

MEETING MINUTES
SANGAMON VALLEY PUBLIC WATER DISTRICT
REGULAR BOARD MEETING
JUNE 17, 2019
5:00PM

Held in the Olen G. Parkhill, Jr. Water Treatment Plant Conference Room

MEMBERS PRESENT: Bob Buchanan, Meghan Hennesy, Mike Larson, Bud Parkhill, Mike Melton, Frank Howard, Kerry Gifford, Lindsey Stroud-Rodts

MEMBERS ABSENT: None

GUESTS PRESENT: Volo Broadband CEO Peter Folk & associate, Joe Pisula & Tim Cowan of Donohue & Associates, and Greg Douglas & Garrett Kerr of Martin Hood

1. CALL TO ORDER: Chairman Hennesy called the meeting to order at 5:05pm.

2. APPROVE AGENDA: Chairman Hennesy asked for any changes to the agenda, none were noted so she asked for a motion to approve the agenda.

Motion was made by Mike Larson and seconded by Bud Parkhill to approve agenda. All voting yes, motion carried.

3. PUBLIC COMMENT: Chairman Hennesy opened the floor to Volo Broadband CEO, Peter Folk. He is the primary owner, and started the company in 2002. Volo started doing more with fiber in 2007, and just entered Mahomet last year. They are in Hunter's Ridge area currently, working on Sandy Ridge, and are looking at more areas up to the back fence of our property, as well as the mobile home area. Volo is a smaller company that won't give any headaches and is willing to work with everyone, said CEO Folk. Peter asked for any questions from the Board (see below). Mr. Folk originally called inquiring about hooking up to a hydrant in Sandy Ridge subdivision to use water for the boring equipment in that area, and spoke to Mr. Gifford, who recommended that Mr. Folk attend the Board Meeting on this date.

- Mr. Parkhill asked where Volo Broadband is based out of. Mr. Folk stated they are based out of the Urbana area.
- Mr. Gifford asked Mr. Folk if he needed to obtain a permit from the Village of Mahomet. Mr. Folk stated that yes, when crossing right-of-ways, a permit is needed.
- Mr. Gifford mentioned that we are very interested at looking for someone to be in partnership to work with the Home Owners Associations, such as Briarcliff or Thornewood, to get the word out about a company that is willing to be flexible with what our District is capable of providing. Mr. Folk stated he is very much in favor of working with Home Owners Association. He is aware some level of inconvenience will be caused, but will also be providing some level of benefit because with the addition of fiber it can increase the home value by about 3-5%, or somewhere in that range. He feels that working with the Homeowner's Association is the right way to do that. They prefer partnering with them so that they can figure out a way to make it work financially for all parties.

- Mr. Parkhill asked if Volo subcontracts out. Mr. Folk stated no, that is all done with Volo crews.
- Mr. Parkhill asked if they do much trenching or boring. Mr. Folk stated they do as much boring as they can, or as much plowing as they can. Plowing leaves very little disturbance when done and it goes much quicker. Mr. Gifford asked how deep in the ground they are when plowing. Mr. Folk stated it depends, but they can go as deep as about 42 inches, but try to stay around 24 inches. With boring he stated they can go as deep or shallow as they need to. Relatively little open trenching is done. A lot more lines can be avoided if trenching isn't needed. Mr. Folk stated that they often do rear easement, in order to get two houses with one backbone.
- Mr. Gifford asked if Mr. Folk would be willing to work with the Homeowner's Association on the layout and design. Mr. Folk said yes. When they know they are going into an area, they reach out to the people there and gauge the level of interest in services. His associate will come out when they are ready to layout and meet with 4-5 people to unsure no service line, sump pumps, etc, are hit.
- Mrs. Hennesy asked if Volo has the capability to move farther norther beyond our property. Mr. Folk stated that they have the technically ability to, yes, but they haven't looked at the financial ability yet. They did look at the financial ability of Prairie Crossing, and briefly talked with the Homeowner's Association but didn't get very far, so they have not moved forwarded at this time. They have also looked at Fox Run and have heard much interested, however, this was before CCG has come in. Mr. Folk suggested possible going together to the Homeowner's Association with our District to help each other out. Mr. Folk noted that the less dense the area, the more costly is becomes.
- Mr. Parkhill asked how many fiber optic companies are in the Greater Mahomet area at this point. Mr. Folk stated Volo and CCG (planning to enter the market soon). Cerbian is also a group doing work for governmental facilities, like the school, and businesses.
- Mr. Melton asked what specifically Volo provides. Mr. Folk stated they provide internet and phone service. TV isn't provided directly, but cable packages can be provided via internet such as Direct TV, YouTube, etc.
- Mr. Melton ask what the ranges of prices are for homes. Mr. Folk stated that it depends on the subdivision and the service provides. Most areas range between \$30 - \$60/month for the fastest available, which is capable of 1000 megabits, but they are .
- Mr. Larson asked if there is an up-front commitment fee. Mr. Folk states that they work with people on a variety of different basis. For example, Sandy Ridge is no up-front cost if you are getting the \$60/mo package. If you are getting the lower services the up-front cost is around \$150. There is a 1 year agreement with free installation as well.
- Mr. Larson asked Mr. Folk for a business card, and Mr. Gifford asked for a hand full of them to pass out to interested residents.
- Mr. Larson asked about the fees for the Pine Tree area as well. Mr. Folk stated theirs are a little bit higher because they are further out. He thinks they are around \$65/mo, additionally each home paid \$1,500 for infrastructure. They also have looked at the Thornewood area, and that cost would be about \$500 per home based on the estimate at that time. At this time they may be able to eliminate that depending on which areas continue to get service. The challenge is not finding a financing model that works, the challenge is with getting the Home Owners Association to commit to what they want to get. If they can commit, Volo can figure out something that works for them.
- Mr. Gifford state that there are some things we at the District can do to assist, we just cannot take on the infrastructure costs for damages. We can help with locating and directing. Mr.

Folk stated Volo has to check locates on their end as well. They would rather avoid hitting any lines if at all possible to avoid the cost and the upset homeowners.

- Mrs. Hennesy requested some business cards as well. She stated CCG came to the District and it raised concerns with us for our customer's regarding what we own not being in the public right of way. We would love to be able to give our customer's another option and a different approach to what we have experienced so far.
- Mr. Folk and his associate from Volo left the meeting.

4. NEW BUSINESS:

A) Road and Drainage Improvements: Joe Pisula and Tim Cowan of Donahue & Associates – Tim joined the first week of January with Donahue. Tim and Joe presented 4 sets of plans. Joe met several weeks ago with Kerry and Bud to go over the details of the plans. Also had a discussion a couple weeks ago with Larry Cowger about doing some of the drainage type of work. This work is mostly drainage and asphalt type work. They are here tonight to note that the design is done, and are seeking approval to begin the bidding process. On the presented schedule of events, item # 5, if approved, they could put the project out for bids as early as next week. The schedule is still tentative, but they are hoping to get this small job done before winter time. Tim discussed the Cost Opinion. Phase 1 & 2 is roughly \$57,000. This is the scope of services they are wanting to bid out at this time. There are a couple options below this section with some potential cost savings. Phase 3 is essentially cutting a ditch. Larry will be getting a price for the District on that. Phase 4 is the west access drive bridge. There is grade there, it just needs re-cut and maintained. This is mostly ditch grading. The schedule should be adjusted for opening bidding the 2nd week of July. During the July Board Meeting we can decide what bids will be approved and when the work can be completed depending on those bids. Meghan stated that the Board will review this and make a decision later down in the meeting tonight and will let them know for sure. Joe Pisula and Tim Cowan left the meeting.

B) Board Approval of 2018 Audit: Chairman Hennesy gave the floor to Greg Douglas from Martin Hood and Associates. Greg was the manager on the audit, and with him is Garrett Kerr. Garrett was the in-charge audited and is a Senior Associate working at the firm. This was his first year working on the audit for the District, so he was able to provide a fresh set of eye. Mitch Sluder, who was the partner in the audit was not able to be present. Greg gave the floor to Garrett to present the 2018 Audit. Garrett presented the audit to the District. First to note, is the audit report itself. He noted on pages 1 & 2, Martin Hood states their opinion, which is clean and unmodified. Their opinion covers everything in this report, except for the last two pages of the report. A clean opinion means the format of the financial statements and the disclosures that are in the notes section are consistent with current generally accepted accounting principles, and the disclosures are supported by the financing records of the District. The next to note on pages 3-11 is the Management's Discussion. This is something Martin Hood reviews and compares to the financing information they were given and it is supported by their opinion. On page 12, the Balance Sheet was reviewed. Page 13 is the Income Statement. Things were very consistent with revenues and expenses year over year. Donated property has dropped year over year. Non-operating revenues decreased as well due to the slower subdivision growth. Page 14 notes that Cash Flow Statement. For the 9th consecutive year, the District's operations have had a positive cash flow which is really important and meaningful in terms of future projects and development. In the Notes accompanying the financial statements, is very similar to last year. The last two pages include schedules of active insurance coverage that the District has, and the 2nd schedule is operating statistics provided by management. Next Mr. Kerr discussed the letters to the Board and Management. First discussed was the Management memo. This is what Martin Hood provides to management on ways to improve controls, processes, and procedures. No major weaknesses were found, and

the same suggestions were noted on last year's audit. The Board memo was discussed next, which details how the audit went from a procedural standpoint. There were no difficulty working with the management team while conducting the audit. The last thing Martin Hood needs to complete is getting the AFR sent to the Illinois Comptroller. Chairman Hennesy requested a motion to approve the 2018 Audit as presented. **Motion** by Larson, 2nd by Buchanan to approve the 2018 Audit. All voting yes, motion carried. Greg and Garrett left the meeting.

C) Review of New Ordinance – Horizontal Directional Drilling rough draft ordinance was presented to Board by GM Gifford. He stated that he did experience some difficulties finding information pertaining to Horizontal Directional Drilling (HDD), so much of his information came directly from OSHA's (Occupational Safety and Health Administration) website. The ordinance discusses safety measures for drilling, and process and procedures for locating and exposing water/sewer lines, specifically by pot-holing. Next the ordinance contains a definition section for industry specific terms. Kerry mentioned that he did speak to Patrick Brown at the Village of Mahomet, and they do not currently have any ordinances related to HDD. Larson stated that this ordinance should be specific to HDD, but expands to any construction, digging, plowing, or locating, etc. Chairman Hennesy recommend the ordinance being a standard Construction Safety Guidelines, then bullet pointing all of the different types. Larson also recommended specifically stating that we will located water mains, owned by the district, but not service lines that are not owned by the District. Chairman Hennesy stated we could add this to Old Business after the revision is done and review at the board meeting when ready.

5. SECRETARIES REPORT: Chairman Hennesy asked if everyone had a chance to review the secretary report for the May 22, 2019 regular board meeting. She asked if anyone had any changes, corrections or additions. Chairman Hennesy asked for a motion to approve secretary's report/meeting minutes from May 22nd, 2019. **Motion** by Larson and seconded by Howard to approve the secretary's report from May 22, 2019 regular board meeting. All voting yes, motion carried.

6. TREASURER'S REPORT: General Manager Gifford reviewed items on the current accounts payable report. Updated Accounts Payables reports were handed out at the meeting to note that 95% of everything has been switched from the Fisher Bank account into the First Mid Bank account. Parkhill asked about the \$25 service charge from First Mid. Stroud stated she believed that was just from opening the account, but she would research further to confirm and report at the next meeting. Parkhill and Gifford stated we shouldn't be charged a monthly service fee. Gifford reviewed all charges over \$1,000 from the June 17th Current Accounts Payable report:

- Cincinnati Insurance Company
- CC Reimbursement – Seymour Water District
- Ameren for May 2019
- Health Insurance (LGHP)
- Donohue
- Bulk Salt
- 2018 Audit – Martin Hood
- Midwest Meter
- Express Employment
- Portable Crane
- Water Solutions Chemicals

- Total - \$62,224.00 for May 21st – June 17th, 2019

Expenses are improving overall compared to the beginning on the year. Next Gifford reviewed the projected payables for June 18th-June 22nd. Gifford also reviewed the Income & Expense report. Overall revenue is down about 9% for the year. Expenses are pretty standard. We have about \$1.5 million in unrestricted net cash to use for operating activities right now. Gifford stated that the housing market is slow this year which is part of the cause for the decline in revenue. Chairman Hennesy asked if anyone had any questions concerning the report, hearing none asked for a motion to approve report. **Motion** by Buchanan and seconded by Howard to approve the accounts payable report for May, June, and July. All voting yes, motion carried.

7. GENERAL MANAGER'S REPORT: Before reviewing the GM report, GM Gifford noted that he and Mr. Parkhill had a meeting with the Mahomet Fire Chief regarding plans for a new service line for a site they just purchased where a potential fire station could be built several years from now. Gifford stated they want to pay a fire service fee to eliminate the need to install a pit meter at this location. Parkhill stated that our District's policy is that everyone is metered, and that they should be metered the same and pay for what they use. Larson stated that the District could discuss charging a different amount for use, but that we still need to meter the location to track the usage. Gifford stated he asked Donohue to help develop some maps and plans for the Fire Department to send to them for assistance regarding water lines and then another meeting will be set up. Chairman Hennesy agreed that metering is separating from pricing and that the District would entertain discussing pricing, but metering has to be done. Upon testing Gifford discovered that it would also be necessary to have a flow reducing value. This will be a slow process and will probably be done in phases since this is a taxing body. Gifford stated we will need have a written agreement on the terms from the District's perspective.

Gifford wanted to note on the GM report the EPA inspection on the Sewer Plant and everything went fine. This fall we will begin discussions of facility planning to expand the Wastewater Treatment Plant. See attached GM report below for all details.

- **Income:** With the continuous wet weather in the month of May water sales remain below budget forecast amounts by 8.8%. Total operating revenue is 8.9% off for the year. Non-operating revenue through May is at \$40,499.48. The District received 8 new housing start permits issued through June 11th. This year continues to be a very slow year for new housing starts.
- **Expenses:** Overall Operating Expenses are trending above average with the budget through the end of May. Major sewer repair work at Lake Ridge Court, water main break at Golf Dr., repairs to the sewer plant effluent lift station pump, electrical controls, and Engineering cost are the major drivers to higher than normal expenses.
- **Meter Reading:** 13 meters were estimated in the month of May with 1,862 accounts billed. The May average water usage per customer were as follows: Homeowners 5,367 gallons, Candlewood 2,837 gallons.
- **Water Treatment Plant Chlorine Disinfectant:** Water solutions will be providing equipment to feed ammonium sulfate. Ammonium sulfate is the product of choice because it does not have all the safety issues that are involved with feeding aqueous ammonium.
- **Water distribution System:** Water loss for the month of May was near normal at 7.6%.
- **Water plant building issues pricing:** The plan is to fix the moisture problem around the Iron filters duct work. All other issues will not be addressed at this time.
- **Wastewater Plant and Collection System:**
 - **Wastewater Plant:** We had no major operation or maintenance issues in May. Chlorine disinfection for fecal coliform inactivation is now in operation.
 - **IEPA Inspection:** The five year inspection of the wastewater plant and collection system was completed this month. The inspector did state that theoretically the lagoons are over the design

parameters for pounds and hydraulic loading.

- **Collection System:** We had no sewer back-ups in the month of May. With the very wet month Inflow and Infiltration flows to the sewer plant peaked at 4 times the annual average flow.
- **Subdivision Updates:**
 - **Prairie Crossing 5:** Sewer and Water installed and we are waiting for clean bacteria test results and pressure testing of the water main before we apply for an operating permit.
 - **Ridge Creek IV:** Unlimited Construction provided the final maintenance bond with the correct amount of surety. This development is now in the one year maintenance bond warranty period.
 - **5th Addition to Thornwood Phase II:** Sewer and Water installed and we are waiting for clean bacteria test results and pressure testing of the water main before we apply for an operating permit.

8. OLD BUSINESS:

A.) Update – Northward Expansion of Water System a.k.a People’s Gas:

Chairman Hennesy, Parkhill, and Gifford attended a meeting with Sen. Chapin Rose, via video conference, with the Lieutenant Governor. The meeting was to bring attention to the people that have contaminated water. However, the meeting was more or less left in the same state that it has been in. Chairman Hennesy asked what the District could do. The District agreed to have Donohue updated plans for the expansion on the District’s dime. New homes are now popping up that did not test positively previously at significant levels of gas. We will get that update into Sen. Rose’s hands and see if anyone can locate funds for us to proceed with the expansion. Since we are a user based District we don’t want to put that cost on our current customer’s, we are happy to be part of the solution, but we need funding to participate.

B.) Update – Campus Communications Group Fiber Optic to Mahomet:

The letter that was approved last month was mailed to the residents of the District. Stroud stated that we have gotten feedback from the residents in the office. There is a lot of confusion, a lot of residents don’t even know that this is happening in the area. A lot of residents are upset, and the verbiage in the letter, according to the residents, sounds like we don’t want to be part of the solution, when in reality we just want to let people know what we are and are not liable for. We have also had a handful of residents that did really like the letter, and appreciated that we were informing them. We mixed feedback all around. Gifford stated there are people upset about potential damage to the right-of-ways. Chairman Hennesy recommended creating an update next month to the residents. We should continue to do our best to be up-front and see what we can do to keep communication open regarding this moving forward. She also recommended tracking the feedback to create a frequently asked questions list that we can post. Gifford also stated that we need to get a letter to the Homeowner’s Association and also get something up on Facebook. We should continue to keep saying that we are only in control of what our Ordinances’ state. We are not a taxing body, and we don’t own public right-of-ways. She also suggested tracking the subdivision of the residents providing feedback. Larson stated that as far as we know CCG has only been to the Village of Mahomet, but we are unsure if they have spoken with the Mahomet Township or the Homeowner’s Associations. Gifford stated that he was told the Village’s plan and CCG’s plan was to pressure the Water District. Larson stated that we need to stay ahead of this so that we are not made out to be the bad guys. Larson also suggested having a public forum and invite everyone to come so that we can explain the facts of what is going on. He stated that he is happy to plan a part in that forum. He stated that they know enough folks in Briarcliff that we could ask a family to host a place for us to meet, and the same in Thornewood. Gifford stated that he would like to see someone on the District’s Board have a heartfelt talk with someone on the Village Board about this. Chairman Hennesy stated she is happy to go to Village and stand up at the podium and speak on this. She also stated that the District could set up interviews with the Mahomet Daily and the Mahomet Citizen if they want to and see if they are interested in running a story about this.

Chairman Hennesy stated that at some point over the next week or two have herself, Gifford, and Stroud work on a communication plan to reach out to those Homeowners, work on the letter, how we schedule open forums and possibly have them come to the Water Treatment Plant, but it might be better attended in individual subdivisions. Once this is done, it can be presented at the next Board meeting for approval.

9. EXECUTIVE (CLOSED) SESSION:

No Closed Session was held.

10. ADJOURNMENT:

Motion by Howard to adjourn at 6:51pm.

Respectfully submitted,

Lindsey Stroud-Rodts
Secretary, Board of Trustees