

**Lost Lake Utility District Public Hearing
404 Lake Court, Dixon Illinois
July 17, 2007**

I. Call to Order and Roll Call: Joe Olliges called the meeting to order at 6:30 pm. Trustees Present: Joe Olliges, Bill Weronko, George Kersten, Ron Berger, Jerry Pohlman, Dave Shaw, and Nadine Portner. Also Present: Sheila Warner, Treasurer; Susan Steffens, Secretary; and members of the community.

II. Pledge of Allegiance.

III. Water and Sewer Rate Hearing:

Q. Marilyn Mancini: If we have a home that straddles two lots, are availability fees going to be charged for one of the lots. **A. Yes.** Q. Do you think it is prudent to charge availability if we are not going to see improvements for six to eight years? **A. Yes, most of the revenue coming to the district is from availability. Until there are more homes and there are more users, this is most prudent.** Q. If someone does build, there are undersized lines what happens to pressure, what then? **A. If someone happens to build the issue would be addressed at that time.** Q. What about the sand in my lines. **A. That will be address through maintenance. The lines will be flushed. There will be an employee to take care of those matters, looping will help with that.** Q. We are not going to see any benefit for eight years, but we are going have to pay availability fees? **A. New Landing has been pay availability.**

Q. Robert Stocksdale: I will not pay availability fees. **A. You may do what you see fit, but the district would have to measures to collect those fees.** Q. I do not pay fees with the power company and other utilities and there are hook-ups on the unimproved lots. **A. The Utilities only source of revenue is this neighborhood. Those fees need to be paid in order to maintain the utility. The unimproved lots may have the main running across the street or through the property.** Q. In Illinois State Statue that is not allowed. **A. Fees are not made up. We are in fact following State Statue.** Q. If I would have caught this earlier, I would have filed a class action lawsuit against Gene Armstrong for these fees.

A. In the ordinance that fee is allowed. Q. I have a house that fits on more than one lot; I should not have to pay availability on those lots. **Q. Your comments are on file.**

Q. Ken Sharp: Why should I pay when it will never be purchased or built on. It should be considered one lot. The water prices are outrageous. Show me another area that water usage is this expensive, \$187 a quarter. I don't mind paying for what water usage I use. **A. What recommendation do you suggest if a finite bill has to be paid?** Q. Raise the water rates, charge users. **A. There is approximately 330 usage customers; the water rates would be considerably higher than the availability fee. The purpose of availability fees was to balance the charges to everyone in the community. The Utility District is separate from the Property Owners Associations. We are setting these fees according to State Statute. If the availability fees were removed, the usage fees would be unbearable.**

Q. Robert Stocksdale: Will there be a one-time assessment? **A. There isn't any planned for the next 20 years.** Q. You should put it in writing; it is in the State Statute. **A. It is not in our structure.**

Q. Steve: The sheet shows current rate of \$6.19 to the proposed increase of \$9.00. The difference is that those already not involved in availability charges will be in the future? **A. Yes.** Q. Has anyone done the math on total availability to the total projected cost? If you divide that number by 1200, that would be a good comparative. Without availability the costs per user would be approximately \$300 per month. This I feel is very fair. **A. We tried to spread out the costs equally to every member of the community.**

Q. Mike Robinson: Marilyn mentioned 8 years for the small lines to be replaced, how did you come up with the figure 8 years? **A. Marilyn:** at one of the other meetings, water main replacement anywhere from six to eight years. I don't mind the increases, but the other side of the lake should feel some of the benefit of going forward not just when the water main breaks. **A. Meters have to be replaced to create revenue.** Q. For 13 years we have been

going through this. **A. We will repair the lines when the needed. We will follow the EPA guidelines. There is not enough capital to replace the lines at this time. We have tried to prioritize in order to create revenue and become in compliance with the State.**

Q. Harold Stromberger: We have compared our water rates to other communities in the area, this is still less money for sewer and water. When you look at our major expenditures, did you look at refurbishing the existing sewer plant? **A. Yes, we did. The technology we chose is the least expensive and less expensive to run.**

Q. Joan Stoltz: My house is on two lots. I am against the availability fees, but can't offer you a solution to make money. How do I know there is availability on the other lot? **A. There is a main in front of your home. We will revisit how many homes there are that sit on two lots and see how that will impact the overall rate.**

IV. Adjournment: Bill made a motion to adjourn Public Hearing. Jerry seconded the motion. The motion was approved by unanimous roll-call vote at 7:02 pm (7-17-07-01).

7-17-07-01 adjournment

sfs7-20-07

Lost Lake Utility District Meeting
404 Lake Court, Dixon Illinois
July 17, 2007

- I. Call to Order and Roll Call:** Joe Olliges called the meeting to order at 7:02 pm. Trustees present: Joe Olliges, Bill Weronko, Jerry Pohlman, George Kersten, Ron Berger, Nadine Portner and Dave Shaw; also present: Sheila Warner, Treasurer; Susan Steffens, Secretary; and members of the community.
- II. Approval of the Agenda:** Bill made a motion to approve the agenda. Jerry seconded the motion. The motion was approved by unanimous roll-call vote (7-17-07-1).
- III. Approval of the minutes:** Ron made a motion to approve the June 19, 2007 public hearing minutes. George seconded the motion. The motion was approved by roll-call vote of Joe Olliges, Bill Weronko, Jerry Pohlman, George Kersten, Ron Berger and Nadine Portner. Dave Shaw abstained (7-17-07-2). Bill made a motion to approve the June 19, 2007 regular meeting minutes. Ron seconded the motion. The motion was approved by roll-call vote of Joe Olliges, Bill Weronko, Jerry Pohlman, George Kersten, Ron Berger and Nadine Portner. Dave Shaw abstained (7-17-07-3).
- IV. Treasurer's Report:**

Sheila: reported from the reporting time of June 1, 2007-June 30 31, 2007 there were zero receipts. There was a beginning balance of \$6343.49. There was one expenditure of \$61.60 for renewal of website. The ending balance is \$6281.89.

Bill: questioned why Marty Portner received payment for the website.

Nadine: The rate is better because he has an account already. I also have a bill for a new monitor \$192.50 less \$50 rebate, plus tax. Tiger would not recognize tax number. The bill total is \$162.58.

Ron made a motion to approve the treasurer's report. Bill seconded the motion. The motion was approved by roll-call vote of Joe Olliges, Bill Weronko, Jerry Pohlman, George Kersten, Ron Berger, and Nadine Portner. Dave Shaw abstained (7-17-07-4).

V. Old Business:

Joe: The Purchase Agreement is still not signed. There have been updates. Per Frank Dunmire, the new discharge permit is in effect it was mailed from the IAEPA. IAEPA was sent a schedule of items in the compliance letter. The Lost Lake Utility District Water and Wastewater System Capital Improvements is the schedule that was sent. At the last Status Hearing, the tentative date for closing is September 30, 2007. We are waiting for the return of the compliance letter.

Bonds will be purchased in the amount of \$2,150,000. Perimeter Ordinance will need to be passed. Bond Counsel is requesting five items to be completed within the next 12 months. Priority listing is as follows: 1. Flagg Looping. 2. Meter replacement. 3. Service the well pump. 4. Purchase a mobile generator. 5. Upgrade of the sewer plant.

Bond Ordinance has been tabled.

Adopt District Organization Ordinance. Joe made a motion to adopt Administration Ordinance 03-07. Bill seconded the motion.

Discussion was held.

Corrections:

Page 22, Authorize signatures should read, the District Chairman, the District Vice-Chairman, and the District Treasurer.

Page 21, Competitive Bidding procedures. The "County" should be expanded to a larger area. It may be difficult to get a competitive price when held to such a small area. Bidding is followed by State Statues.

The Ordinance was tabled until further research.

Outstanding Items that need to be completed are as follows: EPA agreement, closing date of bonds, acquisition (set for September 30th), Tower contract, notification of customers, Amend Purchase Agreement (the Bonds cannot be used for operating expenses. The last quarter of billing should come back to the Utility; Mr. Armstrong has been notified.), Insurance liability of \$1,000,000 needs to be revisited, as to the correct amount of coverage.

Permit is done. The resolution of Title Insurance is taken care of.

September 28, 2007 Closing Date. Bill made a motion to approve the closing date of September 28, 2007 for the purchase of the New Landing Utility Assets. Jerry seconded the motion. The motion was approved by unanimous roll-call vote (7-17-07-5)

A bill received from the firm of Guyer and Eichen in the Amount of \$11,686.01, for the organization of Lost Lake Utility District. A committee was set to review the statement. Nadine is the Chairperson with Dave and Ron for this committee. A public meeting will be held.

VI. Guest/Public Opinion:

Mike Robinson: What is Dave's last name? **Shaw.**

Dave Shaw: I have been living in the community since 1997. I live in New Landing. I am from Northern Illinois. I graduated out of Freeport. I did time in the Navy. I came back to the Rockford area. I am a supervisor and Senior Operator at the Excelon Nuclear Plant in Byron. I have worked there for 25 years. With my background, I feel I am a good addition to the Board.

Mike Robinson: Maybe the district should get a charge account?
We can check into it. There may be a signature issues.

Mike Robinson: Is the District going to be purchasing the bonds?
The bonds will be purchased in the District's name and sold. Anyone can buy them.

Mike Robinson: In regards to Attorney Shirk, I remember back the ad hoc committee went to him and asked him to give advice and speak to the community. Did he give any of you—? **We have never talked to him.**

Steve Winthrop: Have there been any trace elements found in the water supply to this community. **The water that was tested has passed inspection with the IAEPA. We will check into the Barium and Radium levels and trace elements.**

Steve Winthrop: Will there be a delay with Mr. Armstrong in money that is owed, is there any verbiage that states he would get penalized for a closing delay? **The outstanding money owed is to all creditors under \$500. We do not have any verbiage for delays. We are already expecting not to close on that date. Mr. Armstrong wants to get this done. The system leaks are getting corrected. All reported leaks have been repaired.**

Ms. Portman: Will everything be flushed before new meters are replaced? **Yes, and flushed on a regular basis.**

Crystal Pohlman: Will we be notified when the hydrants are flushed: **Yes.**

VII. Recess into Executive Session: Nadine made a motion to go into executive session. Dave seconded the motion. The motion was approved by unanimous roll-call vote (7-17-07-6)

Lost Lake Utility District Executive Session
404 Lake Court, Dixon Illinois
July 17, 2007

I. Call to Order and Roll Call: Joe called the meeting to order at 7:59. Trustees present: Joe Olliges, Bill Weronko, Jerry Pohlman, George Kersten, Ron Berger, Nadine Portner and Dave Shaw. Also present: Sheila Warner, Treasurer and Susan Steffens, Secretary.

II. Due Diligence concerning Utility Service Buy-Out.

Bill: Negotiations with Utility Services. The Utility Service maintenance buy-out price is \$266,838. I offered half. They requested \$234,817.14. I wrote back; the Court may have to solve this.

Discussion was held by the Board.

An agreement was decided that the offer would reflect what all New Landing creditors have been offered during the proceedings.

III. Close Executive Session: Bill made a motion to close Executive Session and go back into Regular Session. Jerry seconded the motion. The motion was approved by unanimous roll-call vote (7-1-07-7).

IV. Adjournment: George made a motion to adjourn regular meeting. Nadine seconded the motion. The motion was approved by unanimous roll-call vote at 8:10 pm (7-17-07-8).

- 7-17-07-1 Approval of the Agenda
- 7-17-07-2 Approval of the Minutes Public Hearing
- 7-17-07-3 Approval of the Minutes District Meeting
- 7-17-07-4 Approval of the Treasurer's Report
- 7-17-07-5 Approval of the closing date
- 7-17-07-6 Approval of a Recess to go into Executive Session
- 7-17-07-8 Close Executive Session
- 7-17-07-9 Adjournment