

**MEETING MINUTES
SANGAMON VALLEY PUBLIC WATER DISTRICT
REGULAR BOARD MEETING
OCTOBER 28TH, 2019
5:00PM**

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

MEMBERS PRESENT: Mike Larson, Bob Buchanan, Meghan Hennesy, Bud Parkhill, Mike Melton, Frank Howard, James Ingram, 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 4:55pm.

2. APPROVE AGENDA: Chairman Hennesy asked for any changes to the agenda. No changes were suggested.

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

3. PUBLIC COMMENT: None.

4. NEW BUSINESS:

A) Board Budget Meeting: Mr. Gifford stated that we typically schedule a meeting prior to the approval of the Budget during the December Regular Meeting. He suggested meeting together as a whole, or in a different way, maybe with just Mr. Parkhill and Chairman Hennesy first. Gifford stated he was looking for suggestions from the group. Chairman Hennesy asked about how it was handled last year. Gifford stated that last year it was done in December, however, this year, our regular Board meeting is scheduled for December 2nd, and that would be to approve the Budget, so we should have a meeting sometime prior to December 2nd to review the Budget first. Chairman Hennesy asked how the Board feels about scheduling a separate meeting, depending on schedules. Parkhill suggested picking a date and having those attend that can make it. Melton stated that he would not be able to make any meeting in November. Parkhill and Ingram stated they can attend something in November. Larson asked if the Budget was ready and if could be shared soon. Gifford stated that he could be finished in about a week. Chairman Hennesy suggested a meeting for the week of the 11th. Upon discussion, the meeting scheduled is for Tuesday, November 12th at 10:30am for those Board Members that can attend. Chairman Hennesy reiterated that this meeting is just to review preliminary numbers, but there won't be a vote on anything until the December 2nd Regular meeting. Larson stated

that he would be unable to attend but as long as he has notes from the meeting, and is aware of any substantive changes before hand that would be fine.

5. SECRETARIES REPORT:

A) Regular Meeting Minutes – September 23rd, 2019: Chairman Hennesy asked if everyone had a chance to review the secretary report for the September 23rd, 2019 regular board meeting. She asked if anyone had any changes, corrections or additions. Chairman Hennesy noted that on the Open Session, page 2 there is typo on the name Hennesy. Chairman Hennesy asked for a motion to approve secretary's report/meeting minutes from September 23rd, 2019 once the typo is corrected.

Motion by Larson and 2nd by Melton to approve the secretary's report (with corrections above) from September 23rd, 2019 regular board meeting. All voting yes, motion carried.

B) Closed Meeting Minutes – September 23rd, 2019: Chairman Hennesy asked if everyone had a chance to review the secretary's report for the September 23rd, 2019 Closed Meeting session. She asked if anyone had any changes, corrections or additions. Chairman Hennesy stated that under ongoing legal discussion B, 3rd line is says "discovery appropriating" and should be "discovery appropriately". Ingram stated that in the closed session minutes we approved the raise, and that portion of the minutes can be released because that is based upon that portion, but the other portion of the legal discussion needs to be held and secured. Larson asked why the wages would be public. Ingram stated because we made the motion, passed it, and released in the open minutes. Chairman Hennesy stated that we can only pass it in regular session, but the actual discussion about the personnel is confidential. Ingram disagreed. He stated that we revealed what we went into the session for, two reasons 1) personnel, and 2) legal. Ingram stated that it wasn't the motions he was referencing, but the information that can be released from the closed session regarding personnel since the motion was passed. Ingram stated that it can remain closed, or it can be removed. Chairman Hennesy proposed an example should this occur in the future, stating that if we, for example, were letting an employee go, we would go into closed session, and we can't let that employee go in closed session, we have to come out of closed session and then pass a motion to do that in open session, but you would not want to release that confidential employee information from closed session so you are suggesting that simply making the motion in open session opens that up? Ingram stated that maybe next time this happens what we need to do is re-word the motion, that discussion was given about an employee and a raise and at this time the board is considering doing that, which leaves everything in closed session. Then there is no numbers or employee mentioned. Ingram stated that the rule of thumb he always had through the attorney general's office was if there is ever a name used, you never release that name, in open or closed session. Chairman Hennesy agreed. Larson suggested modifying the regular meeting minutes to include a new business bullet point with the motion that was passed, so the minutes don't appear that a motion was passed during closed session. Chairman Hennesy agreed with this change. Ingram just suggested that next time we watch giving a dollar amount and using names. Melton stated that we could name everyone afterwards and list everyone's salaries. Ingram asked if we are open to the public and Gifford stated that we are. Gifford noted that we have it on our budget, but it isn't listed on the website, but it can be requested via FOIA. Stroud asked if we are modifying the originally approved Regular Meeting Minutes from above. Chairman Hennesy asked for a motion to

approve secretary's report/meeting minutes from September 23rd, 2019 Closed Meeting and keep them closed.

Motion by Ingram and 2nd by Buchanan to approve the secretary's report from September 23rd, 2019 Closed Meeting, and not release them to the public. All voting yes, motion carried.

Stroud asked for the Board members to destroy their copies of the Closed Session, or to turn them back in to her to dispose of.

6. TREASURER'S REPORT: Gifford reviewed all charges over \$1,000 from the October 23rd's Current Accounts Payable report. Ingram asked what an aging summary is. Gifford explain the breakdown shows what is currently owed now – 30 days; 31-60 days; etc. Gifford stated that Lindsey does a great job of updating all of the expenses as close to the Board Meeting as possible.

- Ameren Illinois - \$13,590.55 (two months)
- CUSI - \$2,530.00 (annual payment)
- Donohue & Associates - \$3,213.35 (general engineering)
- Express Employment Professions - \$4,020 – (For 1 Waste Water Tech for 5 weeks)
- Gasvoda - \$1,398.50 (rebuilding impellers for pumps)
- Gunther Salt - \$8,468.00 (two loads of salt)
- Meyer Capel - \$2,770.50 (two months)
- Seymour Water District - \$2,405.08 – (CC Reimbursement for billing)
- The Cincinnati Insurance Company - \$2,168.00 (monthly)
- **Total - \$48,339.60** – as of October 23rd, 2019 – To be signed at this meeting.

Gifford noted on the Operating Budget our total net income to date is \$138,732.85. Operating Income is slightly up due to a billing cycle change for Candlewood Estates. This line item shows billing from September 10th, as well as September 30th, due to the billing cycle change that occurred. Gifford reviewed all bank accounts and stated that net cash is at \$1.8 million. Chairman Hennesy asked if anyone had any other questions for Gifford on the Treasurer's Report. Melton asked a question about the formatting on his version of the Income and Expense report, Gifford stated that he highlight the sheet himself, but could do that moving forward. Buchanan had a question regarding line item 12 (Contract Services), he noted that the Budget was set at \$17,500.00 and we are already at \$44,000. Gifford stated that this line item includes Express Employment personnel, so you will see the Salaries are less because of the use of Express.

Motion to approve the Treasurer's Report as presented by Melton, and 2nd by Larson. All voting yes, motion carried.

7. GENERAL MANAGER'S REPORT: Gifford stated that they had two issues at the plant recently. 1) There was a power issue, and they had to run to Bloomington to get a new power supply right away. 2) They got the vessel that was cracked out, and the new vessel put in. Gifford stated that he spoke with the EPA on the biofilm issue, and he is going to be feeding a copper sulfate product to help get the biofilm issue resolved. Gifford stated our P.E. Joe Pisula will be over on Wednesday to approve the new process. Larson asked if the filters came offline, then you feed the copper sulfate. Gifford stated it would be fed directly in through the injectors. Larson stated that that means it is going out with the water into the system. Gifford stated that was correct, and it would become a new requirement to monitor those levels daily along with the other daily testing that is done. Gifford state that there is currently no information indicating that feeding this product would cause lead problems. Gifford explained that this shouldn't change current lead/copper monitoring schedule, but it is a possibility. Chairman Hennesy asked if we should be budgeting for worst-

case-scenario for next year, just in case we don't have reduced monitoring, and Gifford stated that he has accounted for this. Gifford stated that they also cleaned the iron filters, and this along with replacing the vessel we are still not meeting our standards for hardness. We are running between about 100-110, and our goal is 90. He stated they are going to start doing some testing with each individual vessel to see if there are any other vessels that have damaged diffusers that are causing the softening problem. Larson suggested having someone come in to do that testing. Gifford stated that he and Marc and the guys will take care of that, so he can be able to see it go through the whole cycle with all 20 vessels. Gifford stated that at the Briar Cliff Lift Station he thought there was a problem with the mechanical seal but that didn't fix the problem, so they had to go below that to find the problem, but now that is resolved. Gifford stated he was strapped in and did have a hard hat on when he went below. Gifford stated that the main thing is that he is certain he has found a solution to the problem in the water plant, that is may cost us more, but it should help in the long run. Gifford stated that he did get word that they are going to finish Ridge Creek next year.

See GM report below for all details.

- **Income:** September water sales were above average due to the change in the Candlewood billing date. We collected an additional 20 days of water sales from the 1st of September to the 20th. Total water sales were at \$166,949.24. On an annual basis, water sales are 4.5% ahead of the budget forecast. Non-Operating revenue through September 30 were at \$112,325.16. The District has issued 25 new housing start permits through October 23rd. The uptick in new housing starts were due to the completion of Prairie Crossing 5th and Thornewood 5 2nd Edition subdivisions. Based off new housing starts this year's annual growth rate is at 1.4%.
- **Expenses:** Overall, operating expenses are trending in line with the budget through the end of September. Overall, expense for the year will finish on target or slightly above budget projections.
- **Meter Reading:** 6 Meters were estimated in September and 1,886 customer accounts were billed. The September average water usage per customer were as follows: Homeowners 6,600 gallons, Candlewood 3,000 gallons.
- **Water Plant and Distribution System:**
 - **Water Distribution System:** Water loss through September 30th continues above average at 7.1%
 - **Water Treatment Plant:** We had many issues this month with SCADATA and Tonka controls but all issues have been corrected. Iron Filters were cleaned and super chlorinated to temporarily help alleviate the biofilm issue. I am working through a best treatment technique process to find the best long term solution to the biofilm/bacteria problem.
- **Wastewater Plant and Collection System:**
 - **Wastewater Plant:** We are back to chlorination/dechlorinating of the wastewater effluent discharge for fecal coliform inactivation.
 - **Collection System:** September we has no sewer back-ups
- **Subdivision Updates:**
 - **Prairie Crossing 5th:** This development is now in the one year maintenance bond warranty period.
 - **5th Addition to Thornewood Phase II:** This development is now in the one year maintenance bond warranty period.

- **Ridge Creek IV:** This development is now in the one-year maintenance bond warranty period.

Chairman Hennesy asked if there were any further questions on the General Manager's Report. Melton asked about the Norward Expansion (see details below in Old Business). No one had any further questions on the GM Report.

8. OLD BUSINESS:

- A) Update – Northward Expansion of Water System 2nd Survey Results & Volo Contact:** Gifford stated that we are going to be looking into using a USDA loan to fund the project when the time comes. He also stated that on the survey sent out we have had 25% Yes, 25% No, and 50% unresponsive from residence that would like to receive water from our District. From those responses, Gifford plotted all the yes residences on a map, and we have a lot cluttering in our existing District straight north, to the end of our boundaries. Regarding Volo, Stroud stated that we did reach out to Volo and Mr. Folk came and met with Kerry and we are in the process of getting high-speed internet here from Volo and he is going to come back in January to attend that meeting and speak more about a potential partnership.
- B) ServLine Insurance Update:** Stroud stated that at the last meeting she was incorrect when she had explained the opt-in/out portion of the leak and water/sewer line protection program. Servline is firm that the leak protection program requires all residences to be signed up and then they would have to choose to opt-out. Stroud stated she wasn't sure if the Board still wanted to move forward with this program knowing that information. Parkhill stated that it sounds like a lot of work and he isn't sure if a lot of people would be too happy about that. Larson explained that we would sign them up and they would have to opt-out. Larson said that we would be making a commitment for all of our members. Chairman Hennesy and Larson both agreed that they don't think we can do that. She stated that she feels it would be a bad move to opt people in without their permission. Gifford also stated that we cannot offer the water/sewer line protection without having the leak protection as well. Larson suggested reaching back out to Servline and telling them what the Board's decision is now and see what they say, if not, we are not interested. Chairman Hennesy stated that she understands bundling the leak protection with the water/sewer line protection, and then have an opt-in for all out it. Until then, our answer is no. Chairman Hennesy asked if anyone else had anything other questions on this. No one did.
- C) Identity Theft Prevention Program Update:** Stroud presented the tentative version to the Board for approval. If approved, we just need the Board's signatures, and then it can be added to the ordinances. Ingram asked if this is what was given out at the last meeting and if any changes were made. Stroud stated that yes it was, and she hasn't received any additional changes to what she has previously presented. Ingram asked if Stroud made the suggestion to pass it as is. Stroud stated Yes, she would like to made the recommendation to the Board to pass this program as is. Chairman Hennesy stated that this is something that can be updated as needed. Gifford and Stroud confirmed this, and Gifford stated that this is something that we will update annually moving forward. Larson asked if we have all of the pieces in place to do all of these procedures. Stroud said yes, she removed anything that was not pertinent to their current processes. Chairman Hennesy asked if paper records were shredded and if that was already policy.

Stroud confirmed this. Chairman Hennesy asked if there were any other thoughts on this program.

Motion to approve the Identity Theft Prevention Program as presented by Roll Call Vote: Larson – Yes; Chairman Hennesy – Yes; Buchanan – Yes; Melton – Yes; Howard – Yes; Ingram – Yes; Parkhill – Yes.

- D) **Text/VM Program Update:** Stroud reviewed the first month's metrics with the new text/vm program. It was only used this month for shut-off notices. We saw an average number of Candlewood shut offs with 24 totals; Homeowners/Seymour dropped significantly with only 3. The cost was only \$24 total for all notices. Ingram asked if "shut-off" meant actually shutting off service. Stroud confirmed that we do actually disconnect service for non-payment. Ingram then asked how much it costs the Homeowner to reconnect service. Stroud stated that they have to get their account current, plus pay an additional \$25 reconnection fee. Chairman Hennesy stated that for now we keep going with the pay-as-you go plan. Chairman Hennesy also suggested doing a push over the next three months to try and get all customers to update their contact information with us. Stroud also suggested having the Board Member like the District's facebook page to help increase the number of Mahomet residences that can see the page and get alerts or notifications.
- E) **Annexation/IGA Committee Update:** Chairman Hennesy stated that she and Pat Fitzgerald had a meeting at the Village with Kelli Pfeifer last week to talk about the general terms of the Intergovernmental Agreement. She thought it might be a good idea to make sure we were in the same ballpark with them. She stated that she did end up sharing with Kelli the diagram with what our eventual service area. Chairman Hennesy stated that Kelli said that the Village has no interest in serving anything north of 74 except one small area west of 47. The area north of 47 is important to them because they have to go under 74 on the other side of 47 and they have to put a water tower up in order to sufficiently provide fire protection to their existing district. However, if we draw up this diagram and run pipe to that area, then we may ask for reimbursement for the costs if the Village decides that they want to serve that area instead of our District. In the loose terms they were talking, Kelli said that that seems fair. The other issue that was discussed in depth was about right-of-ways, and who owns the right-of-way and who owns the main. Chairman Hennesy explained to Kelli that our ordinances state that we own the main only. A few days later Pat suggested to Chairman Hennesy, what is we proposed something like having the Village fix and mark anything existing in the right-of-way today and moving forward SVPWD would agree to take ownership of that right-of-way service line. After speaking with Gifford about that, Chairman Hennesy's last communication to Pat was that this could be confusing for the customer, not everyone is part of the Village. Chairman Hennesy stated that she thinks this is a fairly common practice for Water Districts that they own the main as well as the service line to the property line, then the customer takes over at the property line. Gifford stated that it would cost the District around \$30,000-\$70,000 annually to cost and fix those areas. She stated that this would cause a rate hike to build that up, and it's not going to be something that we can cover day 1. Chairman Hennesy stated to Pat that she would speak to the Board and get back to him. Gifford stated that he thinks it is either all or none. Parkhill thinks we would be opening up a can of worms by taking responsibility of the service line. Another thing Chairman Hennesy stated that Kelli said was the when we sign off on a subdivision, we have taken taxably responsibility for that section of pipe. Gifford stated that that is incorrect based on our ordinance. Chairman Hennesy stated that Kelli suggested that even if our ordinances say that, it may not be true. Chairman Hennesy stated that moving forward in our discussion with them, we should

get some really concrete data so we are prepared for these types of conversations. Parkhill agreed with this. Gifford stated that Joe Pisula has given us a list of other communities where the Water district is not responsible for the service line, but just the main. Gifford did state that it is more common that Districts do take responsibility of the service line, but a lot of rural districts are just the water main. Discussion continued regarding main vs. water line ownership on what we could offer to or ask for from the Village, since they are the taxing body. Gifford stated that if we could receive the tax dollars from the hydrant tax that should make up about \$30,000-\$35,000 and that is what he would probably budget for the cost of the upkeep on the service lines. Larson stated that before that is presented, we need to completely understand what that fee is from the Village and that it truly only applies to Hydrants and then we can go in there with a slam dunk case. Gifford stated that he has some information on the taxing of the hydrants, and he can pass that along to Ingram to review. Larson asked if we can find out from the County what the intended purpose of that fee is. Ingram asked if it was a utility tax. Parkhill stated it was a maintenance fee. Larson said that he thinks it is also, but he stated we should get confirmation first that that is what it is. Parkhill agreed that we should have hard concrete evidence before we go back to them with anything. Chairman Hennesy asked if everyone was okay with her going back to Pat and that we can have that (service line ownership) on the table as long as we have some sort of compensation with that, otherwise it comes back off the table? Gifford asked what we would do regarding the Townships (Hensley, Mahomet, & Newcome). Chairman Hennesy said she would ask Pat and let them all know what he says. Gifford reiterated that the hydrant tax in question is only for the Village, he is unaware if the Townships are doing that.

Regarding the annexation, Parkhill stated that spoke with Wozniak regarding the area north of Thornewood, and he is hung up on the cost of the lift station. He doesn't want any more money for a lift station than what the property is going to utilize, and if it does exceed that amount, he wants to be reimbursed. Parkhill explained to Wozniak that if he doesn't annex and the capacity gets used up, then the value of your property goes down because you may not have access to water and sewer. Gifford further explained that Mr. Wozniak wants the District to have two lift stations out there. We have already done a study with Joe Pisula and know a lift station needs to go in that area but Wozniak wants one near him and another elsewhere, so the District ends up with two. Gifford does not agree to this idea because they are expensive to maintain. Chairman Hennesy asked what the cost is of what Wozniak is proposing verse the cost of putting a lift station elsewhere. Gifford stated that for our service area it would be about \$400,000-\$450,000, and for the one Wozniak wants personally it would be about half of that. Parkhill stated that he made a commitment for \$185,000 but no more than that. Chairman Hennesy questioned why he won't annex. Parkhill stated because he might develop his land one day, or is trying to get something out of us for annexing. Chairman Hennesy asked if we need that property to enclose Thornewood North, and Gifford confirm this.

Gifford added updates to the Annexation. He updated our District boundary map, and also found Thornewood I, and that has been filed. Gifford stated that we have 6 areas we are working with right now to be able to surround them and force annex. Chairman Hennesy asked if anyone else had anything to add on annexation. No one did.

- F) **Personnel Policy Committee Update:** Stroud stated that she shared the digital version of the current personnel policy and that she, Gifford, and Ingram sat down and reviewed it together to help him become more familiar with it. She stated that we would like to set a date for this committee (Ingram & Hennesy) to get together for us all to review it

before we present any changes to the Board. Ingram requested an email to set a date for this meeting. Chairman Hennesy request to know how much time Gifford and I need as well.

- G) **20 Year Master Plant Committee Update:** No updates at this time from Gifford or Larson.
- H) **Final Draft of Ordinances:** Gifford and Stroud handed out copies of the Final Draft of Ordinances for the Board to keep and review, and recommended changes and to please report those back. Chairman Hennesy requested a deadline for the recommended changes. Gifford stated January 1st, 2020. Gifford stated once we get those back, then we can send it to legal for review, then have an open period for public review, including the Village. Once that is completed, then we put it up for Board approval, which he thinks will be around May or June of 2020. Larson stated that it might be overwhelming to send the whole thing, but maybe to send the information pertinent to them. Chairman Hennesy suggested that the village seemed to have questions around our ordinances, so sending this to them, once legal has reviewed it, may be a good idea. She stated that she would let Pat Fitzgerald know that and once we are done with our reviews and edits, we would send it to them as part of the discussion around the IGA. Chairman Hennesy agreed with Larson in that it would probably be helpful to point out which sections would be most pertinent to specific stakeholders and we might get better feedback that way. Chariman Hennesy reiterated that there is a January 1st deadline to return all changes or edits to the ordinance to Gifford and Stroud.

9. EXECUTIVE (CLOSED) SESSION: No Closed Session was Held.

10. ADJOURNMENT:

Motion by Howard and 2nd by Ingram to adjourn at 7:01pm. All voting yes, motion carried.

Respectfully submitted,

Lindsey Stroud-Rodts
Secretary, Board of Trustees