



Lost Lake Utility District

Regular Meeting Minutes

404 Lake Court, Dixon IL at 6:00 PM

September 19, 2023

Trustees Present: Hal Warren, Vice Chair; Joe Bajko, Trustee; Ray Ford, Trustee;

Anne Harms, Trustee; Laura Lauzon, Trustee; Rick Reardon, Trustee

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

Absent: Cheri Kemp, Chair

- I. **Call to Order and Roll Call:** Hal Warren 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 Ray seconded the motion. The motion was approved by unanimous vote. [09-19-23-1]
- IV. **Guest/Public Opinion**
- V. **Approval of the August 15, 2023 Regular Meeting Minutes:** Rick made a motion to approve the August 15, 2023 Regular Meeting Minutes and Joe seconded the motion. The motion was approved by unanimous vote. [09-19-23-2]
- VI. **Treasurer's Report:** Julie provided financial reports to the Board and read into the record the report for period ending August 31, 2023.

Operating Account: beginning balance \$136,565.87; receipts \$78,156.07; expenditures \$43,748.36; ending balance \$170,973.58. *Project Fund:* beginning balance \$21,279.74; receipts \$24.19; expenditures \$17,744.94; ending balance \$3,558.99. *Debt Service Bond Fund:* beginning balance \$176,142.89; receipts \$32,048.74; expenditures \$435.00; ending balance \$207,756.63. *Money Market Fund:* beginning balance \$72,713.53; receipts \$173.54; ending balance \$72,887.07. *Equipment Replacement Fund:* beginning balance \$13,569.75; receipts \$17.29; ending balance \$13,587.04. *IMRF Fund:* beginning balance \$7,149.25; receipts \$4,768.63; expenditures \$2,578.45; ending balance \$9,339.43.

Anne made a motion to accept the Treasurer's Report and Rick seconded the motion. The motion was approved by unanimous roll-call vote. [09-19-23-3]

VII. **Office Manager's Report**

- **A/R Aging Accounts:** Past due accounts currently total \$40,069.79. Statements and Final Notices will be sent next week. One of our past due accounts is asking for late charge forgiveness of \$400 due to hardship. This customer owns 2 lots, didn't pay for 2 years, then started paying in May due to a prelien notice they received for their balance of \$1,500.32. The customer agreed to pay \$250 per month with a \$20 late fee waived with each payment received. Since May, we have collected \$1,100 of this debt and forgave \$80 of late fees. After discussion, the Board agreed to meet halfway and forgive \$200 of the late fees. The Board also feels that we need to develop an internal policy to help with standard practices for collections.
- **Online Utility Exchange:** Beth presented a brief overview of Online Utility Exchange, an online software that assists with customer screening and collections. Online Utility Exchange is highly recommended by IRWA members. The 2 main causes of utility debt are: fraudulent accounts, and not accurately assessing the risk of doing business with applicants. The utility-specific software provides fraud prevention and risk assessment for each applicant by pulling a soft credit check, confirming identification, and listing other utilities where the applicant has outstanding debt. A green, yellow, red risk rating allows us to reward applicants with good credit and allows the possibility of adding tiers to our deposit policy (higher risk = higher deposit). The Online Utility Exchange also assists with collections using their proprietary nationwide network of utilities

and property management companies sharing data to eliminate bad debt. The database is scrubbed every night with contact information updated automatically in the system. Collectors will start calling our past due accounts one business day after uploading the data. Collections benefits: no setup, monthly, or annual fees; flat contingency rate (35% of balance collected); 24/7 access via the ONLINE website; collection accounts reported to all 3 major credit bureaus; industry-leading recoveries; 1,000+ clients nationwide. Applicant screening costs \$30/month plus \$3.15 per applicant. Beth recommends that this software be used in combination with our new application process.

VIII. Old Business

- **Water System Update:** Maguire Iron will be inspecting the water tower tomorrow. A service line at 403 Birch had to be repaired due to a broken valve.
- **WWTP Update:** A sewer shutoff was added to the 403 Birch sewer line. Chad confirmed that this home should be charged for sewer usage. 4,000 gallons of sludge was hauled today, and the next haul will be in November. The WWTP is running clean. The results are perfect. The Board discussed whether to proceed with the IEPA compliance adjustments. Chad feels that we should proceed to stay in compliance and to help improve our processes. The engineer wants to aerate additional tanks and add media to assist with bacteria.
- **Budget Committee Update:** A proposed 2024 budget was distributed to the Board. \$584,920 will be needed from water/sewer revenue to cover the budget. Categories of interest: audit is up \$6,000 from prior year; legal has increased due to additional clarifications requested from attorney and the potential for legal counsel needed in regard to the IEPA; admin expenses are higher to cover the need for high speed internet and computer protection and support; engineering is significantly higher; answering services can be redistributed as we do not have these services; electricity at the WWTP will go up once new aeration systems are in place (Chad recommends looking into solar options). Julie will revise the proposed budget to redistribute answering services funds to other categories. The revised proposal will be emailed to Board Members to approve for public inspection.
- **Homestead Rate Committee Update:** The committee will be meeting again soon to continue discussing options for property owners with multiple lots. Joe mentioned that Elizabeth Young who helped write our original Ordinance would be happy to help explain intent and history, if needed. He also restated his view of lots & parcels Laura mentioned that this is a small part of the whole picture and will be taken into consideration.

IX. New Business

- **Water & Sewer Rates for 2024:** The Rate Committee presented a preliminary rate structure to the Board. To build in a cushion for inflation and additional budgeted items, a 14% increase is recommended.

	<u>Current / Bill</u>	<u>Recommended for 2024 / Bill</u>
Water Usage	\$ 81.60	\$ 93.02
Sewer Usage	\$ 110.00	\$ 125.40
Water Availability	\$ 24.68	\$ 28.14
Sewer Availability	\$ 24.68	\$ 28.14

- **Application for Services Process:** Beth presented a draft Application for Services to the Board. The new application will request information based on recommendations by IRWA and other utilities. Requiring this application will give us the pertinent information needed to complete screenings and assist with collections. An application fee of \$30 is recommended to cover the admin costs, screening costs, etc. The application is a working document that we can continue to discuss at the next meeting.
- **Move Loan Funds to CD:** Our Central Bank Line of Credit balance needs to be transferred by October 15th for our water tower painting. The Board feels that it is in our best interest to transfer the funds to a short-term CD that will generate 5% or more interest until we need to pay for the water tower painting. Rick made a motion to approve the transfer of funds from Central Bank to a CD and Laura seconded the motion. The motion was approved by unanimous roll-call vote. [09-19-23-4]

- X. **Adjournment:** Joe made a motion to adjourn the meeting at 7:37 pm and Rick seconded the motion. The motion was approved by unanimous vote. [09-19-23-5]

The next Regular Meeting will be held on October 17, 2023 at 6:00 PM.

September 19, 2023 Motion List

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09-19-23-2 Approval of the August 15, 2023 Regular Meeting Minutes: Rick made a motion to approve the August 15, 2023 Regular Meeting Minutes and Joe seconded the motion. The motion was approved by unanimous vote. [09-19-23-2]

09-19-23-3 Treasurer's Report: Anne made a motion to accept the Treasurer's Report and Rick seconded the motion. The motion was approved by unanimous roll-call vote. [09-19-23-3]

09-19-23-4 Move Loan Funds to CD: Rick made a motion to approve the transfer of funds from Central Bank to a CD and Laura seconded the motion. The motion was approved by unanimous roll-call vote. [09-19-23-4]

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