

**Lost Lake Utility District Meeting
August 15, 2006 7:00pm**

I. Call To Order and Roll Call Joe Olliges called the meeting to order at 7:00pm. Trustees present: Bill Weronko, Nadine Portner, Ron Berger, Jerry Pohlman, George Kersten, and Roger Asplund.

II. Pledge of Allegiance

III. Approval of Agenda Joe received a report from IRWA on the condition of the utility and wanted to add this to the Agenda. George moved that we approve the Agenda as amended and Bill seconded the motion. The board approved the motion unanimously. **(08-15-06-01)**

IV. Approval of Minutes Roger indicated that there should be an addition of the word "and" on page 2, paragraph D of New Business, between the phrase "personnel issues" and "ongoing negotiations". He also stated that the citation from the Open Meetings Act for Executive Sessions be added (pp. 66-67, (c1) and (c5) – Exceptions). Nadine moved that we accept the 7-17-06 Minutes as corrected. Jerry seconded the motion. The board approved the motion unanimously. **(08-15-06-02)** Nadine moved that we accept the 7-31-06 Special Meeting Minutes as amended, changing the word "Regular" to "Special" where it appeared. George seconded the motion. The board approved the motion unanimously. **(08-15-06-03)** Nadine also moved to accept the 8-7-06 Special Meeting Minutes as corrected, citing the same changes (i.e., changing "Regular" to "Special" where it appears). Ron seconded the motion. The board approved the motion unanimously. **(08-15-06-04)**

V. Old Business

A. Committee Reports

1. **Directors and Officers Insurance** Joe provided an update on this issue. He consulted with Attorney Lowe, who indicated that, though we would most likely not be found liable in a lawsuit, it still would not prevent a suit from being made against us. This could still be costly, so he recommends that we purchase this insurance. Joe added that one member of the board had already purchased a separate rider, and that we could all contact our insurance companies if desired. Joe estimated that D & O insurance for the board, the Secretary and Treasurer, as well as bonding for the Treasurer, could cost up to \$3000 per year.
2. **Secretary Appointment** Nadine recommended the hiring of Susan Steffens as District Secretary. In her interview and on her application, she impressed Ron and Nadine as having excellent qualifications, a work ethic that would complement the board, and as being a self-starter and highly motivated. Nadine motioned to accept Susan Steffens as Secretary to the Board. Ron seconded the motion. The board approved the motion unanimously. **(08-15-06-05)**
3. **Schedule of Executive Sessions** Joe presented the schedule of Executive Sessions as they relate to the Lake Court Center availability and the court-scheduled hearings. All Board members are available on Monday, August 21 (prior to Gene Armstrong's next hearing) and September 5 (prior to Armstrong's scheduled 9-12 incarceration). Joe moved, citing the Open Meetings Act, pp.66-67, (c5) – Exceptions, that we schedule these two dates for Executive Sessions. Bill seconded the motion. The board approved the motion unanimously. **(08-15-06-06)**

4. **Policies and Procedures, Ordinances** Nadine had spoken with Otter Creek Utility District's Administrative Services Manager. We are welcome to visit their facilities, review their policies and procedures. Nadine will set this up. She also discussed the sample policies and procedures from the Internet and from Illinois. We should have something to look at by the next meeting.
5. **Financing** Betsy reported that government funds are most likely not available to us. She has been pursuing a contact at Harris Bank and Joe's contact. She also is working on the scope of work to provide to engineering firms for final engineering report(s). She indicated that Policies and Procedures would be necessary when we get closer to actual funding discussions. Bill and Betsy continue to pursue all avenues.

VI. New Business

- A. **Resolution** Joe presented 3 different versions of a resolution that asserts our intention to acquire the utility and to present a Letter of Intent to Gene Armstrong. Bill, Ron and Nadine agreed that the third resolution was most appropriate. Roger made a motion to adopt Resolution #3 with the minor correction of adding an "s" to the word amendment. Bill seconded the motion. Resolution 01-2006 was unanimously approved. **(08-15-06-07)**
- B. **Funding** Joe suggested that we contact Taylor Township and the RCD for a loan. Both of these groups are governmental entities. We would only borrow what we need for payroll, insurance, etc. It is the Board's belief that Gene Armstrong should pay for engineering study. Ralph Lowe has deferred payment for his services for 90 days. We don't qualify for USDA or RCAP monies at this point. Ron suggested contacting the 2 POAs as well. Joe thought initially that as a government entity, it might be a good idea to stick with other government entities, but agreed that letters to all entities would be in order. Bill agreed to write letters to the POAs; Joe will write letters to the RCD and Township. Joe added that he is not in favor of putting a funding referendum on the November ballot because we need the money much sooner and we haven't been able to determine rates yet.
- C. **IRWA Report on NLU** Joe stated that he received a report on the condition of the utility from Frank Dunmire, IRWA. The water plant is in compliance with IEPA, but testing equipment is IRWA's. The district will have to purchase new. The water tower has 10-20 years estimated life. The distribution system may require up to 200 new meters. The billing system's software should be upgraded to Windows (approx. \$1250). EMC's Mike Williamson is the receiver's certified operator. Mike is being paid approximately \$1200 per month. The sewer plant requires much more work. The report in its entirety will be posted on the district's website.
- D. **Guest Comments** **Mike Robinson** asked about board members adding liability riders issued by their homeowners insurance. Betsy explained the potential need. He also asked about the scope of the engineering study. He wanted to know why the earlier engineering studies were not adequate. It was stated that those earlier studies didn't address the kinds of information that we will need to get funding. Mike asked about the status of our Secretary. Joe explained that by statute, both Treasurer and Secretary are board members. Mike also asked about the dates of our next executive sessions. Joe reviewed the dates. Mike then asked about installing new meters before clearing the lines. He was assured that the lines would be flushed prior to installing meters.

VII. Adjourn

The motion to adjourn the meeting was made by Ron and seconded by Jerry. The motion was unanimously approved by roll call vote **(08-15-06-08)**. The meeting adjourned at 8:04pm.

Summary of Motions

- 08-15-06-01** Approval of Amended Agenda
- 08-15-06-02** Approval of 7-17-06 Regular Meeting Minutes as amended
- 08-15-06-03** Approval of 7-31-06 Special Meeting Minutes as amended
- 08-15-06-04** Approval of 8-7-06 Special Meeting Minutes as amended
- 08-15-06-05** Approval of Susan Steffens as District Secretary
- 08-15-06-06** Approval of Schedule of 2 Executive Sessions
- 08-15-06-07** Approval to adopt Resolution #3, (Resolution 01-2006)
- 08-15-06-08** Adjournment