

MEETING MINUTES
SANGAMON VALLEY PUBLIC WATER DISTRICT
REGULAR BOARD MEETING
JUNE 22ND, 2020
4:00PM

Held via GoToMeeting

MEMBERS PRESENT: Bob Buchanan, Bud Parkhill, Meghan Hennesy, Mike Larson, James Ingram, Mike Melton, Michelle Grindley, Kerry Gifford, Lindsey Stroud-Rodts. A Quorum was present.

MEMBERS ABSENT: None

GUESTS PRESENT: None

1. CALL TO ORDER: Chairman Hennesy called the meeting to order at 4:02pm.

2. APPROVE AGENDA: Chairman Hennesy asked if everyone had a chance to review the agenda and if there were any recommended changes to the agenda as presented. No changes were recommended.

Motion by Melton to approve the agenda as presented, 2nd by Parkhill. All voting yes, motion carried.

3. PUBLIC COMMENT: None

4. NEW BUSINESS:

A. Introduction New Board Member – Michelle Grindley – Chairman Hennesy and the Trustees welcomed Grindley to the Board. Grindley shared that she is excited to be on the Board, she works at a real estate company and lives in Mahomet with her daughter and husband and they have been in the area 7- 8 years this time, and previously lived in area for about 13 years. Chairman Hennesy let the rest of the Board know that later this week she, Gifford and Stroud will have an introduction meeting with Grindley to share more details pertaining to her duties.

B. Donohue Northward Water Expansion Phase 1 Discussion - \$6,200 - Gifford noted that this is a short task order prepared by the District Engineer. This task order is a preliminary study to determine easements and what side of the road the water main would be on, as well as land owners. He also noted that this would potentially be reimbursed to the District should the funds become available from the State for this project to provide water to those affected by the People's Gas leak issue. Gifford also noted that once locates are completed, we will GPS those locates so we are prepared ahead of time. Gifford noted that he is requesting Board approval for this project because it wasn't previously approved through the 2020 Budget. Chairman Hennesy

asked if Gifford felt this was the right time to engage in this work due to the fact that Senator Rose has indicated that the budget for the funds has been approved, but we don't know a time frame on when we could receive those funds. Gifford noted that for this project it is a must do, but when we do it is up in the air right now because we don't know when the funds will be released so we may be waiting awhile to get reimbursed, however, this is a small amount. Melton asked if the services would be higher for those new customers due to higher costs to install or if those fees would be spread throughout the District. Gifford reiterated that this money he is asking for approval on is only for a preliminary study and the money would be reimbursed from the State. Parkhill suggested that this project needs to stand on it's own two feet and we should not burden the existing users of the District in any way, and noted that the new customers could have a different rate structure. Gifford confirmed this. Parkhill stated that the \$6,200 is not wasted, but we may be sitting on this for who knows how long, but that it is a good investment to show our good faith that were willing to help these folks. Chairman Hennesy agreed and suggested to approve this tonight to at least get Donohue started and in conjunction with this, also scheduling some meetings with Capin and Carol Amons to see what we can do to help expedite the process in releasing these funds to us, since that is the missing piece right now. Melton also asked about the 4" line being enough. Gifford stated that it is 6", and then will get reduced to 4" and some 2" due to EPA not wanting stagnant water. Gifford also stated that this would be rural water only for domestic potable use, and this will not be a fire protection district. Larson asked to clarify that the dollar amount is for \$6,200.00 and not \$62,000.00. Chairman Hennesy confirmed it is for \$6,200.00.

Motion by Larson and 2nd Ingram by to approve Donohue's Northward Expansion Task order in the amount of \$6,200.00.

Roll call vote was taken as follows:

Roll call vote:

Hennesy – Yes	Buchanan – Yes	Larson – Absent	Parkhill-Yes
Ingram – Yes	Grindley – Yes	Melton - Yes	

All present members voting yes, motion carries.

- 1. Approval of Sub-Committee** – Chairman Hennesy noted that following weekly discussion with Gifford and Stroud she felt it was prudent to establish a sub-committee for the purposes of discussion regarding Northward Expansion due to the People's Gas issue. She noted that herself, Parkhill, Gifford, and Stroud have already volunteered and asked if any other board member wanted to join and was seeking full board approval. None requested to join. This committee wouldn't be making an decisions, it would just be a committee that does a lot of the ground work and coming back to the Board at large and what they find out in respect this project. Parkhill noted that this sub-committee would also be asking a resident of the affected area, Jim Risely, to sit in on the sub-committee as well. Chairman Hennesy stated that Mr. Risely has already agreed to join and she felt it was important to have him as a member of the community. Parkhill also noted that he serves on the Aquifer committee and has the ear of the folks also affected by the issue.

Motion by Melton and 2nd Buchanan by to approve sub-committee for the Northward Water Expansion Task Force. All voting yes, motion carries.

2. **Approval of Law Firm – Webber & Thies** – Chairman Hennesy noted that they had approached this firm due to their expertise in this arena and they could help us with this project. Gifford also noted that we worked with them years ago for a prior expansion and a specific attorney used to be an EPA attorney. Gifford agrees that this would be the best firm for this project.

Motion by Parkhill and 2nd by Melton to approve the use of law firm Webber & Thies for this water expansion project.

Discussion held prior to vote: Larson asked for clarification to confirm that the funds paid to us from the State would be used to pay these attorney's fee and Chairman Hennesy confirmed that that is the plan, contingent on us receiving the funds from the state. She also noted that we will have to start a new budget line item as to separate this out and start tracking this separately. Gifford added that until the money is released we may have some costs and we may need to have later discussions to decide how much the District is willing to spend ahead of receiving the funds. Larson noted that he was a bit reluctant to move forward with an attorney at this point until we have the funds or have a reason to need an attorney. Gifford confirmed that it isn't necessarily needed yet but wanted to have the board approve to use this firm when the time does come. Chairman Hennesy agreed that this is really just a preparatory step at this point.

Following discussion - All voting yes, motion carries.

5. SECRETARY'S REPORT:

A. Approval of Minutes from Regular Meeting held May 26th, 2020 – Chairman Hennesy asked if everyone had a chance to review the minutes and if there were any changes. There were none.

B. Approval of Minutes from Closed Meeting held May 26th, 2020 – Chairman Hennesy asked if everyone had a chance to review the minutes and if there were any changes. Parkhill noted a typo. There were no other changes recommended.

Motion by Buchanan and 2nd by Parkhill to approve regular and closed meeting minutes with changes and to keep closed minutes closed due to ongoing litigation. All voting yes, motion carries.

6. TREASURER'S REPORT:

Approval of Accounts Payable listing for April, May & June 2020 – Gifford reviewed the Income and Expense Report and all A/P listings over \$1,000.

- Altorfer Inc. - \$12,560.75 /92 months worth)
- Ameren Illinois - \$12,763.15 (2 months worth)
- Bulldog Automotive - \$1,466.67
- Call-Em-All - \$1,350.00
- CMS - \$5,055.00

- Cox Electric - \$17,401.00
- Donohue & Associates - \$1,739.90
- Express Employment - \$1,440.00
- Ford City - \$1,289.97
- Gunther Salt Company - \$8,724.35(2 months worth)
- IMCO - \$1,891.70 (2 months worth)
- Main Street Fencing - \$1,485.00
- Meyer Capel - \$1,196.50
- The Cincinnati Insurance Company - \$2,146.00
- Twin City Electric, Inc. - \$7,106.00
- Water Solutions Unlimited - \$1,297.71

Motion to approve Treasure's Report as present for a total of \$85,159.73 by Melton and 2nd by Buchanan. All voting yes, motion carries.

7. GENERAL MANAGER'S REPORT: Gifford reviewed the GM Report below.

General Manager/Treasurer Report May 2020.

District Covid-19 Operations: The district current level of operation is at a level 2 which means the virus is considered to be at a cautionary level to the public health. The operational level 2 allows for the office staff to work from the office but at separate times to insure social distancing. Lindsey schedule will be office in the mornings/home in afternoons. Angie schedule will be the opposite office in the afternoons/home in mornings.

Treasurer report:

Income: Water sales for May were typical at \$131,406.75. Total operating revenue for the month was \$136,001.46. **The water district continues not to collect \$3,000/month in penalty and reconnect fees.** Non-Operating revenue continues to be strong for the year at \$80,947.54. The District has issued 19 new housing start permits through May 31st.

Expenses: Operating expenses through May are 6.4% below budget. The delay in purchasing equipment such as the new truck is the reason for lower than expected expenditures. The District will maintain a conservative approach with large purchases through-out the Covid -19 crisis.

Meter Reading: 12 meters were estimated in May and 1,903 customer accounts were billed. The May average water usage per customer were as follows: Homeowners 5,375 gallons, Candlewood 2,944 gallons. The amount of water usage due to people staying home (Covid -19) did not change.

Water Plant and Distribution System:

Water Distribution System: The unaccounted for water loss through May is at 6.4%. The District typical unaccounted for water loss range is between 3% - 6%.

Water Treatment Plant: Pur-IX softening system is not producing expected water hardness. The rinse pumps head dynamics are rated too low to reach the required rinse water gpm. I will discuss increasing the rinse pump size with Tonka Water.

Wastewater Treatment Plant and Collection System:

Wastewater Plant: Effluent disinfection to the river for seasonal fecal coliform deactivation is now in operation until October 31.

Collection System: We had no sewer back-ups in the month of May. Thornwood replacement generator will arrive this week.

Subdivision Updates:

Ridge Creek 5th addition: The developer provided the construction bond letter of credit in the amount of \$330,000 and paid the north east trunk line hook on fee in the amount of \$22,210. The water district board approved the construction plans at its May board meeting and I signed off on the IEPA application for permits.

8. OLD BUSINESS:

A. COVID 19 Updates

1. Community discussion/Penalties – Chairman Hennesy noted that we are still waiving penalties and are not shutting anyone off. She believes that is still the right thing to do, but wanted to bring it up to the board for discussion. The board decided to keep things as they are with still waiving penalties and not doing any shut offs. Chairman Hennesy noted that in the weekly meeting with Gifford and Stroud there was conversation around a donation relief fund and she asked if the board wants to budget funds aside for those in the community that might need assistance. She suggested rolling that out as a public outreach program and PR piece, and that we are working with folks and to keep a tally on how we are helping the community. She suggested possibly offering a way to add \$5.00 or another amount to water bills for those customer's that would want to donate and help out those in need. Parkhill voiced concerns about where to draw the line if we do this. Chairman Hennesy suggested it starting with the customer's that are on our past due notice list. The piece that is missing is how to offer members of the community help their fellow neighbor out. Parkhill agreed that it is a noble cause and a good idea, but is concerned about opening up that can of worms. Gifford stated that he is concerned that we haven't seen the worse of this yet finically. He suggested starting this out around \$5,000.00 and go from there. Larson asked how would we determine who should get it and who should not, as we are not in the business of raising money to help folks in need. He agrees it is a great and noble idea but is concerned with splitting up that money equitably. Buchanan suggested helping customer's out that are only really struggling and setting a budget limit for that. Chairman Hennesy also suggested starting a process that determines who is the most needy and who has been in communication with us, she suggested tabling the discussion until the board has more time to think about it and bring it to the next board meeting.

2. Phase 2 – Cautionary Level with Modifications – Gifford reminded everyone about the Levels of Operation with the Pandemic. He stated that we moved to Level 2 modified, meaning everyone is working, but we are working on shifts in the office, so we are not in that small office room together. That being said, there are certain days of the month where Angie and Lindsey will be together, but all PPE requirements will be met in those

cases. Gifford also noted that he is concerned that we could be back up to level 3 or 4 in the coming weeks, but we will keep an eye on it.

3. Wastewater Testing – Chairman Hennesy noted that Gifford has shared some fascinating articles with her about what is possible with wastewater testing, much like the opioid crisis, and that Gifford is doing research to see what it would take for us to do wastewater testing for covid-19 in our area.

B. 2020-2021 Regular Board Meeting Schedule Approval – Chairman Hennesy noted after discussion with Larson, it seems the regularly scheduled board meetings could continue to be held on the 4th Monday of each month and a start time of 3:30pm worked for everyone. The Board all agreed to this day/time. Larson confirmed that joining remotely was still an option and Chairman Hennesy confirmed that once we are back in person, we would set up a screen in the board meeting room for that. Melton suggested going back to in person meetings as soon as possible. Chairman Hennesy noted that right now we are still trying to respect the Governor’s order and there isn’t really a way to remain 6 feet apart in the board room. She noted that we will keep working on getting face to face as soon as possible.

Motion by Ingram and 2nd by Parkhill to approve the 2020-2021 Regular Board Meeting Schedule. All voting yes, motion carries.

C. 2020 Water & Sewer Ordinance Discussion & Approval - Gifford noted that everyone received a copy of the most recent edition as well as the Attorney’s Letter to answer previous questions on some of the suggested changes. The questions/answers/discussion are as follows:

- a. **2.6 – Notice of Non-Payment: Can we charge a penalty on non-usage related service fees?** *Answer: Yes. The Public Water District Act does not restrict the setting or rates or charges. And charging a penalty is not by itself a discriminatory act. As with prior questions on the issue of variable rates, the District should justify the amount of the penalty by showing that the penalty offsets an increase in costs to the District. Discussion: Gifford noted that reason for this question was to see if we could charge for the fee the District incurs when we send someone to collections. In addition, we would like to charge a 10% fee for those over 30 days late on invoices for meter purchases/material parts/repair & Maintenance/Installation.*
- b. **2.7 – Delinquent Accounts: Can we charge a fee for re-activating the account after 90 days?** *Answer: Yes. Same answer as above. The Public Water District Act does not restrict the setting or rates or charges. And charging a penalty is not by itself a discriminatory act. As with prior questions on the issue of variable rates, the District should justify the amount of the penalty by showing that the penalty offsets an increase in costs to the District. Discussion: Gifford asked Stroud to clarify. Stroud suggested adding a “reconnection” fee of \$35 to re-activate a previous delinquent account.*
- c. **3.8.3 – Tap On Violations – Asked for attorney input on suggested \$1,000.00 penalty for any tap-on violations.** *Answer: This does not violate the Water District Act. The District should justify the amount of the penalty, as in other cases. Also, there may be some enforcement issues, as there often is*

with developers. This does not meet the traditional definition of trespass (i.e. "an unauthorized entry onto private property"), although it could be under certain circumstances. The typical remedy for trespass is the cost to repair or restore the property to its condition prior to the trespass.

d. 5.2 Plan Approval Procedures – Asked for Attorney Input -

Request for water and sewer services within the Village of Mahomet Boundaries – The Village of Mahomet shall make such a request for water and sewer service to the Water District Trustees in the form of a water and sewer service agreement. This agreement must be approved through a majority vote of both the Water District Trustees and the Village of Mahomet trustees prior to any Water District informal discussion with the Developer. The Water District Trustees will have the sole decision on rather to grant such a request. At no time may the Water District Trustee grant water and sewer service if the water and sewer treatment, collection, and/or distribution systems capacity will not meet current or future customer needs or may cause harm and/or compliance issue with the Illinois EPA.

Answer: The Public Water District Act explicitly permits these types of contracts and sets out no restrictions on those contracts other than the following:

§ 20. Any district organized under this Act may contract to supply water to any city, village or incorporated town owning and operating a waterworks system whether said city, village or incorporated town is located within the corporate limits of the district or not, and any such district may also supply water for public and domestic use in the area surrounding the limits of said district; provided, the supplying of such water is merely incidental to the maintenance and operation of its waterworks properties for the use and benefit of the inhabitants of such district.

70 ILCS 3705/20. If the District has decided to set conditions on how those agreements are entered into, the District is within its rights.

§ 10. Any public water district formed hereunder shall have the right to supply water to any municipality, political subdivision, private person or corporation located outside the limits of said district upon such payment, terms and conditions as may be mutually agreed upon, provided the water is delivered by such district to such party or parties at the corporate limits of such district or from such waterworks properties of such district located outside the district that have been constructed or acquired as necessary and incidental to the furnishing of water to the inhabitants of said district. 70 ILCS 3705/10

Gifford requested form the Board to approve the add ons from this draft and also recommended putting it out for public review for 90 days for comment. Chairman Hennesy stated that all of the suggestions seemed appropriate and agreed with the \$1,000 illegal hook on fee. Chairman Hennesy asked Gifford if he felt 90 days was too much time. The board agreed that 60 days would suffice. Larson asked Gifford if he felt that \$1,000 was a high enough fee for an illegal tap on. Gifford stated that a previous Board Member had originally suggested that, then Chairman Hennesy recommended this fee to be \$2,500.000. The board was in agreeance with the increase to \$2,500.00 for the illegal tap on fee. Ingram asked what happens when a tap on violation occurs. Gifford explain they will be charged the penalty, and then they will have to dig it up and repair it if it wasn't properly install. With no further discussion

Gifford asked for the board’s approval to add this suggestions in, then to put out the Ordinances for public review.

Motion by Larson and 2nd by Ingram to approve suggested additions to ordinances and put out for public review and comment for 60 days. All voting yes, motion carries.

D. Thornewood Access Road Updates – Gifford noted that he has to get with a gentleman from Thornewood that represents the developer. They have added more rock towards the end of the lane but it hasn’t been finished or tested and he isn’t willing to accept it in that condition. Right now we have easements ready to go, but we are waiting for the road to be completed correctly. Parkhill and Chairman Hennesy noted that they are able to assist if needed.

E. CCG/Thornewood/Briarcliff Updates – Gifford noted that they are on schedule and there have been no issues so far. No complaints at this time. They did hit a gas line in Thornewood and hopefully that means they will stop avoiding pot-holing. They are in Briarcliff right now. Parkhill asked if we heard back from them on the invoice. Gifford confirmed that we have not heard back and we were waiting on the Ordinances to be approved first in order to send to collections with the associate collections fee. Parkhill suggested finding out who their insurance company is to see if we can try to get reimbursement that way.

9. EXECUTIVE SESSION:

A. Update on Ongoing Litigation

Motion to enter Executive Session by Melton and 2nd by Buchanan at 5:15pm for the discussion of Ongoing Litigation (5 ILCS 120/2(c) by roll call vote as follows:

Roll call vote was taken as follows:

Roll call vote:

Hennesy – Yes	Buchanan – Yes	Larson – Yes	Parkhill-Yes
Ingram – Yes	Howard – Yes	Melton - Yes	

All present members voting yes, motion carries.

Motion by Ingram and 2nd by Melton to leave Executive Session at 5:19pm.

Roll call vote was taken as follows:

Roll call vote:

Hennesy – Yes	Buchanan – Yes	Larson – Yes	Parkhill-Yes
Ingram – Yes	Howard – Yes	Melton - Yes	

All present members voting yes, motion carries.

10. ADJOURNMENT:

Motion by Grindley, and 2nd by Hennesy to adjourn at 5:25pm. All voting yes, motion carried.

Respectfully submitted,

Lindsey Stroud-Rodts
Secretary, Board of Trustees