

South Suburban Joint Action Water Agency

Minutes of October 11, 2012 Regular Meeting

A public notice of the regular meeting and agenda was posted in the Markham City Hall on October 9th, 2012.

The regular meeting of October 11th, 2012 was held in the city council chambers of the Markham, Illinois City Hall and called to order by Chairman David Webb and the Pledge of Allegiance recited at 4:34 p.m.

The roll call of agency directors by the Agency Secretary recognized Directors: Howard, Markham; Nesbit, Harvey; Peloquin, Blue Island; Kitching, Alsip; Stephens, Midlothian; Denson, Calumet Park. Absent: Carter, Robbins. A legal quorum was declared.

A motion was offered by Director Kitching to approved Director Peloquin as the Acting Chairman of the South Suburban Joint Action Water Agency for the Regular Meeting of October 11, 2012. The motion was seconded by Director Stephens.

Motion Voice Vote:

Motion approved: 6 aye/ 0 nay/ 0 abstain/ 1 absent

A motion was offered by Director Stephens to approve the minutes of the agency regular board meeting of August 30th, 2012. The motion was seconded by Director Kitching.

Motion Voice Vote:

Motion approved: 6 aye/ 0 nay/ 0 abstain/ 1 absent

Agency Chairman comments were provided by Acting Chairman, Director Peloquin. Director Peloquin introduced representatives from the board's insurance company for their presentation.

Bill Owens of Owens Group, commercial insurance broker for the South Suburban Joint Action Water Agency board, introduced himself to all present. Bruce Mitchell, also present, is in charge of the day to day issues of the SSJAWA account with Owens Group. Mr. Owens addressed item one of his presentation, the liability suits against the board with ACE Insurance Company. Bound right before obtaining of bond, a little over a month ago, costing \$34,000.00. Mr. Owens noted that this decision was made after going through several insurance companies, ACE Insurance Company providing the most comprehensive response. The premium payment invoice was sent this past week and they have already received the payment.

Mr. Owens continued the presentation to item two, bodily injury and property damage coverage. Owens Group recommended general liability coverage for the board. Owens Group estimated cost of general liability coverage is \$10,000.00. Considered by several carriers, but few represent public entities. In addition to general liability coverage consideration, Mr. Owens recommended auto liability coverage.

Mr. Owens continued the presentation to item three, comprehensive crime coverage. Initially recommended a comprehensive bond for all board members, however, attention was directed towards crime coverage solely on the Agency Treasurer. However, Mr. Owens once again recommended comprehensive crime coverage because there are three signatures required on the Agency checks. Cost to bonding Agency Treasurer in comparison to all officials is similar.

Mr. Owens concluded his presentation stating that analyzing the risks at the present time these are the three types of coverage he recommends for the South Suburban Joint Action Water Agency.

Director Peloquin asked Mr. Owens to clarify the comparative estimated costs of comprehensive crime coverage and crime coverage solely on the Agency Treasurer. Mr. Owens stated that having a comprehensive bond for just the Agency Treasurer with a one billion dollar limit would cost \$15,000.00, possibly slightly less. The cost to cover the entire board would cost an estimated \$1,000.00 more.

Mr. Owens stated that he anticipates the quotes for the three types of coverage will be available by the next meeting and approval will be sought.

The Owens Group presentation concluded without further discussion from the Agency's board members.

Director Peloquin directed the board's attention to the Program Manager Report. Brett Postl, Program Manager, discussed the Summary Report provided. Progress on technical engineering, agreements, and regulatory agencies are all included in the referenced Summary Report. Brett Postl stated there will be more progress made by the next agency regular board meeting as there are meetings set up with regulatory agencies within the next couple weeks.

Program Manager, Brett Postl, opened the floor to questions from the Board Members. Director Peloquin asked Mr. Postl about the RFPs that were put out and requested a list of who took the RFPs. Mr. Postl stated he provided said list but will provide additional. Director Peloquin inquired as to whether the deadline has passed on RFP's, and Mr. Postl stated that it has. Mr. Postl further stated that of the four RFP's that did go out he has multiple engineering firms that have submitted on them. Mr. Postl stated he is reviewing the best candidates for the work the board is requesting specifically. Mr. Postl stated that he hopes to have the recommendations and proposals before the next meeting to consider. Director Peloquin requested Mr. Postl to clarify the number of RFP's that went out. Mr. Postl responded that 4 went out, one on intake, the second on the filtration plant, the third is on the pipe pumping to the filtration plant, and the fourth is on the pipe pumping from the filtration plant to the final. Director Peloquin opened the floor to the rest of the agency board members for discussion. No further discussion or questions are provided and the Program Managers commentary concluded.

Agency Counsel, Michael Stillman, began his discussion. There have been no changes to the Minority and Woman-Owned Business Enterprise and Equal Employment Opportunity program and they will be provided at the next agency regular board meeting for approval. Director Peloquin discussed the proposed changes previously mentioned by Director Nesbit of Harvey, and asked whether or not those proposed changes have been made. A discussion ensued between multiple board members regarding

the language of the program and in addition the necessity to review the language of such documents previous to the agency regular board meeting. Director Peloquin clarified that Director Nesbit had submitted suggested changes and Director Nesbit was revising such changes because there was some languages that needed to be edited. Betty Lewis stated that the changes will be redrafted.

Director Peloquin continued the discussion to the Financial Advisor Report. Agency Treasurer Joseph Letke described a compiled list of Agency Treasurer's duties and responsibilities. Agency Treasurer distributed Financial Advisor Report to board members.

Agency Treasurer stated that the Financial Advisor Report provided to board members will include regularly appearing statements such as the opening balance sheet, statement of changes and fund equity, and statement of revenues collected and expenses paid. Agency Treasurer pointed out that the numbers from Statement of Assets and Liabilities resulting from Cash Transactions ties into the numbers in the Closing Statements from the Bond. Agency Treasurer drew the board members attention to various footnotes detailing how items get capitalized. Agency Treasurer stated that if any questions arise regarding these statements upon review to contact him.

Director Peloquin asked Agency Treasurer for clarification on the City of Harvey Reserve Funds referring to the statement on page one. Agency Treasurer stated the \$209,342.00 Director Peloquin is referencing is a requirement by PNC Bank of the City of Harvey to put up a cash reserve. Director Peloquin recommended to the board and the Agency Treasurer that the note stating "two years expiring April 30th, on odd years" be possibly changed to reflect the terms of elections of the various board members. Director Peloquin recommended the language reflect that the first term will be until the beginning of April of next year for the Agency Treasurer.

Excepting that the first appointment of Agency Treasurer would only serve until April of 2013 and from then on it will be every other year, Agency Treasurer recommended the Agency Treasurer's Job Description be adopted. Agency Counsel Stillman recommended similar as approving the job description helps codify what is expected of the Agency Treasurer.

Director Howard offered a motion to approve Treasurer's Job Description, with the exception of the term description. Director Denson seconded the motion.

Motion Voice Vote:

Motion approved: 6 aye/ 0 nay/ 0 abstain/ 1 absent

Director Peloquin directed the meeting towards the Agency Director comments. Several board members recommended that the agenda be amended in order to elect an Agency Treasurer before approving payment of monthly agency financial obligations/disbursements.

A motion was offered by Director Denson to amend the current agenda. The motion was seconded by Director Howard.

Motion Voice Vote:

Motion approved: 6 aye/ 0 nay/ 0 abstain/ 1 absent

Director Peloquin directed the board to discuss the election of a board treasurer. Director Stephen's interest in volunteering for the position is stated. Director Nesbit's interest is also stated. The floor is opened to comments.

Motion offered by Director Kitching to appoint Mayor Stephens as Treasurer of the board. Motion is seconded by Director Denson.

Director Peloquin changed the motion to nominate Mayor Stephens and Alderman Nesbit as Treasurer of the board. Motion provided by Director Denson for nomination of Mayor Stephens and Alderman Nesbit. Motion is seconded by Director Denson. Motion approved.

Motion Voice Vote:

Motion approved for Mayor Stephens position as Agency Treasurer:

5 aye/ 1 nay/ 0 abstain/ 1 absent

Director Peloquin directed discussion to approval of monthly agency financial obligations and disbursements. Agency Counsel Stillman directed board members to the invoices provided by Postl-Yore & Associates. Director Peloquin described billing detailed in Postl-Yore & Associates invoices, totaling \$183,118.77 and a letter requesting additional funding from IceMiller. The Postl-Yore & Associates invoices are comprised of bills from Public Funding Enterprise (\$27,027.50), Joe Letke & Associates (\$2,822.50), Odelson & Sterk, Ltd. (\$43,878.77), Postl-Yore & Associates (\$75,000.00), PNC Bank (\$75.00) and Owens Group (\$44,313.00).

Director Peloquin opened the floor to commentary from the board members. Director Nesbit asked for the bills to be provided to board members earlier, Director Peloquin suggests a week prior to the meeting.

Motion offered to approve payment of monthly agency financial obligations/disbursements by Director Stephens. Motion seconded by Director Kitching.

Motion Voice Vote:

Motion approved for Payment of Monthly Agency financial obligations/disbusrements:

5 aye/ 1 nay/ 0 abstain/ 1 absent

Director Peloquin introduced Jim Snyder, from IceMiller, to discuss IceMiller's request for additional funding. Mr. Snyder addressed the initial fee amount of \$60,000.00 as they had anticipated a closing by the end of June. However, due to extended deal and time spent on the project in order to get the deal done IceMiller is requesting additional funding in the amount of \$70,000.00. Mr. Snyder stated the additional funding was not requested before the deals closing because IceMiller did not want to inflate the prices of every other aspect involved. Mr. Snyder stated this payment would leave IceMiller with an

additional \$50,000.00 unpaid. Director Peloquin suggested that the financial working group review the request and submit a recommendation at the next meeting to the board members.

Motion offered by Director Kitching to approve the financial working group's review of IceMiller's request and submitting a recommendation to the board members. Motion seconded by Director Howard.

Motion Voice Vote:

Motion approved: 6 aye/ 0 nay/ 0 abstain/ 1 absent

Public Comments were offered by Carol Green of Blue Island, Illinois, and Nell McClendon of Calumet Park, Illinois. Ms. Green discussed JAWA's presence on the referendum ballot for April, 2013 in Blue Island, Illinois. Ms. McClendon inquired as to JAWA's presence on the referendum's effect on the other municipalities involved. Director Peloquin clarified that any municipality may withdrawal from the Agency up until the final deal, which would affect the scope and magnitude of the project. Ms. McClendon also asked for Mayor Stephens, the newly elected Treasurer, about the current financial status of Midlothian, the municipality he represents. Mayor Stephens responded that Midlothian has minimal debt and is not in any trouble and currently has four bonds. Ms. McClendon asked for further specifics regarding the financial state of Midlothian, which caused Director Peloquin to inform Ms. McClendon that these specifics are public record available online. Ms. McClendon then directed her comments to Program Manager, Brett Postl. Director Peloquin then directed Ms. McClendon to direct all public comments to the Chair. Ms. McClendon asked several questions regarding Brett Postl's duties and responsibilities as an engineer. Ms. McClendon asked Director Peloquin if Mr. Postl was responsible for deciding whether the project continued, Director Peloquin responded no, Ms. McClendon had no further comments.

Director Peloquin stated there was no need for an Executive Session.

A motion was offered by Director Nesbit and seconded by Director Howard to adjourn the regular meeting.

Motion Voice Vote:

Motion approved: 6 aye/0 nay/0 abstain/1 absent

The regular meeting adjourned at 5:18p.m.

The next regular meeting of the South Suburban Joint Action Water Agency is scheduled for 4:30 p.m. on Thursday, October 25th, 2012 in the city council chambers of the Markham City Hall.