of the Board of Directors reconvened. A motion to approve the Emergency Supply Plans as presented in Executive Session was made by Alternate Director

Balmes and seconded by Director Werfel. Upon roll call vote, the motion was unanimously passed.

A motion was then made by Alternate Director Balmes and seconded by Director Werfel to approve adjustments to the Executive Director's salary as discussed in Executive Session. Upon roll call vote, the motion was unanimously passed.

Adjournment

There being no further business before the Board of Directors, a motion to adjourn the meeting was made by Alternate Director Balmes and seconded by Director O'Hara; and, upon voice vote, the motion was unanimously approved. The meeting was adjourned by at 7:52 p.m.

Respectfully submitted,

Tracy Hall

Deputy Secretary