



# Lost Lake Utility District

## Regular Meeting Minutes

### 404 Lake Court, Dixon IL at 6:00 PM

### November 21, 2023

**Trustees Present:** Cheri Kemp, Chair, Hal Warren, Vice Chair; Joe Bajko, Trustee; Anne Harms, Trustee; Ray Ford, Trustee

**Staff Present:** Beth Caudill, Office Manager; Julie Peters, Treasurer; Chad Judd, Certified Operator

**Absent:** Rick Reardon, Trustee

- I. **Call to Order and Roll Call:** Cheri Kemp called the meeting to order at 6:00 pm.
- II. **Pledge of Allegiance**
- III. **Approval of the Agenda:** Joe made a motion to approve the agenda, and Hal seconded the motion. The motion was approved by unanimous vote. [11-21-23-1]
- IV. **Guest/Public Opinion:** none
- V. **Approval of the October 17, 2023 Regular Meeting Minutes:** Hal made a motion to approve the October 17, 2023 Regular Meeting Minutes and Joe seconded the motion. The motion was approved by unanimous vote. [11-21-23-2]
- VI. **Treasurer's Report:** Julie provided financial reports to the Board and read into the record the report for period ending October 31, 2023.  
  
*Operating Account:* beginning balance \$154,234.67; receipts \$71,219.15; expenditures \$46,118.49; ending balance \$179,335.33. *Project Fund:* beginning balance \$3,563.38; receipts \$74,050.15; expenditures \$74,000.00; ending balance \$3,613.63. *Debt Service Bond Fund:* beginning balance \$223,491.11; receipts \$16,198.07; expenditures \$435.00; ending balance \$239,254.18. *Money Market Fund:* beginning balance \$73,061.02; receipts \$168.74; ending balance \$73,229.76. *Equipment Replacement Fund:* beginning balance \$13,603.79; receipts \$17.33; ending balance \$13,621.12. *IMRF Fund:* beginning balance \$12,431.12; receipts \$1,914.21; expenditures \$2,566.14; ending balance \$11,779.19. *Bank of Amboy CD:* beginning balance \$74,000.00.  
  
The Treasurer's Report was approved by unanimous roll-call vote. [11-21-23-3]
- VII. **Office Manager's Report:** nothing to report.
- VIII. **Certified Operator's Report (Water & Wastewater Systems):** The ammonia levels were down again. Sludge was hauled today and is now on a regular schedule for hauling every other month. Chad is present each time sludge is hauled. Possible safety measures were discussed.
- IX. **Old Business**
  - **2022 Audit:** Completed audit reports were presented to the Board for review. The 2 findings regarding internal controls are the same as in prior years. We are limited to internal controls due to the small number of staff. This is typical for small organizations.
  - **Snowplow Bid:** Sauk Valley Lawn and Landscaping provided a bid of \$40 per plow per location (water tower, wastewater treatment plant). Hal motioned to approve the snowplow bid and Anne seconded the motion. The snowplow bid was approved by unanimous vote. [11-21-23-4]
  - **Water & Sewer Rates for 2024:** A packet of rate information was presented to the Board for discussion. Charts listing historical data for both water and sewer rates reflected where our rates would be if we had been implementing a 3% rate increase every year. Rates flatlined for 10 years with a small increase in 2022 and 2023. A much larger increase will be necessary this year to fulfill our budget.

Six additional charts were presented reflecting rates: Current Rates, Rates with a 14% Increase, IRWA Recommended Increase, and 3 additional recommended increases. The Board discussed the options and concluded that the following recommended increase would be best for us:

- Flat Water Usage up to 10,000 gallons: \$50.00 per month / \$100.00 per bill
- Water Overage: \$10.00 per 1,000 gallons over 10,000 gallons
- Flat Sewer Usage: \$62.50 per month / \$125.00 per bill
- Water Availability: \$15.00 per month / \$30.00 per bill
- Sewer Availability: \$15.00 per month / \$30.00 per bill

Hal motioned to approve the above rates for 2024 and Joe seconded the motion. The motion was approved by unanimous roll call vote. [11-21-23-5]

- **Application for Services / Online Utility Exchange:** An application for service for water & sewer and an application for availability only were presented to the Board for review. Per our Ordinance Section 2-7-1, *a fee of \$100 shall accompany each application for water service. This fee shall cover the administrative costs of processing the application, including a credit check, and the initial cost of turning on service.* This \$100 fee has been added to the application for service, and a \$25 fee will be added to the application for availability. The applications were approved for new customers to use beginning January 1.

Online Utility Exchange is a utility-specific program that assists with credit checks and debt collection. The results of a credit check will rate the risk that the utility is taking by adding them as a customer. Our utility deposits can be tiered based on the risk rating results. The reports will also provide insight into other delinquent utility accounts that the customer may have. The Exchange will also provide the option to submit customers for collections. The cost of the software is \$30 per month, \$3.15 per credit report, and a \$.22 per transaction fee. The cost of the collection services is 35% of the total collected. Implementing this software will allow us to begin credit checks as stated in our Ordinance. The Board agrees to implement Online Utility Exchange beginning January 1 in correlation with our new applications. Cheri motioned to approve the implementation of Online Utility Exchange beginning January 1 and Joe seconded the motion. The motion was approved by unanimous vote. [11-21-23-6]

## X. New Business

- **Lease for DC Computer's Antenna on Water Tower:** The Board discussed whether to assess a rental fee for DC Computer's equipment on our water tower. Research indicates a range between \$300 and up to \$10,000 per month is charged by utilities throughout Illinois. The Board would like to charge \$300 per month to DC Computer. We will need to pull our current signed agreement for modification. Hal motioned to assess a \$300 per month fee from DC Computers for their antenna on our water tower and Joe seconded the motion. The motion was approved by unanimous vote. [11-21-23-7]
- **Office Manager & Treasurer Redundancies:** Julie discussed the idea of cross training the Office Manager and Treasurer duties to provide redundancies should one or the other be absent for a period of time. The Board agrees that this will be beneficial for the organization and approves the cross training to begin. Beth and Julie will work together to complete the training.
- **Chamlin WWTP IEPA Requirements Project:** The IEPA is requiring us to perform upgrades to our wastewater treatment plant due to the history of high ammonia levels. Chamlin has drawn up paperwork detailing the project. Cheri provided a packet to the Board with the signature pages from the proposal and explained an overview of the project. The proposal is higher than anticipated to create a cushion for the loan. We can apply to the IEPA for a low interest loan but only use the actual cost of the project. Chamlin confirmed that the engineering costs will also be lower than quoted. We may also qualify for a 15% loan forgiveness. Joe motioned to sign the proposal from Chamlin for the WWTP IEPA requirements and Cheri seconded the motion. The motion was approved by unanimous vote. [11-21-23-8]
- **Waive the Necessity of Ordinances Appearing at 2 Meetings:** The Board agreed unanimously to waive the necessity of ordinances appearing at 2 meetings.
- **2024 Budget Ordinance 04-2023:** An Ordinance concerning the adoption of the combined annual budget and appropriation ordinance for fiscal year 2024 in the Lost Lake Utility District of Ogle County, Illinois –

Ordinance No. 04-2023: *NOW THEREFORE, BE IT ORDAINED* by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois, as follows: 1. That the Lost Lake Utility District hereby adopts its Combined Annual Budget and Appropriation Ordinance for Fiscal Year 2024, the budget and appropriation statement set out in Exhibit A, which is attached and incorporated herein. 2. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law. Passed by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois and approved by the by the Chairman of said District this 21<sup>st</sup> day of November, 2023. Ayes: 5, Nays: 0, Abstain: 0. APPROVED this 21<sup>st</sup> day of November, 2023.

Hal motioned to approve the 2024 Budget Ordinance 04-2023 and Joe seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-9]

- **Bond Tax Abatement Ordinance 05-2023:** An Ordinance abating the tax hereto levied for 2023 to pay the principal of and interest on \$1,700,000.00 general obligation refunding bonds (alternate revenue source), series 2014, of the Lost Lake Utility District of Ogle County, Illinois – Ordinance No. 05-2023: *WHEREAS, the Board of Trustees (the “Corporate Authorities”) of the Lost Lake Utility District, Ogle County, Illinois (the “the District”), by Ordinance Number 01-14, adopted on the 29<sup>th</sup> day of July, 2014 (the “Ordinance”) and a related Notification of Sale, did provide for the issue of \$1,700,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 (the “Bonds”); and WHEREAS, the Pledged Revenues (as defined in the Ordinance) have been determined by the Treasurer to have been deposited in the Alternate Bond and Interest Account (as created in the Ordinance) in an amount sufficient to pay debt service on all Outstanding Bonds in the next succeeding bond year; and WHEREAS, it is necessary and in the best interest of the District that the tax heretofore levied for the Year 2023 to pay the principal of and interest on Bonds be abated; NOW, THEREFORE, Be It Ordained by the Board of Trustees of the Lost Lake Utility District, Ogle County, Illinois, as follows: Section 1. Abatement of Tax: The tax heretofore levied for the year 2023 in the Ordinance is hereby abated in its entirety. Section 2. Filing of Ordinance: Forthwith upon the adoption of this Ordinance, the Secretary of the Board of Trustees of the District shall file a certified copy hereof with the County Clerk of the County of Ogle, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 2023 in accordance with the provisions hereof. Section 3. Effective Date. This Ordinance shall be in full force and effect forthwith upon its passage by the Board of Trustees. Passed by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois and approved by the by the Chairman of said District this 21<sup>st</sup> day of November, 2023. Ayes: 5, Nays: 0, Abstain: 0. APPROVED this 21<sup>st</sup> day of November, 2023.*

Joe motioned to approve the Bond Tax Abatement Ordinance 05-2023 and Anne seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-10]

- **IMRF Tax Ordinance 06-2023:** An Ordinance levying taxes for all corporate purposes for the Lost Lake Utility District, Ogle County, Illinois, for the fiscal year beginning January 1, 2023 and ending December 31, 2023 – Ordinance No. 06-2023: *NOW THEREFORE, BE IT ORDAINED* by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois, as follows: 1. That the amount hereinafter set forth or so much thereof as may be authorized by law, and the same hereby levied upon all properties subject to taxation within the District as that property is assessed and equalized for the current year, and for the specified purpose of the Illinois Municipal Retirement Fund for the fiscal year beginning January 1, 2023 and ending December 31, 2023. 2. That the amount levied for IMRF is \$16,500 to be raised by tax levy. 3. The Board Secretary shall make and file with the County Clerk of said County of Ogle, on or before the last Tuesday in December, a duly certified copy of this Ordinance. 4. That if any section, subdivision, or sentence of the Ordinance shall for any reason be held invalid or unconstitutional, such decision shall not affect the validity of the remaining portion of the Ordinance. 5. This Ordinance shall be in full force and effect after its adoption as provided by law. Passed by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois and approved by the by the Chairman of said District this 21<sup>st</sup> day of November, 2023. Ayes: 5, Nays: 0, Abstain: 0. APPROVED this 21<sup>st</sup> day of November, 2023.

Hal motioned to approve the IMRF Tax Ordinance 06-2023 and Anne seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-11]

- **Water Rates Ordinance 07-2023:** An Ordinance concerning the amendment of Title 2, Chapter 6 – Water Rates-General, Section: 2-6-1 and Title 2, Chapter 7 – Water Rates-Approved Rates, Section 2-7-2 of the

District's Administrative Ordinance to define water service charges in the Lost Lake Utility District of Ogle County, Illinois: *NOW THEREFORE, BE IT ORDAINED by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois as follows: 1. That TITLE 2, CHAPTER 6, WATER RATES GENERAL: SECTION 2-6-1 WATER SERVICE CHARGES be amended by striking paragraphs (A), (B), and (D) and inserting in their place the following: The Basic User Charge and the Water Availability Charge shall be reviewed annually by the Board and shall be increased each year by a minimum of 3 percent (3%). (A) Basic User Charge per month: \$50.00. (B) Within the Lost Lake development and the Flagg Estates Subdivision a.k.a. Lost Nation New Landing: \$10.00 per 1,000 gallons, after 10,000 gallons. (D) A Water Availability Charge of \$15.00 per month shall be required of the owner of each undeveloped property: a residential user whose home/residence extends beyond one lot shall not pay a water availability on a lot that has any portion of the house or existing driveway encroaching on an adjacent lot and/or a lot that has a septic field and any part of a septic system located on it. (this does not include fences, sheds, or any temporary buildings, or detached building except for the primary garage). 2. That TITLE 2, CHAPTER 7, WATER RATES-APPROVED RATES: SECTION 2-7-2 WATER RATES be amended by striking the introduction paragraph and paragraphs (A), (B), and (D) and inserting in their place the following: Water rates in effect at the time the DISTRICT makes service available to the Consumer shall be charged to and paid by each Consumer. A minimum rate of \$50.00 per month shall be paid by those Consumers. The Basic User Charge and the Water Availability Charge shall be reviewed annually by the Board and shall be increased each year by a minimum of 3 percent (3%). (A) Basic User Charge: \$50.00 per month; (B) Consumers residing within Lost Lake development and Flagg Estates subdivision: \$10.00 per 1,000 gallons after 10,000 gallons; (D) A Water Availability charge of \$15.00 per month shall be required of the owner of each undeveloped property; a residential user whose home/residence extends beyond one lot shall not pay water availability on a lot that has any portion of the house of existing driveway encroaching on an adjacent lot and/or a lot that has a septic field and any part of the septic system located on it. (this does not include fences, sheds, or any temporary building, or detached building except the primary garage). This Ordinance shall be in full force from and after its passage and approval as provided by law. Passed by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois and approved by the by the Chairman of said District this 21<sup>st</sup> day of November, 2023. Ayes: 5, Nays: 0, Abstain: 0. APPROVED this 21<sup>st</sup> day of November, 2023.*

Joe motioned to approve the Water Rates Ordinance 07-2023 and Hal seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-12]

- **Sewer Rates Ordinance 08-2023:** An Ordinance concerning the amendment of Title 3, Chapter 2 – Wastewater Service Charges, Section: 3-2-1 of the District's Administrative Ordinance to define wastewater service charges in the Lost Lake Utility District of Ogle County, Illinois: *NOW THEREFORE, BE IT ORDAINED by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois as follows: That TITLE 3, CHAPTER 2 – WASTEWATER SERVICE CHARGES, SECTION 3-2-1 be amended by striking paragraphs (A) and (C) and inserting in its place the following: The Basic User Charge and the Availability Charge shall be reviewed annually by the Board and shall be increased each year by a minimum of 3 percent (3%). (A) Basic user charge: **\$62.50** per month within the Lost Lake development and Flagg Estate subdivision. (C) An availability charge of **\$15.00** per month per lot shall be required of the owner of each undeveloped property within the Lost Lake development and Flagg Estate subdivision. A residential user whose home/residence extends beyond one lot shall not pay a sewer availability charge on a lot that has any portion of the house or existing driveway encroaching on an adjacent lot. (this does not include fences, sheds, or any temporary buildings or structures, or detached building except for the primary garage). This Ordinance shall be in full force from and after its passage and approval as provided by law. Passed by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois and approved by the by the Chairman of said District this 21<sup>st</sup> day of November, 2023. Ayes: 5, Nays: 0, Abstain: 0. APPROVED this 21<sup>st</sup> day of November, 2023.*

Joe motioned to approve the Sewer Rates Ordinance 08-2023 and Hal seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-13]

- **Security Deposit Ordinance 09-2023:** An Ordinance concerning the amendment of Title 2, Chapter 1 – Regulations and Rates, Section: 2-1-1 of the District's Administrative Ordinance to define security deposits in the Lost Lake Utility District of Ogle County, Illinois: *NOW THEREFORE, BE IT ORDAINED by the Board of Trustees of the Lost Lake Utility District of Ogle County, Illinois as follows: That TITLE 2, CHAPTER 1,*

*REGULATIONS AND RATES: SECTION 2-1-1 UTILITY SERVICES, PARAGRAPH (O) DEPOSIT be amended by striking paragraphs (1) and inserting in its place the following: When any application is made for Utility Services in accordance with the provisions of this Ordinance, all applicants for whom the Utility Service is requested shall put the Utility Services in their name and to deposit with its application fee a security deposit of \$300. The applicant may receive a partial credit based on the applicant's credit check. The total security deposit to be retained by LLUD is as follows: \$150 Deposit for Good Credit (Green), \$225 Deposit for Average Credit (Yellow), \$300 Deposit for Bad Credit (Red). This Ordinance shall be in full force from and after its passage and approval as provided by law.*

This Ordinance was a proposal and was tabled for further discussion at the next meeting.

- XI. Adjournment:** Joe made a motion to adjourn the meeting at 7:26 pm and Anne seconded the motion. The motion was approved by unanimous vote. [11-21-23-14]

**The next Regular Meeting will be held on December 19, 2023 at 6:00 PM.**

### **November 21, 2023 Motion List**

- 11-21-23-1 Approval of the Agenda:** Joe made a motion to approve the agenda, and Hal seconded the motion. The motion was approved by unanimous vote. [11-21-23-1]
- 11-21-23-2 Approval of the October 17, 2023 Regular Meeting Minutes:** Hal made a motion to approve the October 17, 2023 Regular Meeting Minutes and Joe seconded the motion. The motion was approved by unanimous vote. [11-21-23-2]
- 11-21-23-3 Treasurer's Report:** The Treasurer's Report was approved by unanimous roll-call vote. [11-21-23-3]
- 11-21-23-4 Snowplow Bid:** Sauk Valley Lawn and Landscaping provided a bid of \$40 per plow per location (water tower, wastewater treatment plant). Hal motioned to approve the snowplow bid and Anne seconded the motion. The snowplow bid was approved by unanimous vote. [11-21-23-4]
- 11-21-23-5 Water & Sewer Rates for 2024:** Hal motioned to approve the rates for 2024 and Joe seconded the motion. The motion was approved by unanimous roll call vote. [11-21-23-5]
- 11-21-23-6 Online Utility Exchange:** Cheri motioned to approve the implementation of Online Utility Exchange beginning January 1 and Joe seconded the motion. The motion was approved by unanimous vote. [11-21-23-6]
- 11-21-23-7 Lease for DC Computer's Antenna on Water Tower:** Hal motioned to assess a \$300 per month fee from DC Computers for their antenna on our water tower and Joe seconded the motion. The motion was approved by unanimous vote. [11-21-23-7]
- 11-21-23-8 Chamlin WWTP IEPA Requirements Project:** Joe motioned to sign the proposal from Chamlin for the WWTP IEPA requirements and Cheri seconded the motion. The motion was approved by unanimous vote. [11-21-23-8]
- 11-21-23-9 2024 Budget Ordinance 04-2023:** Hal motioned to approve the 2024 Budget Ordinance 04-2023 and Joe seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-9]
- 11-21-23-10 Bond Tax Abatement Ordinance 05-2023:** Joe motioned to approve the Bond Tax Abatement Ordinance 05-2023 and Anne seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-10]
- 11-21-23-11 IMRF Tax Ordinance 06-2023:** Hal motioned to approve the IMRF Tax Ordinance 06-2023 and Anne seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-11]
- 11-21-23-12 Water Rates Ordinance 07-2023:** Joe motioned to approve the Water Rates Ordinance 07-2023 and Hal seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-12]
- 11-21-23-13 Sewer Rates Ordinance 08-2023:** Joe motioned to approve the Sewer Rates Ordinance 08-2023 and Hal seconded the motion. The Ordinance was approved by unanimous vote. [11-21-23-13]
- 11-21-23-14 Adjournment:** Joe made a motion to adjourn the meeting at 7:26 pm and Anne seconded the motion. The motion was approved by unanimous vote. [11-21-23-14]