

**Minutes of the Special Meeting  
Of the Board of Trustees  
Lakes Region Sanitary District  
Wednesday, January 4, 2017**

Page 3345

1. CALL TO ORDER AND ROLL CALL

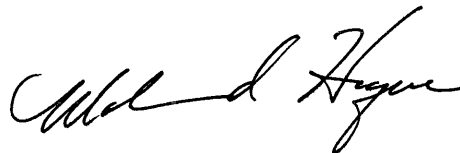
The meeting was called to order at 4:02 pm  
Present: Trustee Stimpson, Trustee Miller and attached list.

2. Northwest Lake County Wholesale Sewer Policy Advisory Committee Meeting

Trustee Stimpson and Trustee Miller participated in the NW Policy Meeting.  
Minutes of that meeting are attached.

*Upon voice vote, the special meeting was adjourned at 5:29 p.m.*

Respectfully submitted,



Mohammed M. Haque, P.E.  
District Manager

Accepted: *March 9, 2017*  
Corrected: ~~*[Signature]*~~

**The Minutes of the Meeting of the Northwest Lake County Wholesale Sewer  
Policy Advisory Committee  
Wednesday, January 4, 2017, 4:00 p.m.  
Round Lake Beach Village Hall 1937 N Municipal Way, Round Lake Beach, IL 60073**

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The Northwest Lake County Wholesale Sewer Policy Advisory Committee meeting was attended by the following individuals representing their respective agencies:

Members Present

Rich Hill, Village of Round Lake Beach, Mayor (Chair)  
Kurt Stimpson, Lakes Region Sanitary District, President (Secretary)  
Linda Soto, Village of Hainesville, Mayor  
Frank Loffredo, Village of Lake Villa, Mayor  
Dan MacGillis, Village of Round Lake, Mayor  
Linda Lucassen, Village of Round Lake Park, Mayor  
Tony Pekar, Round Lake Heights, Trustee

Members Absent

John Gutknecht, Round Lake Sanitary District, President (Vice-Chair)  
Greg Murrey, Village of Fox Lake, Trustee  
Mike Miller, Harbor Ridge Utilities Inc.  
Thomas Weber, Lake County Board, District 53

Others Present

Mohammed Haque, Lakes Region Sanitary District, District Manager (Technical Chair)  
Jim Miller III, Lakes Region Sanitary District Trustee  
Karen Harms, Lake Villa Trustee  
David Kilbane, Round Lake Beach, Village Administrator

**1.0 Call to Order**

The meeting was called to order by Chair Mayor Hill at 4:02 p.m.

**2.0 Approval of Minutes**

Member Stimpson indicated that the minutes for December 7, on page 2, under Item 4a, should be corrected to state that when he responded to Mayor Lucassen's question regarding the Fox Lake and Lake County financial reports, to add that the financial reports being discussed were not for the administrative fee and were not completed by an outside auditor.

***A motion was made by Member Soto and seconded by Member Loffredo to approve the Policy Committee Minutes of December 7, 2016, as amended. Upon a voice vote, the motion was passed.***

The minutes of the Technical Committee meeting for October 19, 2016 were included in the packets. There were no questions on the minutes.

### **3.0 Reports**

Chairman Hill indicated that since Fox Lake and Lake County were not present, there was no one present to address the reports. Mayor Soto asked if the County would be present. Chairman Hill indicated that they had informed him that they would not be present. Member Stimpson indicated that the County was still in the process of making committee assignments.

#### **a) Northwest FPA Technical Advisory Committee (Technical Chair)**

- Draft Minutes of the December 21, 2016 meeting, Member Representative Resolution Summary and CMOM/SSO/Emergency Response Plan Summaries were included in the packet.
- Mohammed Haque explained that the Committee has made a selection for the consultant, based on the sub-committee's recommendation, for the Regional System Review. The County has indicated that they are paying for the Regional System Review and that the Village of Fox Lake is not contributing to the cost.
- The County has discovered a significant leak in the storm culvert east of the East Main pumping station that has reduced the overall pumping needs at the East Main pumping station. East Main pumping station would run as many as 4 pumps in the past, but since they have discovered this storm culvert leak and have fixed it, they have not had to use more than 2 pumps at East Main pumping station. This should have the effect of reducing flows to the downstream sewers as well as the treatment plant. The County is working to try to quantify the flow reduction. The County has also been requested to provide loading data for the treatment plant, similar to what was provided in years past. The data would be needed to justify any capacity related projects at the treatment plant in the future.

#### **b) Lake County Department of Public Works (Lake County)**

- A written report provided dated December 21, 2016 was included in the packets
- The Technical Committee has brought up the need for all agencies to be getting closer and closer to 100% of the Excess Flow Surcharge receivables. As time goes on, our Accounts Receivable balances should become negligible relative to the overall transfers and everyone should be getting closer and closer to 100% using the ITD column (Inception-to-date). All agencies should be cognizant of this. All agencies are over 90% except the Village of Fox Lake's remittance ITD is at 84%. It is possible that their billing cycles are bi-monthly, which could skew the percentage. County has indicated that they will follow up on this and that they expect that this will be corrected in the following months.

- The committee was reminded that we had deferred the decision by one year on what to do with the Excess Flow Fund Surcharge monies that were being collected quicker than anticipated. At the time, there was discussion of whether to pay the loan back quicker. The topic will need to be reconsidered this coming spring.

**c) Northwest Regional Water Reclamation Facility (Fox Lake)**

- A written report provided dated December 21, 2016 was included in the packets
- There were no questions on the report

**4.0 Items for Discussion / Approval**

**a) Fox Lake and Lake County Financial Reports**

The following items were included in the packets.

- Lake County / Fox Lake Agreement Checklist
- Village of Fox Lake – Audit ending April 30, 2016
- Village of Fox Lake – NWRWRF Financial Statement ending April 30, 2016
- Village of Fox Lake – Externality Fee Detail
- Lake County – NW Region Financial Statement ending November 30, 2015

Chairman Hill asked if we had any discussion at the last meeting about these. Member Stimpson indicated that we did not because there were no questions to pose them to.

Member Stimpson indicated he had spent some time looking over the reports and has a few observations.

- He indicated that there is very little audited information. There is only one document that is audited, the Village of Fox Lake Annual Report. There is nothing audited for the NWRWRF Enterprise Fund.
- In the FY 2016 budget for the Village, an amount of \$878,000 was budgeted for the Administrative Fee transfer from the Enterprise Fund to the Village General Fund. The Village had indicated they were going to modify the budget to fix the administrative fee transfer that the County had objected to, by the end of 2016. None of the documents show that this has been fixed.
- For FY 2016, the County was to be provided an Indirect Rate basis (Maximus Study) for the Administrative fee, which normally is done by November. This may still be provided.
- An Externality Fee detail was provided listing various consultant firm payments. Those monies are supposed to be used for capital projects. Year to date transfers are \$346,000 and the County agreement with the Village says that the fee cannot exceed \$350,000 or 4.5% of sewer user fees, whichever is lower. Based on calculations, the transfers to date exceed what is allowable by about \$150,000.
- Year over year, the actuals in the budgets don't seem to match up.

Member Stimpson indicated that to the credit of this group, a push to have an audited basis for any settlement is going to be a very important component of any agreement. There are too many areas where the numbers do not look right.

Mohammed Haque indicated that the Fox Lake / Lake County Agreement checklist was included in the packet and that of the financial reports in today's packet, it covered a very small portion of the total checklist. It would be good for the group to have a handle on this checklist so that it can be fully utilized and managed. Member Stimpson requested if we could see if there is a way to create a timeline for the items in the checklist. Mayor Loffredo asked if the County should be involved. Both the County and Fox Lake need to be involved with this. Mohammed indicated that it was his understanding that the County was utilizing a checklist approach for other agreements and the sheer volume of things to track for the County could be very overwhelming. He indicated that he would follow up on this, so it was a bit more manageable.

It was requested that the Financial Reports be brought back to the Policy Committee so that questions could be asked of the Village of Fox Lake and Lake County when they are present.

**b) Regional System Review**

Mohammed Haque explained the process that was used in accordance with the Lake County Purchasing Rules to select a consultant for the Regional System Review. Once the consultant, Baxter & Woodman, was selected a cost proposal was requested, which was negotiated down to generate the final cost proposal that is ready for Policy Committee approval.

Chairman Hill asked how the final proposal compares the original estimate. Mohammed Haque indicated that the final proposal was slightly higher by about \$15,000. He indicated that the Regional System Review is different than a standard Facility Plan, and is unique in that sense, which likely is the reason for the difference in cost. Chairman Hill asked if the contract was for actual work or a lump sum. Mr. Haque read the cover letter of the proposal from Baxter & Woodman which indicated that it was for time and expense actuals, not to exceed \$102,360 for the base scope and \$28,090 for the optional services. Mr. Haque indicated, however, that he did not know the actual contract language that would be used by Lake County Purchasing.

***A motion was made by Member Lucassen and seconded by Member MacGillis to recommend to Lake County to enter into a contract with Baxter & Woodman for the Regional System Review for the full proposal (base + optional). Upon a voice vote, the motion was passed.***

**c) Bylaws, Notice and Election of Officers**

A copy of the Bylaws was included in the packet.

There was discussion on the date for an Annual Meeting as well as the Election of Officers.

It was the consensus of the committee to hold the annual meeting on the first Wednesday of June, which would be June 7, 2017. There would not be a July meeting.

The committee discussed their function as well as their fiduciary responsibilities and the mechanisms that they have at their disposal for performing their function.

Chairman Hill indicated that he would send out the meeting dates and public notices.

Mr. Haque indicated that the Bylaws could really use a review because of the 3 committee structure is confusing, including that the Technical Committee has no voting rights, making conduction of a meeting difficult. Chairman Hill indicated that we should review the bylaws prior to the March meeting, including having legal review.

**5.0 Other**

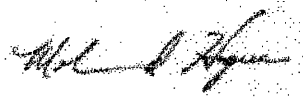
**a) Next Meeting**

Next meeting will be held on March 1, 2017 at 4:00 p.m. at the Round Lake Beach Village Hall located at 1937 N Municipal Way, Round Lake Beach, IL 60073.

**b) Adjournment**

Motion was made by Member Loffredo and seconded by Member Soto to adjourn the meeting. Upon voice vote, the meeting was adjourned at 5:39 p.m.

Respectfully submitted



Mohammed Haque  
Technical Chair