

**Minutes of the Regular Meeting
Of the Board of Trustees
Lakes Region Sanitary District
Thursday, October 3, 2019**

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

Mr. Gilsinger chaired the meeting in the absence of Mr. Hunter and called the meeting to order at 7:04 p.m.

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

Also Present: LRSD Financial Manager Mr. Gary Bogolin, Interim District Manager Mr. Peter Kolb, Attorney Mr. Scott Puma; representing Lake County Public Works Assistant Director Mr. Joel Sensenig.
Absent: RHMGE Engineer Mr. Steve Zamaites

2. PUBLIC COMMENTS

None present.

3. AGENDA AMENDMENTS

None.

4. APPROVE MINUTES OF SEPTEMBER 5, 2019 REGULAR MEETING

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

Roll call to the motion: Ayes: Mr. Gilsinger, Mr. Shrake.

Nays: None. Motion carried.

5. APPROVE PAYMENT OF BILLS FOR:

a. OFF-CYCLE PAYMENTS FOR SEPTEMBER 2019

Motion made by Mr. Shrake, seconded by Mr. Gilsinger to approve payment of off-cycle checks from the General Fund for September 2019 in the amount of \$12,318.61.

Roll call to the motion: Ayes: Mr. Gilsinger, Mr. Shrake.

Nays: None. Motion carried.

b. GENERAL FUND PAYMENTS FOR SEPTEMBER 2019

Motion made by Mr. Shrake, seconded by Mr. Gilsinger to confirm payment of bills from the General Fund for September 2019 in the amount of \$413,498.76.

Roll call to the motion: Ayes: Mr. Gilsinger, Mr. Shrake.

Nays: None. Motion carried.

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6. APPROVE AUGUST 2019 UNAUDITED FINANCIAL REPORTS

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

Mr. Bogolin also distributed the Estimated Debt Payoff Schedule - updated as of September 30, 2019. Mr. Gilsinger requested the updated schedule be emailed.

Motion made by Mr. Shrake, seconded by Mr. Gilsinger, to approve the unaudited Financial Reports for August 2019.

Roll call to the motion: Ayes: Mr. Gilsinger, Mr. Shrake.

Nays: None. Motion carried.

OLD BUSINESS

7. DISTRICT MANAGER'S REPORT

- Baxter Healthcare activities since last board meeting; September 5, 2019, I spoke with Gary Hanline about status of activities on the excess flow situation in the ponds. They were 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. We have not received any information on this yet. He also stated that the payment of the supplemental connection fee would be handled as a lump sum payment and that we could expect to receive such payment prior to the end of this year. He anticipated their attorney would be sending us a written response to this effect. No response has been received on the payment issue.

Mr. Shrake suggested Mr. Kolb call to follow up on the excess flow situation.

Mr. Puma added he had attempted to contract Baxter's attorney multiple times asking about the status of the written confirmation regarding the payment and the timing of the payment, to which Baxter's attorney finally replied they would look into it. Mr. Shrake suggested giving Baxter 20 days and if no response, then start legal proceedings.

- 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. No response has been received from Mr. Ellerbrock as of today.

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- Robert w/Tri-State Realty, Inc. provided an update on activities. He indicated they continue to actively market the property to potential buyers and have generated some calls, but none of the prospects liked the location or the mix of office and shop area. They have contacted major companies in the area such as Baxter, Abbott, etc. to see if there is a need for an off-site training facility. No interest to date. Robert said they will continue to push the property out to a variety of companies/businesses including non-profit, training, R&D, automotive, light manufacturing, contractors, etc. They promote property on commercial databases such as CoStar and LoopNet and have received only a few calls from other brokers to date.

- As part of the IGA with Lake County the District is to transfer rights, title, and interest in any and all property associated with several items including; District Operational Property, District Administrative Property, and Pre-Execution Transfer Property as of December 1, 2019. We have been working with the County on a Bill of Sale document for these items and expected to have that available to be included on the agenda for the November Board meeting. We may prepare this as part of an Ordinance in which to appropriately effect this transfer. We have also been working on a second revised Bill of Sale for the transfer of the District Sewage Collection System that would be transferred to the County at the time the District is dissolved. The final date for dissolution is not yet certain but would be some time in the future after all District debt has been paid out. The second Bill of Sale would include such items as; sanitary sewers, force mains, manholes, lift stations, metering devices, etc.

Mr. Puma indicates the Board needs to take some action to comply and a resolution would accomplish that.

Mr. Sensenig discussed the latest suggested bills of sale formats.

Mr. Puma indicated the County needs to finalize the exhibits to be part of the resolution. Mr. Bogolin indicated there are two trailers missing from the initial list provided. All agreed the exhibits need to be completed soon to allow the creation of the resolution.

Mr. Bogolin also voiced concern regarding not transferring the sewers, lift stations, etc. until the final day of the District, as continued ownership could leave the District liable should something happen and would require the District to keep insurance on assets no longer maintained by the District. Further discussion took place regarding the potential liability; County

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insurance naming the District as additional insured; the District continuing insurance coverage on the assets; and other considerations. It was concluded that there should be no issue and the County insurance would handle any situation that may come to pass. Mr. Bogolin reiterated his concern.

Direction was to have the resolution and exhibits completed for action by the Board at the November meeting, to meet the District's obligations to comply with the IGA.

- Some dates to keep in mind are as follows:
 - NW Policy Advisory Committee mtg Wed. November 6, 2019 - 4:00 PM
RL Community Center 751 W. Townline Rd., Round Lake
 - LRSD Board meeting Thu. November 7, 2019 – 7:00 PM
 - LRSD Board meeting Tue. December 3, 2019 – 7:00 PM
 - NW Technical Advisory Committee mtg Wed. December 18, 2019 - 9:00 AM RLB

Mr. Kolb suggested the Board consider how they want to handle attendance at the Technical Advisory Committee meetings that he has been attending on behalf of the District after December 1. The Board suggested bringing that discussion up at the November meeting.

8. ATTORNEY'S REPORT

Mr. Puma advised he had nothing further beyond the comments presented during Mr. Kolb's report

9. ENGINEER'S REPORT – REVIEW STATUS OF PROJECTS

Mr. Zamaites was not present.
Mr. Zamaites had previously provided his report.
No questions or discussion took place.

10. CONSOLIDATION UPDATE

- Mr. Sensenig presented a brief update on the progress of the consolidation.
- Discussions taking place regarding the short and long term aspects of the ensuing asset transfers
 - Met with RHMG and the transfer of duties and continuing of the escrow for existing projects
 - LCPW hired an additional engineer with a start date of October 16.
 - Efforts regarding takeover of billing, etc. are still progressing.

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NEW BUSINESS

No New Business was brought forth.

11. PRESIDENTS COMMENTS

Mr. Gilsinger had no comments in Mr. Hunter's absence.

Motion made by Mr. Shrake, seconded by Mr. Gilsinger to adjourn the Regular Meeting at 7:40 p.m.

Roll call to the motion: Ayes: Mr. Gilsinger, Mr. Shrake.

Nays: None. Motion carried.

Respectfully submitted,



Bruce L. Shrake
Clerk

Accepted: 11/07/2019

Corrected: 11/07/2019