

Lost Lake Utility District Meeting
July 17, 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 Bill moved that we approve the Agenda and Ron seconded the motion. The board approved the motion unanimously by roll-call vote. **(07-17-06-01)**

IV. Approval of Minutes George moved that we accept the 6-13-06 Special Meeting Minutes as presented. Ron seconded the motion. The board approved the motion unanimously by roll-call vote **(07-17-06-02)**. Ron moved that we accept the 6-20-06 Regular Meeting Minutes as presented. Bill seconded the motion. The board approved the motion unanimously by roll-call vote. **(07-17-06-03)**

V. Old Business

A. Committee Reports

1. **Meeting Rules** Roger moved that we accept the Meeting Rules with Roger's changes. Bill seconded the motion. **(07-17-06-04)** Roger added for the record, that the changes were editorial in nature and non-substantive. The board approved the motion unanimously by roll-call vote. Copies of the Meeting Rules were distributed to the audience.
2. **Attorney Selection** George stated that Ralph Lowe was the committee's recommendation and that Ralph would defer payment for his services for 90 days. Bill requested the rationale for the committee's selection. George stated that Ralph had worked to establish the RCD and was familiar with local issues. Roger added that Ralph has a history with the utility and the area. George felt that Ralph would continue to work with us if progress is being made. Ralph charges \$200 per hour. Nadine made a motion to accept Ralph Lowe as the District's Attorney for a period of one year. Bill added that he would like a 6-month review, and seconded the motion. **(07-17-06-05)** The board approved the amended motion unanimously by roll-call vote.
3. **Secretary and Treasurer** Nadine reported that we currently had 3 applications in hand and one in the mail. 2 applications were for the Secretary/Treasurer position, and 2 for the Secretary position. Interviews were to start on Thursday 7-20 and would be concluded by Monday, 7-24. Joe asked if we had added a question regarding a confidentiality agreement. Ron said that was one of the interview questions. Nadine suggested that the personnel recommendation be added to the agenda of the 7-31-06 Special Meeting.
4. **Financing** Bill and Betsy have been pursuing such methods as revenue bonds and short-term loans. He said that Amcore and Sterling Federal indicated that, based on news articles and letters, they were "gun shy" about entering into any financing arrangement. Bill and Betsy have provided background information to US Bank, Stillman Bankcorp, 1st National Bank of Rochelle and 5th 3rd Bank for consideration. There is a third tier of banks yet

to be contacted. It is apparent that banks will have to be “sold” on the idea. They continue to pursue all avenues.

VI. New Business

- A. **Review of Start-Up Budget – FY 2006** Ron reported on the efforts to establish an operating budget. The revenue figures primarily came from Betsy Young. The operating expenses came both from Betsy and IRWA’s 1st and 2nd quarters’ figures. In addition, he excluded Real Estate taxes, as we would be exempt. The overall figures are as follows:

Operating Revenues: 312,700
Operating Expenses: 165,400
***Profit: 147,300**

*It should be noted that this item is not intended to be “profit” in the strict definition of the word. These monies would be used for capital improvements.

Bill added that these are basically the numbers given to the banks. The budget issue was tabled until Betsy can review.

- B. **Letter of Intent** Betsy is working on the Letter of Intent. The letter will indicate to Armstrong that we intend to purchase, depending on terms. The letter will need legal review and input. General discussion will remain public. The specifics will be discussed in executive session. We acknowledged that the Letter of Intent is not a contract and does not contain a dollar amount. Ideally, Gene would negotiate with us only. Joe added that this is our best chance to acquire the utility at a reasonable cost.
- C. **Policies and Procedures Committees** Joe distributed sample Rates, Ordinances, Policies and Procedures packages, a set each for Water and Wastewater. We have to establish that we have (or can acquire) the managerial expertise to run a utility and be prepared to show this information a potential lender or governmental body. Two 3-person committees were established to review the samples.
- Wastewater:** Bill, Jerry and Nadine
Water: Roger, George and Ron
- D. **Executive Session Meeting Dates** Joe presented available dates for meeting in executive session regarding personnel issues ongoing negotiations for due diligence in the acquisition New Landing Utility, Inc. (*Guide to the Open Meetings Act*, pp. 66-67, (c1) and (c5) - Exceptions). He reminded everyone that no decisions or motions would be made. The executive sessions were scheduled for Monday, 7-31 and Monday, 8-7.

VII. Guest/Public Opinion

Mike Robinson asked about other attorneys considered. He commented on the Telegraph reporter’s articles. Mike questioned the use of the term “profit” in the budget report. Betsy indicated that the term profit, though technically accurate, is more accurately described as monies available for capital improvements.

Mary Anne Bortman asked the attorney selection committee for more information about their recommendation. They explained that the other attorneys considered had conflicts because of affiliations with other local bodies (POAs and RCD).

VIII. VIII. Adjourn

The motion to adjourn the meeting was made by Jerry and seconded by Ron. The motion was unanimously approved by roll call vote **(07-17-06-06)**. The meeting adjourned at 8:00pm.

Summary of Motions

- 07-17-06-01** Approval of Agenda
- 07-17-06-02** Approval of 6-13-06 Special Meeting Minutes
- 07-17-06-03** Approval of 6-20-06 Regular Meeting Minutes
- 07-17-06-04** Approval of Meeting Rules
- 07-17-06-05** Approval of Ralph Lowe as District's Attorney for one year with a 6-month review
- 07-17-06-06** Adjournment