

**New Landing Utility  
Report of Condition  
Prepared for Lost Lake Utility District  
8-15-06**

**Water Plant:**

1. It has been our observation that the water treatment plant is functioning as designed. As you are probably aware, the only treatment that the water receives is the addition of chlorine and fluoride. The additional feeding of a poly phosphate would benefit the quality of water being sent out to customers by sequestering of the iron which is currently present in the water. If this change were to be implemented, an IEPA permit would be required in advance. All sample results since IRWA assumed receivership have been within IEPA regulations and should be relatively easily maintained at the proper levels well into the future.
2. The building itself will need to have repairs made to it in the near future. These repairs would include; roof replacement, replace doors, cleaning and painting interior and exterior, installation of generator transfer switch, installation of alarm system and rodent proofing the building.
3. Currently the daily water analyses being completed by the contract operator are being processed with equipment on loan from IRWA. Once IRWA is relieved of its duties as receiver, the lab equipment will need to be returned. Replacement equipment will cost about \$1,000 - \$2,000 depending on model of equipment purchased.

**Water Tower:**

1. As you are aware, the water tower was recently refurbished by Utility Services, Inc. This is a company that I am very familiar with and comes highly recommended. With regular maintenance, the tower coating should last at least another 10 – 20 years.
2. There is a contract for maintenance that was executed by and between Utility Services and NLU. The outstanding balance on this contract is somewhere around \$280,000.

**Distribution System:**

1. Undersized mains (predominantly on the East Side) are probably the largest expense that will be incurred within the distribution system. These mains will need to be replaced with adequately sized mains and will also need to be permitted through IEPA. I would suggest that as a condition of purchase, a negotiated time line with IEPA be secured beforehand.
2. Water meters throughout the system will need to be replaced. The purchase price for a ¾” meter and remote reader run about \$65 each. Installation costs would be determined by the district.

3. Currently, there are three leaks that have been brought to my attention that will be repaired as funds become available. Overall, the system is in fairly decent shape and there are no “ticking time bombs” that I am aware of.

#### **Billing System:**

1. The current billing system, although adequate, could use an upgrade to make it much more user friendly. I believe the DOS based system does have a Windows based upgrade available at a cost of approximately \$1250.
2. NLU’s computer and printer are also several generations old and should be considered for replacement in the near future as well.
3. A considerable amount of time should be budgeted for in the first few months to go through all accounts and make corrections and additions. Over several years of neglect, the database seems to be running quite some time behind on actual ownership of undeveloped lots (availability fees).

#### **Misc.**

1. Currently a contract operator, Mike Williamson, is being utilized to run the day to day operations of the water treatment plant and distribution system. Mike is being paid \$500 per month to run the plant and do all necessary water sampling. If other requests of his time are made then they are reimbursed at the rate of \$30 per hour. This hourly rate reflects that no taxes, insurance or other benefits are afforded Mr. Williamson. In addition, Mike is paid a flat fee of \$480 each quarter to read meters. On average, Mike is being paid around \$1,000 per month.
2. Currently, NLU has contracted with the IEPA Lab Testing Fee Program for required testing of its water. This fee runs about \$2600 per year and could be reduced in the future by going to a private lab – in some cases saving 50%. The current contract does not expire until June 30, 2007.
3. To the best of my knowledge, all IEPA required reports and samples for NLU are up to date and in compliance.

#### **Wastewater Treatment Plant:**

1. Much needs to be done here! I believe that you are already in possession of previous reports on this facility so I will be brief.
2. The building will need a new roof, furnace, wiring (some has been done already), paint, lab area and records keeping area.
3. Plan on replacing all pumps, most motors, most controls, most blowers, most air diffusers and installing a generator transfer switch.

#### **Collection System:**

1. To the best of my knowledge there are no problems existing within the collection system of NLU.

**Misc.**

1. Mr. Greg Stechshulte has been the contract operator for the Wastewater Treatment Plant for a number of years. The last contract that he had signed with NLU was for the amount of \$1600 per month and covers all of his time required to perform the day to day operations of the WWTP as well as any small maintenance items.
2. The NLU WWTP has several ongoing violations with EPA regulations. They include; nonpayment of NPDES permit fees to the state, not filing monthly reports, failure to sample effluent on a monthly basis, and exceeding allowable concentrations.