

**Lake in the Hills Sanitary District
Board of Trustees Regular Meeting Minutes
November 9, 2017**

Roll Call:

The regular meeting was called to order by President Hansen at 7:00 pm at the Sanitary District offices located at 515 Plum Street. Roll call was answered by President Eric Hansen, Trustee Terry Easler and Trustee Kyle Kane. Also present were District Manager Rick Forner, District Engineer Brett Postl, District Attorney Ann Williams and District Treasurer/Clerk Karen Thompson.

Approval of Minutes:

Motion was made by Trustee Easler and seconded by Trustee Kane to approve the Minutes of the Regular Board Meeting of October 12, 2017. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

Public Comments:

Joseph Greenwood who has been a 17 year resident of Lake in the Hills spoke again about how upset he is about the situation at the Sanitary District. He spoke with Jack Franks this week and has expressed his interest in serving on this Board as a Trustee. He received some miscommunication regarding the number of Trustees on our Board. The current Board Members explained the process to him. He is still concerned about management at the District and has lost his confidence. Believes action should be taken by current Board. He believes consolidation would be a good thing.

Amber Schmitt who is also a resident of Lake in the Hills expressed her confusion as to why Mr. Greenwood believes the District has been mismanaged. President Hansen gave some background regarding the prior Boards decision to purchase and annex land and the subsequent lawsuit which resulted. She questioned what the Village knows about running a Sanitary District and said that she has not seen where the District has been mismanaged.

Amber Schmitt also had some questions related to the fees and tax levy. Trustee Easler explained the fact that the District does access a small levy as well as user fees and that the District is still cheaper than other Sanitary Districts in the area. Also explained that the only people who are on the levy are those that use the Districts services.

Amber Schmitt questioned whether consolidation would raise the current fees and/or levy. President Hansen explained that consolidation is just in the discussion phase. No final plans have been made yet.

Paula Yensen who is a resident of Lake in the Hills and a member of the McHenry County Board spoke regarding the consolidation discussions. She is on the ad hoc committee who is looking at consolidation. She explained the format of the committee and said that they are in the investigative phase of discussion. She congratulated the District on moving forward with the website. Also detailed the process regarding how to apply for a position on the Sanitary District Board. She wanted to clarify that the ad hoc committee is discussing if consolidation would be in the best interest of the people.

Amber Schmitt questioned the assessment that is listed under New Business Item B on the Agenda. Was wondering what that was for. President Hansen explained that before the Village wants to take over the

District they would like this assessment done so that they can get a better understanding of what is involved. It would be an operations audit. Amber Schmitt asked for clarification. Paula Yensen explained that this is part of the feasibility study. President Hansen further explained that all of the details about who will run the District, should consolidation move forward, is still yet to be determined. This operations audit is part of the fact-finding process.

Consent Agenda:

Motion was made by Trustee Easler seconded by Trustee Kane to bring the Consent Agenda before the Board and approve as presented.

- A. Approval of employee recognition per District Managers recommendation.
- B. Approval of writing off uncollectible residential accounts per staff's recommendation.

On a roll call vote, President Hansen, Trustee Easler and Trustee Kane voted aye.

Specific Agenda:

Motion was made by Trustee Easler, seconded by Trustee Kane to bring Specific Agenda Item A before the Board and open discussion regarding payment on invoice from Ancel, Glink Diamond, Bush, DiCianni & Krafthefer, P.C. dated August 11, 2017.

- A. Approval of Invoice from Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C. dated August 11, 2017.

After much discussion, a roll call vote was taken. On a roll call vote for Specific Agenda item A, President Hansen and Trustee Kane voted nay and Trustee Easler voted aye. The motion does not pass and payment will not be made at this time. This item will be tabled until the District Attorney can attempt to recoup the earnest money and broker fees.

Accountant's Report:

District Treasurer provided an explanation for the expense identified as Miscellaneous and Contingent on the O&M Treasurer Report. She also presented a copy of the October 2017 Treasurer Reports.

Motion was made by Trustee Easler, seconded by Trustee Kane to approve the October 2017 Treasurer Reports. On a roll call vote President Hansen and Trustees Easler and Kane voted aye.

Approval of Bills:

District Treasurer presented a list of bills for approval.

A motion was made by Trustee Easler and seconded by Trustee Kane to approve the List of Bills as presented for payment totaling \$ 176,941.43 with \$ 16,918.54 from the General Corporate Fund, \$ 111,885.51 from the Operations and Maintenance Fund, \$ 47,387.38 from the Construction Fund and \$ 750.00 from the Bond and Interest Fund.

The motion passed after a roll call vote; President Hansen and Trustees Easler and Kane voted aye. (A copy of the bills approved will be kept with the Board Meeting documents)

Manager's Report:

A. Operations Update

The District Manager presented a written Operations Update which has been filed with the Board Meeting documents.

He also presented a written copy of the October 2017 Managers Report and provided a verbal recap of some items:

- We received the EPA report from their inspection in July. The comments were that the District is very well run, maintained and in compliance with the permit.
- Presented the Board with a copy of the notice from the Village of Lake in the Hills regarding the Public Hearing for rezoning of the Oaks of Prairie Point. If anyone wishes to attend the meeting it is on November 13th.
- Asked the Board if it would be OK for the District to continue to participate in the Flurry Fest (fka Festival of Trees) at the Village of Lake in the Hills.
- In the spirit of the holidays we will suspend our Water Shut Off program for the month of December.

Motion was made by Trustee Easler and seconded by Trustee Kane to approve the Managers Report for October 2017. On a roll call vote, President Hansen and Trustees Easler and Kane voted aye.

District Engineer:

He has been working on the rebids for the blower project. They have found a lot of electrical work that will also be needed. The bids for the electrical work and blower project will be combined to keep costs down. Both items are budgeted for in the capital improvement plan. He is looking to go out for bid in December.

He will be looking at going out for bid for Digester #4 in December and will seek approval by the Board in January 2018.

He recently met with the Village of Huntley regarding the Barium requirements. They have just put their plant back online and we are collecting data. A preliminary report is required by the EPA in mid-January. We are looking at a couple of options of where either the District will treat at our site or each Village will treat at their site. Everyone has been very cooperative to work with.

Attorney:

The District Attorney reported that she is continuing to work on unwinding of the land purchase/annexation and to recoup those outstanding expenditures.

She has offered to present a general timeline related to the consolidation process. If the Board would find this valuable, she could prepare it for the December Board meeting so that the public and all of the Trustees are aware of the general timeline as required by law. She also reaffirmed that the consolidation law is very new and not every detail is in the law. Therefore, it will be up to the County to determine best practices. We will be looked at as an example of when a consolidation is proposed, it is done the using the best practices is in the best interest of the taxpayers, provides the best service and saves money. The District is being viewed as a first case scenario.

Unfinished Business:

None

New Business:

- A. District's quarterly bill due date per Section 4.06 of the Lake in the Hills Sanitary District Code of Rules and Regulations.

Discussion took place regarding aligning the due date and payment period on the Sanitary District bills to match the Villages water bills. Paula Yensen indicated that when she was a Lake in the Hills Trustee some customers expressed confusion with the different dates. District Treasurer discussed some potential roadblocks related to having the bills due on a Monday or a Tuesday for our customers who are on ACH. District Manager also discussed some changes that would need to be made to our bill stock.

- B. Proposal of Knight E/A, Inc. to provide an operational assessment of the Lake in the Hills Sanitary District.

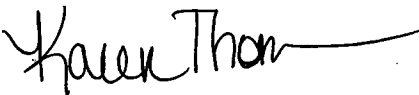
As a result of the Ad Hoc committee on consolidation the Village of Lake in the Hills and McHenry County have requested an operational audit of the Sanitary District. Discussion took place regarding the need for the audit, the final cost and who will pay for it.

Adjournment:

There being no further business to bring before the Board, President Hansen asked for a motion to adjourn the meeting. Motion was made by Trustee Kane and seconded by Trustee Easler. The motion passed after a verbal vote. All Board members who were present voted aye.

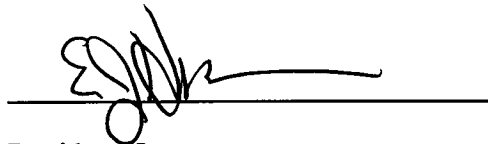
The meeting was adjourned at 8:20 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 14th day of December, 2017 .



President Hansen