

**Lost Lake Utility District Meeting**  
**June 20, 2006      7:00pm**

**I. Call To Order and Roll Call** Joe Olliges called the meeting to order at 7:02pm. Trustees present: Bill Weronko, Nadine Portner, Ron Berger, Jerry Pohlman, George Kersten, and Roger Asplund.

**II. Pledge of Allegiance**

**III. Approval of Agenda** Joe amended the Agenda to reflect a new Item IV, Approval of Minutes, which was inadvertently omitted from the posted Agenda. All other items (Old Business, New Business, Guest/Public Opinion and Adjournment) were renumbered accordingly. Roger moved that we approve the amended Agenda and Bill seconded the motion. The board approved the motion unanimously by roll-call vote. **(06-20-06-01)**

**IV. Approval of Minutes** George moved that we accept the 5-30-06 Meeting Minutes as presented. Jerry seconded the motion. The board approved the motion unanimously by roll-call vote. **(06-20-06-02)**

**V. Old Business**

A. Committee Reports

1. **Secretary and Treasurer, Nadine and Ron**  
Ron and Nadine determined the qualifications for both positions, modified an existing job application, and developed flyers for the front gates. Interview questions still have to be developed.
2. **Board Attorney, George and Roger**  
George and Roger talked to several area attorneys. Among those discussed were P. Nye in Rochelle, who indicated that he had a conflict; the city of Rochelle's attorney "begged off" but provided some names in the Chicago metropolitan area; one local attorney indicated that she had little experience in utility area. They recommended Ralph Lowe (\$200 per hour) who is familiar with NLU. Mr. Lowe became expensive while representing Lost Nation at the ICC hearings, but it was noted that acquisition of the utility's assets and clearing title shouldn't be that complex. Also discussed was the need for a letter of intent and statement of purpose to Mr. Lowe. It was agreed that the committee would contact Ralph again to discuss the financial aspects of representing us, obtain an estimate and table the issue until the July meeting.
3. **Board Mission Statement and Function, Bill and Nadine**  
Bill explained that Mission Statement opened with a very general statement that should have staying power. The subsequent specific statements will change as time passes and eventually drop off completely as we accomplish the items. Joe requested a resolution adopting the Mission Statement. Discussion followed and Roger suggested removing the portion of item 4 that states "for the term of their appointed office", and to remove the capital "U" in utilities. Ron moved to accept the Mission Statement as amended. George seconded the motion. The board approved the motion unanimously by roll-call vote. **(06-20-06-03)** Bill and Nadine also recommended that the District's fiscal year be the calendar year, January to December. Joe suggested that we table this until we get a legal opinion, as the statute uses May through April. Ron made a motion to accept the calendar year as our fiscal year, pending legal opinion. Jerry seconded the motion. The board approved the motion unanimously by roll-call vote. **(06-20-06-04)**

4. **Communications** Jerry and Nadine  
Nadine presented a variety of communications strategies (website, voice mailbox, quarterly reports, USPS mail address, etc) developed by the committee that had little or no cost associated with them. After discussion, we agreed to pursue use of website and email as initial means of communication. Roger moved to adopt [www.lostlakeutilitydistrict.org](http://www.lostlakeutilitydistrict.org) as the official website of the district. Ron seconded the motion. The board approved the motion unanimously by roll-call vote. **(06-20-06-05)** Nadine will make it operational before the next meeting.
5. **Ottawa Funding Roundtable**  
Joe reported on the Roundtable session. Dwayne Smith of USDA Rural Development outlined several ways that we might obtain funding and grants. One obstacle discussed was that the USDA handles low to medium income community needs, so the median income for the community cannot exceed \$48,821. According to the last census, the Lost Lake Community median income was \$52,339. We have to look at private funding, EPA revolving loans, and/or bank funding for start-up. Bill stated that another problem is that we might qualify for other government funds if we already owned the utility, but start-up funds are not available to assist in acquisition. Private or commercial loan sources would be the way to go. IRWA and Manhard Consulting however can provide services (engineering studies, et al) with payment later. Joe is discussing the possibility of revenue bonds through an Oregon firm. Some other options discussed were writing letters to Congressman Manzullo and state representatives and inter-governmental agreements regarding cost sharing with Taylor Township, the RCD, and/or the POAs. Though these options are on the table, they require the services of an attorney. This discussion led to the necessary early need to adopt an start-up budget

## VI. New Business

### A. Tax Levy

Nadine checked with Rebecca Huntley's office and found that the deadline for referendum for a tax levy is September 7, 2006. Our attorney will have to prepare the referendum to request a .02% tax on the assessed homes in our District.

- B. Letter To Donald Manzullo** Bill drafted a letter to our congressional representative, Donald Manzullo. Based on information in his website, Representative Manzullo has had past success in obtaining funds for many worthy projects, so we have nothing to lose by requesting assistance. The board agreed to send letters to both the Rockford office and Washington, D.C. office and follow up with phone calls.

- C. Bonding Information** George spoke with a firm in Dixon, Walter and Rhodes, who told him that the Treasurer needs bonding, the Board members require D & O, Directors and Officers insurance, and the district will require liability insurance. He will get some quotes. Joe contacted Rick Sundberg of Grant Bulles, who quoted an approximate cost to bond the treasurer of \$100-\$150 per year. The D & O for the board would cost between \$900 and \$3000 for \$1M. By comparison, the RCD pays \$1700 annually.

- D. Adopt Meeting Rules** Joe presented a modified version of the RCD's Meeting Rules, reviewed them aloud, and recommended that we provide input so that a final version can be adopted in July.

- E. Communications with G. Armstrong** Joe indicated that he had spoken with Gene Armstrong and, in his words, "has stepped up efforts to sell the utility". Joe added that Gene thinks that the "District would be the best owner", rather than Aqua Illinois. Joe, however, was not able to get an asking price prior to the meeting.

- F. Betsy Young as Financial Advisor to the Board** Joe moved that the Board accept Betsy Young to act in an advisory capacity as Financial Consultant. Ron seconded the motion. The board approved the motion unanimously by roll-call vote. **(06-20-06-06)** Nadine will draft an email for Joe to send informing her of our vote

At this time, Bill revisited the Mission Statement issue. He asked the board members their opinions on the “feasibility and advisability” of acquisition now. Below is a summary of comments:

Joe – In favor of acquiring, but not whatever it takes. Condemnation would not be his preferred course of action.

George – In favor of acquiring. With the District as owner, the profit aspect is taken out.

Nadine – Acquisition advisable? Yes. Feasibility is dependent on ability to get funds.

Ron – Feels the same way.

Roger – Clearly what the people who voted FOR the referendum want.

Bill – Advisable? Yes. Feasible? Depends on ability to get money.

## VII. Guest/Public Opinion

**Mike Robinson** asked 1) Will the Agenda be posted on the Website? Yes. 2) Will there be District Representation at the POA Board meetings? This will have to be worked out, but ideally, yes. 3) Please explain the “income level” that was discussed. Income level of whom? Joe replied that he was referring to the income level of the community that was obtained from the last US census. The funding agency referred to was not concerned about how much work or the associated costs, but with the income level of the community. 4) Mike questioned the need for 5 days notice to ask a question. Joe replied that if a person or group want to get on the agenda, they must notify the District in advance. The right to ask a question at a meeting will not change, and will be reserved for the Public Comment portion of the meeting.

**Chuck Jolicoeur** indicated that at one time Gene Armstrong was willing to consider a sale over time and perhaps the Board might be able to pursue that. Joe said that Gene is not considering that any longer, and that Armstrong wants “out”.

**Harold Stromberger** commented that he was encouraged by what he heard tonight and appreciated the “creative letter” to Don Manzullo, but had only one question. Was Mike Scheurich considered as attorney for the board? George indicated that the Committee had not contacted him. Ron indicated that Mike Scheurich might have a conflict as he is NLPOA attorney.

**Elizabeth Kryger** asked if Betsy Young has recommended an attorney? Joe replied that Elizabeth said she had feelers out, but has not yet recommended anyone. Joe said that Betsy thinks we need a negotiator. Ms. Kryger also asked if we could provide a table microphone. Some discussion ensued, and short of purchasing a microphone, we will attempt to address the audio issue in the future.

**Mike Robinson** revisited the issue of Mike Scheurich as attorney. The Committee will take the issue under advisement.

## VIII. VIII. Adjourn

The motion to adjourn the meeting was made by Ron and seconded by Bill. The motion was unanimously approved by roll call vote **(06-20-06-07)**. The meeting adjourned at 8:21pm.

06-20-06-01	Approval of Agenda
06-20-06-02	Approval of 5-30-06 Meeting Minutes
06-20-06-03	Approval of Mission Statement
06-20-06-04	Approval of Fiscal Year as Calendar Year
06-20-06-05	Adoption of <a href="http://www.lostlakeutilitydistrict.org">www.lostlakeutilitydistrict.org</a> as Official Website
06-20-06-06	Acceptance of B. Young as Financial Advisor to the District
06-20-06-07	Adjournment

