



Lost Lake Utility District

Regular Meeting Minutes

404 Lake Court, Dixon IL at 6:00 PM

December 19, 2023

Trustees Present: Cheri Kemp, Chair, Hal Warren, Vice Chair; Joe Bajko, Trustee; Ray Ford, Trustee; Rick Reardon, Trustee; Amy Spelde, Trustee

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

Absent: Anne Harms, Trustee

- I. **Call to Order and Roll Call:** Cheri Kemp called the meeting to order at 6:01 pm.
- II. **Pledge of Allegiance**
- III. **Approval of the Agenda:** Rick made a motion to approve the agenda, and Hal seconded the motion. The motion was approved by unanimous vote. [12-19-23-1]
- IV. **Guest/Public Opinion**
- V. **Approval of the November 21, 2023 Regular Meeting Minutes:** Hal made a motion to approve the November 21, 2023 Regular Meeting Minutes and Joe seconded the motion. The motion was approved by unanimous vote. [12-19-23-2]
- VI. **Treasurer's Report:** Julie provided financial reports to the Board and read into the record the report for period ending November 30, 2023. The Treasurer's Report was approved by unanimous roll-call vote. [12-19-23-3]
 - **Operating Account:** beginning balance \$179,335.33; receipts \$22,143.54; expenditures \$41,645.40; ending balance \$159,833.47. **Project Fund:** beginning balance \$3,613.53; receipts \$4.46; ending balance \$3,617.99. **Debt Service Bond Fund:** beginning balance \$239,254.18; receipts \$16,199.40; expenditures \$152,632.08; ending balance \$102,821.50. **Money Market Fund:** beginning balance \$73,229.76; receipts \$174.77; ending balance \$73,404.53. **Equipment Replacement Fund:** beginning balance \$13,621.12; receipts \$16.80; ending balance \$13,637.92. **IMRF Fund:** beginning balance \$11,779.19; receipts \$1,519.90; expenditures \$2,550.58; ending balance \$10,748.51. **Bank of Amboy CD:** beginning balance \$74,000.00; ending balance \$74,000.00.
 - **End of Year Fund Transfers:** The Board agrees to move the budgeted \$3,000 from the Operating Account to the Equipment Fund. The Board also agrees to move \$80,000 from the Operating Account to the Project Fund at year's end.
 - **Audit Expenses:** Jeff Johnson, CPA, invoiced us for an additional \$7,000 over the \$16,500 cap for our recent audit due to a first-time audit with us, additional time needed regarding our newest loan, and additional time needed to convert cash to accrual for audit purposes. The CPA is willing to credit \$1,500 of the overage, bringing our additional amount due to \$5,500. In full, the audit cost is \$22,000. We need to get better assurance next year that the cost will not exceed our expectations and initial agreement. Rick motioned to pay the additional \$5,500 audit cost to Johnson CPA and Joe seconded the motion. The payment was approved by roll call vote. [12-19-23-4]
- VII. **Office Manager's Report:**
 - **Billing Month:** \$94,223.84 billed December 1st and mailed with the rate increase notice. Both positive and negative feedback has been received due to the rate increases. A letter from a grateful community member was read into the record.
 - **Past Due Accounts:** \$39,080.55. Down from over \$50,000 in the Spring. One more prelien paid off.
 - **Training:** Completed training Julie on receiving & depositing payments. She will train next on Blackboard Connect, our emergency alert system, and on Payroll.

- **Online Utility Exchange:** The application process is pending since approved security deposit tiers will be needed to complete the application. An onsite inspection will also take place, then the software implementation and training. This should be completed sometime in January.
- **Payment Service Network (PSN):** Reviewing & negotiating the Service Agreement to add e-bills and a bank bill pay e-solution. Final information should be provided at the next meeting.
- **Office Closures:** Holiday closure Dec.25-29; Vacation closure Jan.8-12. Julie will cover where needed.

VIII. **Certified Operator's Report (Water & Wastewater Systems):**

- **Source Water Protection Plan:** The IEPA is requiring this plan to be completed by the end of July. Chamlin has provided information to Chad and is willing to assist with completion of the plan for a fee not to exceed \$5,500. The Board is in favor of allowing Chamlin to complete this new IEPA requirement.
- **Shutoff Valve Needed:** A home on Timber Trail does not have a shutoff installed. The homeowner needs to replace pipes in the Spring and will need the water shut off for this purpose. If we shut off the main, 4 or 5 homes will be impacted for a short time. If the homeowner does not pay his bill, we have no way to shut off his water alone. The Board discussed options and will revisit this at the next meeting.
- **WWTP Ammonia Levels:** Ammonia levels are slightly higher than IEPA requirements.

IX. **Old Business**

- **Lease for DC Computer's Antenna on Water Tower:** The current lease agreement was provided to the Board for review. It is dated September 2020 and is good for 5 years. The rent is "Lessee shall provide internet service comparable to the 'Premium' package at any of Lessor's facilities Lessee is capable of serving." This agreement does not benefit LLUD in any way. A new lease agreement has been drawn up that includes a \$300 per month rental and the ability to revise the rent amount any time with a 60 day notice. The new lease agreement has been emailed to DC Computers for signature, but no response has been received. We may need to call or mail the lease for signature.
- **Chamlin WWTP IEPA Requirements Project:** Chamlin will be doing some measuring this week. The project may not be as extensive as originally thought was needed. The project is ongoing.
- **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 with a credit score of 670+ (Green), \$225 Deposit for Average Credit with a credit score of 580-669 (Yellow), \$300 Deposit for Bad Credit with a credit score below 580 (Red). This Ordinance shall be in full force from and after its passage and approval as provided by law.*

The Security Deposit levels were discussed. IRWA recommended that our deposit should be 2.28 times our average bill of \$140 which equals \$319.20 based on their Days of Exposure study. The Board agrees with the tiered deposit based on credit for all homeowners. Lot owners only, however, shall pay a security deposit that equals 2 months of their calculated average bill. A \$300 deposit will be required by all homeowners with a credit to their account for any discounted deposit based on their credit check. Rick motioned to approve Security Deposit Ordinance 09-2023 and Joe seconded the motion. Ordinance 09-2023 was approved by roll call vote. [12-19-23-5]

X. **New Business**

- **Water Availability Fees for L B Properties:** Larry Baker owns multiple properties adjacent to and within the Lost Lake Community. Three (3) lots are within the Lost Lake Utility District and are subject to water availability fees. He has only been paying for 1 lot, but this was discovered internally a few months ago and updated to the correct charges for 3 lots. A GIS map was provided to the Board for reference and discussion. Larry had made a verbal agreement with Don Finch years ago that he would not have to pay for water for

one lot south of his Lost Lake property for access to his property. However, a drive was constructed to the east of his property adjacent to Lost Lake property. A second Lost Lake lot on the west side of his property had a temporary access road constructed years ago to avoid paying availability fees, but this access road is grown over and no longer used for this purpose. Larry is asking the Board that he be able to continue paying availability fees for 1 lot instead of 3. After discussion, the Board decided to uphold our Ordinance and continue availability fees for 3 lots.

- **New Tax Levy Options:** According to the Illinois Common Statute, the LLUD is qualified to receive a tax levy at a .02% assessed valuation. Cheri feels this is minimal and may not be worth pursuing. She will continue to research how a tax levy would work for LLUD.

- XI. Executive Session employee matters – citation no. 5ILCS 120/2 (C):** Hal motioned to adjourn the public meeting to recess to Executive Session and Rick seconded the motion. The meeting was adjourned by unanimous vote. [12-19-23-6] A brief Executive Session was held regarding employee matters. Hal motioned to call the meeting back to order and Joe seconded the motion. The motion to call the meeting back to order was approved by unanimous vote. [12-19-23-7] Joe motioned to approve the employee items discussed during the Executive Session and Rick seconded the motion. The employee items discussed during the Executive Session were approved by unanimous roll-call vote. [12-19-23-8]
- XII. Adjournment:** Joe made a motion to adjourn the meeting at 7:32 pm and Hal seconded the motion. The motion was approved by unanimous vote. [12-19-23-9]

The next Regular Meeting will be held on January 16, 2024 at 6:00 PM.

December 19, 2023 Motion List

12-19-23-1 Approval of the Agenda: Rick made a motion to approve the agenda, and Hal seconded the motion. The motion was approved by unanimous vote. [12-19-23-1]

12-19-23-2 Approval of the November 21, 2023 Regular Meeting Minutes: Hal made a motion to approve the November 21, 2023 Regular Meeting Minutes and Joe seconded the motion. The motion was approved by unanimous vote. [12-19-23-2]

12-19-23-3 Treasurer's Report: The Treasurer's Report was approved by unanimous roll-call vote. [12-19-23-3]

12-19-23-4 Audit Expenses: Rick motioned to pay the additional \$5,500 audit cost to Johnson CPA and Joe seconded the motion. The payment was approved by roll call vote. [12-19-23-4]

12-19-23-5 Security Deposit Ordinance 09-2023: Rick motioned to approve Security Deposit Ordinance 09-2023 and Joe seconded the motion. Ordinance 09-2023 was approved by roll call vote. [12-19-23-5]

12-19-23-6 Adjourn to Executive Session: Hal motioned to adjourn the public meeting to recess to Executive Session and Rick seconded the motion. The meeting was adjourned by unanimous vote. [12-19-23-6]

12-19-23-7 Call Meeting Back to Order: Hal motioned to call the meeting back to order and Joe seconded the motion. The motion to call the meeting back to order was approved by unanimous vote. [12-19-23-7]

12-19-23-8 Executive Session employee matters- citation no. 5ILCS 120/2 (C): Joe motioned to approve the employee items discussed during the Executive Session and Rick seconded the motion. The employee items discussed during the Executive Session were approved by unanimous roll-call vote. [12-19-23-8]

12-19-23-9 Adjournment: Joe made a motion to adjourn the meeting at 7:32 pm and Hal seconded the motion. The motion was approved by unanimous vote. [12-19-23-9]