

**Lost Lake Utility District Meeting
404 Lake Court, Dixon Illinois
September 18, 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, Nadine Portner, and Dave Shaw. Also present: Sheila Warner, Treasurer; Susan Steffens, Secretary; and members of the community.
- II. **Pledge of Allegiance**
- III. **Approval of the Agenda:** Dave made a motion to approve the Agenda. Bill seconded the motion. The motion was approved by unanimous roll-call vote (9-18-07-1).
- IV. **Approval of the Minutes:** Ron made a motion to approve the Regular Meeting minutes August 21, 2007. George seconded the motion. The motion was approved by unanimous roll-call vote (9-18-07-2). Ron made a motion to approve the Executive Session minutes of August 21, 2007. Bill seconded the motion. The motion was approved by unanimous roll-call vote (9-18-07-3).
- V. **Treasurer's Report:** Sheila reported that through August 1st through August 30th 2007, the beginning balance was \$5769.31 there were no receipts and no expenditures the Balance on August 31, 2007 remained \$5769.31. Sheila requested approval to pay bonding to the Old Republic Sheridan Group in the amount of \$391.00 from October 2007 through October 2008; Nadine Portner for office supplies in the amount of \$114.39; Sheila Warner payroll in the amount of \$270.00 for July and August; and Susan Steffens payroll in the amount of \$390.00 for July and August. Ron made a motion to pay the bills. Jerry seconded the motion. **Discussion was held by the Board.** The motion was approved by unanimous roll-call vote (9-18-07-4).
- VI. **Old Business:** Joe states as far as the Purchase Agreement update, the board has received correspondence. We are at a standstill. We are waiting to hear whether the third-quarter receivables will be obtained by the District. We will not be able to operate the Utility without it. After speaking with Jamie Rachlin, it is necessary to receive those receipts. Gene Armstrong stated he would comply as long as his firm handles the supplemental settlement agreement. **Discussion was held by the Board.** At this time, the Board feels they will not deal with Mr. Armstrong and that his issues are not ours. The Board agreed to respond before the Status Hearing on Friday.

Nadine updated the Board as to the Legal fees to the Lost Lake Utility District from Attorney Mike Scheurich. After a considerable amount of time and research, a summary was provided to the Board. The committee recommends

an appointment with Attorney Scheurich. There is disparity in the time and dates and amounts on many of the line items in his bill. Many items do not apply to our dates in court.

Bill presented an update on the Utility Service Company Tank Maintenance Contract buyout. The Company has cleaned up the debris under the water tower and will provide a lab report that everything was properly removed.

VII. New Business: Joe after reviewing the previous four closed Executive Sessions. Joe recommends that the Executive Sessions remain closed until after acquisition. Joe made a motion to keep records closed. Bill seconded the motion. **Discussion was held by the Board.** The motion was approved by unanimous roll-call vote (9-18-07-5).

VIII. Guest/Public Opinion:

Mike Robinson: Q. What was the offer or the counter-offer was? A. **The Utility Contract buy-out request was approximately \$266,000. We countered 75% of the total.**

Q. I listened to what was said you mentioned Gene's caveat was that Gene and his firm are to fill out forms and get paid for that? He is willing to give the third quarter receipts providing he or his firm did the forms. A. **If he did the work, the money would come from the third quarter receipts. We don't care who does it. We are not part of that case. We need the third quarter receipts.**

My comment regarding Mike Scheurich, he may have done work regarding the district you did not see. A. **We are aware of that and that is in the report. We need to discuss it with him. For example, some dates that were billed for appearances at a Status Hearing, were not the same dates that we were in court.**

Roger Asphlund: Q. You mention in terms of expenses that have accrued, what is the total amount of expenses. A. **Approximately, \$150,000.**

Q. If the acquisition does not happen who is responsible for that? Q. **I have no idea. Some creditors do know that if acquisition does not happen they will not get paid.**

Q. There was a listing of accounts payable, I do not recall that it had to do with filing of State or Federal Income Taxes for the last two years. A. **Yes, that would be correct.**

This Board is at a disadvantage because you are playing with people not on a level playing field; namely, Gene Armstrong.

You could sit with Mr. Scheurich, but the District was never engaged to act on its behalf and it not the Board or the users responsibility. A. **We are trying to keep that bill at a minimum.**

Crystal Pohlman: Is there a possibility that anyone at Scheurich's firm could identify that information. A. **We feel it is his bill, if he suggests someone else that would be fine. We are trying to figure out what the bill is for. We are hoping to speak with him and understand the charges.**

Mike Robinson: Q. Can IRWA withdraw without the Judge's permission. A. **No.**

In regards to Mike Scheurich, Betsy stated she spoke to him. A. **It was not about forming the District.**

Is it possible he is billing for his opinion? A. **No. She was trying to tell him he was doing something wrong.**

Marty Portner: I would like to make a comment that I am frustrated that we have not been able to go to acquisition because of what is happening. When do you expect the end game. A. **I hope this letter gets to the Court on Friday. We are sitting until they tell us.**

IX. Adjournment: The motion was made by Dave to adjourn the meeting. Bill seconded the motion. The motion was approved by unanimous roll-call vote (9-18-07-6). The meeting ended at 7:46 pm. The next meeting October 16, 2007 at 7:00 pm.

- 9-18-07-1 Approval of the Agenda
- 9-18-07-2 Approval of the Regular Meeting minutes
- 9-18-07-3 Approval of the Executive Session minutes
- 9-18-07-4 Approval of the Treasurer's Report and pay bills
- 9-18-07-5 Approval to keep Executive Session meeting closed
- 9-18-07-6 Adjournment