

**Lost Lake Utility District Meeting
404 Lake Court, Dixon, Illinois
January 16, 2007**

I. Call to Order and Roll Call: Joe Olliges called the meeting to order at 7:00 pm. Trustees present: Joe Olliges, Bill Weronko, Jerry Pohlman, George Kersten, Ron Berger, and Nadine Portner. Absent: Roger Asplund. Also Present: Sheila Warner, Treasurer; Susan Steffens, Secretary; Betsy Young, and members of the community.

II. Pledge of Allegiance.

III. Approval of the Agenda:

Joe: made a correction to the agenda pertaining to the next meeting date. It is stated as February 19, 2007 and should have read February 20, 2007.

Ron: made a motion to approve the amended agenda. Jerry seconds the motion. The motion was approved by unanimous vote (1-16-07-1)

IV. Approval of the Minutes:

Jerry: requested that the word "*the*" be deleted on Page 3.

Bill: made a motion to approve the December 19, 2006 amended minutes. Ron seconded the motion. The motion was approved by unanimous roll-call vote (1-16-07-2).

V. Treasurer's Report:

Sheila: From reporting period of December 1 through December 31, there were no receipts or expenditures. The balance remains \$11,955.02.

Ron: made a motion to accept the Treasurer's Report. Jerry seconds the motion. The motion was approved by unanimous vote (1-16-07-3).

VI. Old Business:

Joe: Condition of the Utility report from Illinois Rural Water District. As of January 1, 2007 Mike Williamson, certified water operator, will be responsible for water and wastewater treatment plant. December 28, 2006 a check was mailed to the EPA for the permit fee by Illinois Rural Water. Frank Dunmire's year-end report stated that the water treatment plant is functioning as designed. There are additives of Chloride and Fluoride. Phosphorous and Poly-phosphorous would benefit the quality of water that is sent to customers. If there is a change, an EPA permit would be required. Building needs repairs in the future. The district would

be responsible for purchasing the equipment to test sample water. There is a balance owed of \$280,000 for restoration of the water tower. There are undersize lines which would be the largest expense, and water meters throughout system would need to be replaced at the cost of \$65 plus installation fees. The billing system needs to be upgraded. Mike Williamson would operate the day-to-day operations; water sampling fee is \$500 per month and running the wastewater facility is \$500 per month; above that he charges \$30 an hour. Mike is paid \$490 quarterly to read meters and his average pay would be approximately \$1600 per month. New Landing Utility currently has a contract with EPA lab testing program, fee is \$2600.00. The current contract expires in June. In the regards to the water treatment facility, much work is needed: wiring, roof, painting, furnace, lab area and record keeping area, controls, pumps, blower motors, generators, need to be repaired or replaced; a transfer switch needs to be installed. The permit was paid in full. The next fee is due in June 2007 in the amount of \$2500. Reports need to be filed monthly on daily samples.

Status hearing: January 19, 2006 phone status hearing at 9:00 am in Judge Pemberton's courtroom. The Board and community members welcome.

Marilyn Mancini, per letter, questioned what if we can't purchase the utility and debt is acquired; who will pay the debt. Bill responded, by letter: not being an attorney, in is his opinion, we have entered an agreement that would make payment at a future date. The companies were informed of the risk and there is a possibility no payment would be made because the LLUD has no assets until acquisition. There would be no legal recourse.

Betsy: received a phone call from a representative from a POA questioning who would collect previous payables. Her reply: New Landing is responsible for collecting owed debt.

Joe: commented on making sure all homeowners had meters and water bills being sent to them.

George: Insurance update: As of January 10, 2007, we have insurance coverage. The cost for Directors and Officers insurance is \$830 per year and general liability insurance is \$1603 per year. A bill will be sent. Total \$2433.

Joe: Approval for insurance budget was \$2000. A motion is needed to increase insurance costs in the budget. Nadine moved to amend 2007 budget to \$2500 to cover general liability insurance, one-million dollar coverage. Ron seconds the motion. The motion was approved by unanimous roll-call vote (1-16-07-04)

Nadine: Committee update on sewer ordinances: she is working on State standards.

Bill: is modifying at this time because of the grinder pump uniqueness.

Ron: is working on the water ordinances, revising ordinances with Roger and George.

Joe: District meeting times have been published in Ogle County Life Newspaper. 2007 Budget must be sent to county. A complete budget will be sent when funding is acquired. A partial budget would be sent if the due date is earlier than acquisition.

VII. New Business:

Joe: Utility Condition Report by Frank Dunmire was read. Approval of the Administrative Budget for 2007.

Sheila: Ron, Nadine, and I reviewed expected budget through July 2007. Sources of funds remains at \$12,000. Balance as of December 31, 2006: \$11,151.52 expenditures in 2006: \$848.48. Listing all anticipated costs through July 2007: Insurance \$2500; Treasures Bond \$391; Postage \$300; Office expenses \$1400; Copies \$0; Software \$200; Payroll through April 2007 \$1400; Travel \$200; Miscellaneous \$1500.00; Additional payroll May and June \$500. Balance 2007 \$8000 and proposed balance on July 1, 2007 to \$3151.52. Ron made a motion to accept the amended 2007 Budget, and Nadine seconded the motion. The motion was approved by unanimous roll-call vote (1-16-07-05).

Joe: Approval of payroll for Sheila Warner, Treasurer and Susan Steffens, Secretary. Nadine made a motion to approve payroll of \$420 for November and December, Ron seconded the motion. The motion was approved by unanimous roll-call vote (1-16-07-06).

Joe: Approval of accounting software, Quick Books Pro \$158.18 plus tax, at Sam's Club. Nadine made a motion to approve purchase, Ron seconded the motion. The motion was approved by unanimous vote (1-17-07-06).

Joe: Statement of Economic Interest to be filed yearly. The Form was distributed to all members. Due date May 2007.

Betsy Young: Suggestions for the Board: Generate check list of what needs to be done; assigning responsibilities; policy and procedures; decide the operator/manager: job descriptions, market rate. Communicate with IL Rural Water, Letter to customers as of change, etc. Calendar of Events to be utilized by the Board members to due dates, meetings, etc.

Joe: Attorney Ralph Lowe has contacted Attorney Antoline, Illinois Rural Water, regarding purchase agreement expected draft by Thursday.

VIII Guest/Community Comments:

Chuck Jolicoeur: **Questioned Quick Books Pro, why purchase now? Nadine** explained the need to get familiar with program and to set up chart of accounts.

Mike Robinson: Response to Marilyn Mancini's question: Was there an understanding with the POA's that they may not be paid back? **Board:** Yes. It was an implicit understanding and to clarify any questions Joe offered to go to any board meeting to answer those questions. New Landing POA and Taylor Township invited Joe to their meetings, and it was explained. Lost Nation POA never questioned. Letters were sent to all entities.

Mike Robinson: Water analysis equipment, is there any. **Joe:** If there is any, we don't know if it is useable.

Mike Robinson: Past funds owed to New Landing Utility, once the purchase is made. New Landing can go after people who owe them money? **Joe:** Yes

Mike Robinson: Is that the only update regarding acquisition -- the status hearing? **Joe:** Yes, and that we hope to have another draft by Thursday.

Mike Robinson: Ogle County Life, where is that paper out of? **Joe:** Ogle County, Oregon. Is that the only paper the meeting times are published in? Yes, that is the requirement, and it is free of charge and distributed every Monday.

Mike Robinson: You are using July of 2007—**Joe:** We hope to have acquired the Utility before then. **Nadine:** We will fold this budget into the larger budget.

Mike Robinson: When you purchase Quick Books, do you pay tax? **Board:** We have a tax number – we need a letterhead on our letter.

IX. Adjourn: Ron made a motion to close District Meeting, Jerry seconded the motion. The motion was approved by unanimous vote (1-16-07-07). 8:04 pm