

**Minutes of the Regular Meeting  
Of the Board of Trustees  
Lakes Region Sanitary District  
Thursday, September 5, 2019**

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**1. OPEN REGULAR MEETING, CALL TO ORDER, ROLL CALL,  
PLEDGE OF ALLEGIANCE**

Mr. Hunter called the meeting to order at 7:00 p.m.

Roll Call: Trustees Present: Mr. J. Kevin Hunter, Mr. Bruce Shrake  
Trustee Absent: Mr. Craig E. Gilsinger

Also Present: LRSD Financial Manager Mr. Gary Bogolin, Attorney Mr. Scott Puma; representing Lake County Public Works Assistant Director Mr. Joel Sensenig.

Absent: RHMG Engineer Mr. Steve Zamaites, Interim District Manager Mr. Peter Kolb

**2. PUBLIC COMMENTS**

None present.

**3. AGENDA AMENDMENTS**

None.

**4. APPROVE MINUTES**

**a. JULY 8, 2019 REGULAR BOARD MEETING and PUBLIC HEARING**

*Motion made by Mr. Shrake, seconded by Mr. Hunter to approve the Minutes of the July 8, 2019 Regular Board Meeting and Public Hearing.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

**b. AUGUST 1, 2019 REGULAR BOARD MEETING**

*Motion made by Mr. Shrake, seconded by Mr. Hunter to approve the Minutes of the August 1, 2019 Regular Board Meeting.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

**5. APPROVE PAYMENT OF BILLS FOR:**

**a. OFF-CYCLE PAYMENTS FOR AUGUST 2019**

*Motion made by Mr. Shrake, seconded by Mr. Hunter to approve payment of off-cycle checks from the General Fund for July 2019 in the amount of \$16,775.01.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

**b. GENERAL FUND PAYMENTS FOR AUGUST 2019**

*Motion made by Mr. Shrake, seconded by Mr. Hunter to confirm payment of bills from the General Fund for August 2019 in the amount of \$328,396.95.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

**6. APPROVE JULY 2019 UNAUDITED FINANCIAL REPORTS**

Mr. Bogolin's reports were included in the Board Packets previously distributed.

Mr. Shrake mentioned a correction needed to the Permit Summary history, currently indicates two lines as FY 18. Mr. Bogolin advised it will be corrected.

*Motion made by Mr. Shrake, seconded by Mr. Hunter, to approve the unaudited Financial Reports for July 2019.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

**OLD BUSINESS**

**7. DISTRICT MANAGERS REPORT**

Mr. Kolb was absent.

Mr. Kolb had previously provided his report, included below.

No questions or discussion took place.

- Baxter Healthcare activities since last board meeting;
  - August 1, 2019; e-mail from Baxter counsel on the activities they are undertaking relative to finding and stopping the leak. Copies were made available to Trustees for information.
  - August 12, 2019; Default Letter from Scott Puma was sent advising Baxter of the Board's decision on the request for a payment plan for the supplemental connection fee of \$1,879,038.84, which Baxter has agreed to pay in full. In summary the District will allow additional time to make payments. Counteroffer was \$800,000 due September 1, 2019, and eleven monthly installments thereafter of \$98,094.44, with no interest on the amount due. Payment terms may be revised upon mutual agreement, but the total fee must be paid in full by August 1, 2020. As of today, no connection fee payments have been received or any follow-up correspondence from Baxter counsel.

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- September 5, 2019; I spoke with Gary Hanline about status of activities on the excess flow situation in the ponds. He said that they have installed a monitoring well in the gravel surrounding the pump station and that data indicates that the ground water is higher than the pond, especially during rain events. This leads one to believe that offsite water is entering the pond from this location. They are planning to inject a water stop material into the location of the pipe as it enters the ponds and will also design and install a ground water relief structure at this location. He indicated he would send me information on this effort as they proceed. He also indicated that the internal discussion regarding payment of the connection fees is ongoing and that they should have a resolution regarding payment shortly.
  
- Mr. Mark Ellerbrock of Skipper Bud's was sent an e-mail on August 22, 2019 that transmitted information on the cost estimate for connection of facilities at Skipper Bud's to the Lakes Region Sanitary District sewer system. The total cost is estimated at \$537,000. This estimate was prepared by RHMG and includes the cost for the connection fee and the engineer's opinion of probable construction costs for the sewer extension from the property to the District's existing manhole at Gilmer Road & Ellis. No response has been received from Mr. Ellerbrock and a follow-up e-mail was sent on Tuesday 9/3/19.
  
- Robert w/Tri-State Realty, Inc. provided an update on activities. Robert indicated that they are actively marketing the property to potential buyers. They use Constant Contact, LinkedIn, their company website and many other tools to promote the property as well as calling (investors, architects, developers, non-profits, etc.) They are networking with people they have done business in the past and have received a few inquiries from auto industry and manufacturing businesses, but no showings to date.
  
- Under New Business is Ordinance 2019-09-01 Amending the Codes and Ordinances of the LRSD Regarding the Use, Operation, Administration, Fees, and Related Matters. This Ordinance has the District adopting by reference County codes and fees for District customers that comport with the County's Ordinances and fees. Included in the Ordinance is Exhibit A which establishes fees to be effective December 1, 2019. Some of the fee changes include; metered rates to be 15% less, connection fees to be 3% less, flat rate user fee to be 3% higher, and Duck Lake flat rate to be 6% higher.
  
- On June 10, 2019 the Board formally authorized annexation of the Ginger Hain property at 35477 N. Fairfield Road. Mrs. Hain was invoiced on July 11, 2019 for 1) Connection Fee in the amount of \$4,990 and 2) Back Billing for user fees in the amount of \$1,303.62. In addition, monthly user fees in the amount of \$43.63 were invoiced on August 1 and September 1. To date no fees have been paid nor has there been any communication from Mrs. Hain on her

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commitment or plan to pay these charges. Staff respectfully requests direction on next steps regarding this matter.

- Some dates to keep in mind are as follows:
  - LRSD Board meeting Thur, October 3, 2019 – 7:00 PM
  - NW Policy Advisory Committee mtg Wed. Nov. 6, 2019 - 4:00 PM RL Community Center

**8. ATTORNEY'S REPORT**

Mr. Puma advised he been contacted late in the afternoon by the attorney for Baxter. Baxter indicated they would be paying in full, rather than over time, as it's easier to get approval for one payment, rather than a series of payments. Further Baxter indicated the payment would be made by 12/31/2019, though probably sooner; without stating a specific date; and that they would provide a written commitment for payment.

**9. ENGINEER'S REPORT – REVIEW STATUS OF PROJECTS**

Mr. Zamaites was not present.

Mr. Zamaites had previously provided his report, as well as an emailed update; said update stating in its entirety "The only new item to add since the submittal of our engineer's report is that it appears the Learning Center (Daycare) on Route 83 may be starting in the near future based on correspondence received today from the developer/engineer. We have provided them with a list of the outstanding items needing to be addressed before construction."

No questions or discussion took place.

**10. CONSOLIDATION UPDATE**

Mr. Sensenig presented a brief update on the progress of the consolidation.

- Continuing to work through some of the customer issues, getting everyone up to speed; making progress along those lines.
- Next milestone is getting the ordinance that is later on the agenda approved.

**NEW BUSINESS**

**11. APPROVE REVISED CHECK ISSUANCE RESOLUTION 2019-09-01**

*Motion made by Mr. Shrake, seconded by Mr. Hunter, to Approve the Revised Check Issuance Resolution 2019-09-01*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

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**12. APPROVE ORDINANCE 2019-09-01 AMENDING THE CODES AND ORDINANCES OF THE LAKES REGION SANITARY DISTRICT REGARDING THE USE, OPERATION, ADMINISTRATION, FEES AND RELATED MATTERS**

*Motion made by Mr. Shrake, seconded by Mr. Hunter, to Approve Ordinance 2019-09-01 Amending the Codes and Ordinances of the Lakes Region Sanitary District Regarding the Use, Operation, Administration, Fees and Related Matters.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

**13. PRESIDENTS COMMENTS**

Due to a conflict, Mr. Hunter requests that the December 5<sup>th</sup> Board meeting be changed to Tuesday, Dec 3<sup>rd</sup>; Mr. Bogolin indicated the required notice will be taken care of to make that change; Mr. Shrake said it works for him; Mr. Puma indicated he has another meeting that night, but will make arrangements to send another representative to that other meeting, Mr. Hunter mentioned he thought it important for Mr. Puma's attendance considering the timing; Mr. Hunter indicated he had texted Mr. Gilsinger who indicated the 3<sup>rd</sup> works for him; Mr. Shrake suggested RHMG could send a different representative if Mr. Zamaites was not available.

*Motion made by Mr. Shrake, seconded by Mr. Hunter to adjourn the Regular Meeting at 7:06 p.m.*

*Roll call to the motion: Ayes: Mr. Hunter, Mr. Shrake.*

*Nays: None. Motion carried.*

Respectfully submitted,



Bruce L. Shrake  
Clerk

Accepted: 10/3/19  
Corrected: