

**LAKE IN THE HILLS SANITARY DISTRICT  
AGENDA  
REGULAR MEETING  
OF THE BOARD OF TRUSTEES  
September 13, 2018  
7:00 P.M.**

**REGULAR MEETING OF THE BOARD OF TRUSTEES**

**Roll Call**

**Approval of the Minutes**

**Public Comments**

**Consent Agenda**

- A. Approval of Ordinance No. 395 – An Ordinance Abating the Taxes Levied for the Year 2018 to Pay General Obligation Bonds, Series 2014.**
- B. Approval of Lake in the Hills Sanitary District's Financial Statements for the Year Ended April 30, 2018 as presented by George Roach & Associates.**
- C. Approval of Annual Treasurers Report for Fiscal Year 2017– 2018.**
- D. Compensation recommendation for James Olvera per District Managers recommendation of August 21, 2018.**
- E. Change Order No. 6 for Sludge Management Project under contract with Synagro Central LLC.**
- F. Approval of Application and Certificate for Payment #3 in the amount of \$130,042.35 to Energenecs, Inc. for the Reconfiguration of Existing Hoffman Air Blowers project.**
- G. Approval of Application and Certificate for Payment #2 in the amount of \$556,869.60 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.**
- H. Appointment of Applied Technologies as District Engineer, subject to the review and approval of Letter of Engagement by District Manager and District Attorney.**

**Specific Agenda**

**Accountant's Report**

**LAKE IN THE HILLS SANITARY DISTRICT  
AGENDA REGULAR MEETING OF  
THE BOARD OF TRUSTEES  
September 13, 2018  
7:00 p.m.  
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**Approval of Bills**

**Manager's Report**

**Operations Update**

**Project Updates**

**IAWPCO – Nomination for Plant of the Year**

**Engineers Report**

**Attorney's Report**

**Unfinished Business**

**New Business**

**Adjournment**

**Lake in the Hills Sanitary District  
Board of Trustees Regular Meeting Minutes  
August 9, 2018**

**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 Cheryl Kehoe. Also present were District Manager Rick Forner, District Attorney Ann Williams and District Treasurer/Clerk Karen Thompson

**Approval of Minutes:**

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the Minutes of the Regular Board Meeting of July 12, 2018 as presented. On a roll call vote, President Hansen, Trustee Easler and Trustee Kehoe voted aye.

**Public Comments:**

Joseph Greenwood of Blackberry Court in Lake in the Hills was present. He said that he was bothered by comments made by one Trustee at last month's meeting regarding transparency. He further elaborated that less than a year ago, the District was going to purchase land to expand into Kane County and there was no transparency at that time regarding this land purchase. He said that there needs to be a concerted effort to be open to the public and get public input on major decisions. President Hansen responded and indicated that the land purchase was a move made by the former Board. He understands Mr. Greenwood's frustration, but the current Board is now very open and they are all moving in the same direction.

**Consent Agenda:**

- A. Approval of Ordinance No. 393 – “An Ordinance Levying Taxes for the Lake in the Hills Sanitary District for Fiscal Year 2018- 2019”.
- B. Approval of Ordinance No. 394 – “An Ordinance Amending Chapter 4 of the Lake in the Hills Sanitary District's Code of Rules and Regulations”.
- C. Approval of Change Order #4 in the amount of \$14,720.00 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the Consent Agenda as presented (Items A – C). On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

**Specific Agenda:**

None

### **Accountant's Report:**

District Treasurer presented copies of the July 2018 Treasurer reports. She commented that July was a quarterly bill due month. She further stated that we also received two connection/tap on fees in July. These two factors made July a higher revenue month. July was also a higher expenditure month primarily because we paid AMS Mechanical and Energenecs almost \$330,000 for the Digester #4 and Blowers projects. She further stated that, as noted on the Governmental Fund report, we did receive two small property tax installments in July. Expenditures for July were very consistent.

District Treasurer also presented a draft copy of the Annual Treasurer's Report for fiscal year end April 30, 2018. She provided an explanation of this report and indicated that the final copy will be presented to the Board for consideration at the September meeting. Once approved, a copy will be published in the newspaper, added to the District's website and sent to the County.

Trustee Easler wanted to know the percentage of the budget is created from the property tax levy versus user fees. District Manager indicated that this year's levy is approximately \$662,500 out of a total budget of over \$7 million. Therefore, only a very small percentage comes from the levy.

Motion was made by Trustee Kehoe seconded by Trustee Easler to approve the July 2018 Treasurer Reports. On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

### **Approval of Bills:**

District Treasurer presented a list of bills for approval. She noted that we did receive the Knight E/A invoice for \$8,000. She further commented that the Attorney's invoice contained some fees for the recovery of the earnest money. Those fees have been listed separately on the report. She continued to state that there were fewer bills on the report this month; most likely because the Board meeting is earlier in the month and we just didn't received all of the bills yet. She further stated that we did not receive our monthly Synagro invoice in time, therefore, next month we will see two bills from them. She also stated that she has copies of the bills if anybody wanted to see any detail.

A motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the List of Bills as presented for payment totaling \$ 154,621.82 with \$ 18,726.50 from the General Corporate Fund, \$ 88,495.32 from the Operations and Maintenance Fund, \$ 47,400.00 from the Construction Fund and \$ 0.00 from the Bond and Interest Fund.

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

### **Manager's Report:**

District Manager presented a written copy of the July 2018 Managers Report and provided a verbal recap of some items.

In comparison to May and June, July was a relatively dry month. Therefore, the flows to the plant were down significantly.

There were two call outs in July, but neither were the District's issue.

Almost 20,000 feet of televising was done in July. Will also do a large amount in August.



He provided the Board with a copy of the report from the IEPA from the June inspection. It indicates that the plant is operating well and within the permit requirements. The IEPA indicated that they are short staffed and may go to a 3-year inspection cycle instead of an annual inspection cycle.

The floor for Digester #4 was poured today. The next step will be placing the wall sections.

The sewer line between Willow and Oak has been televised and cleaned. He anticipates that the contractor will place the pipe lining next week.

Two of the rehabbed blowers have been placed back in service and have been running for over a week. The additional two blowers will be taken out on Monday for rehab. He anticipates that these will be back in September.

Jar testing was done for the phosphorus study. Those results will be in next week so that the final report can be completed.

He met with Synagro earlier this week regarding the District taking over the pressing portion of the sludge handling. Synagro was open to doing a change order to the contract. He anticipates this change order will be ready for Board consideration at the September meeting. We will need to purchase a used, reasonably priced dump truck and loader. He will speak with the District Attorney regarding how to accomplish this. Trustee Easler asked about purchasing used equipment from another municipality. District Manager said that in the past the McHenry County Municipal League would do an auction of used equipment. He is not sure if that auction is happening anytime soon or if it will be held within the timeframe we need. He further stated that he did speak with Synagro about purchasing their dump truck and they will give him a price. Lastly, we may have to do a month-to-month contract with Synagro if everything is not in place prior to the end of September when the current contract expires. Synagro was fine with that.

Draft financial statements were presented. District Manager indicated that if the Board has questions he can either have the Auditor at the September meeting or he can provide a written list of questions to the Auditor for him to respond to. President Hansen had some questions regarding cash on hand. He wants to make sure that we are not exceeding any limits. District Manager further stated that we are watching this and we do have \$3.5 million in projects on the books that will need to be paid out. He also stated that he has been reducing the levy over the past few years. District Attorney further stated that this is something to be cognizant of because there is an industry of Attorneys who make a living by doing tax objections to municipalities.

He presented a draft copy of Change Order No. 5. It is in draft form because it has not been approved by District staff and is still being reviewed by the Engineer. He provided the Board with specific details on the less than ideal soil conditions around Digester #4. The proposed remedy is to add concrete retaining wall blocks. District Manager indicated that this draft change order is probably a worst-case scenario regarding cost. The Engineer is still working on the details and is looking at these costs. District Manager wanted the Board to be aware of this and to confirm that they are okay with moving forward. If not, construction could be halted. Trustee Easler confirmed that this would be permanent protection and not just temporary. District Manager confirmed that these blocks will stay in place and will get backfilled with the tank. District Manager further stated that this change order #5 would amount to a 3.7% increase in the cost of the contract.

District Manager stated that he has spoken to President Hansen regarding the contracts for Postl-Yore and would like to discuss further with the District Attorney after the meeting.

He updated the Board on the open position for District Engineer. There were nine applications taken out and we received five back. These have been presented to President Hansen and District Attorney Williams. The RFQ indicated that interviews would be done on or after August 15<sup>th</sup>. District Manager is suggesting that the selection committee interview three firms. His recommendation is to interview Engineering Enterprises, Trotter and Applied Technologies. He indicated that he has no finite position or opinion regarding who is selected, but these three firms look well suited for the District. President Hansen further commented that HR Green works with the Village of Lake in the Hills, which could create some issues. District Manager also indicated that EEI works for the Village of Huntley. President Hansen indicated that he would be unavailable to sit in the interviews for the next two weeks. Trustee Easler offered his availability if needed. District Manager further indicated that we do have some flexibility in scheduling the interviews as long as we can have a recommendation to the full Board at the September meeting. He indicated he will leave that up to President Hansen and District Attorney Williams to decide how or when to proceed with the interviews.

Motion was made by Trustee Easler, seconded by Trustee Kehoe to approve the Manager's report as presented. On a roll call vote President Hansen, Trustee Easler and Trustee Kehoe voted aye.

#### **Engineer's Report:**

None

#### **Attorney's Report:**

District Attorney indicated that the McHenry County States Attorney has agreed to reopen the quo warranto case. On August 16<sup>th</sup> a lawyer from Storino Ramello and Durkin will appear before the same judge who heard the original case. This lawyer will present an agreed upon judgement that states that the annexation was invalid and the appointments of President Hansen and Trustee Kane were legal. Since this is an agreed upon position all indications point toward the Judge approving this. This is very good news and having the Judge rule on this will help save time and money for the litigation case to recover the earnest money. She further indicated that the lawyer who will be handling the litigation would like to speak with District Manager and Trustee Easler to walk thru the factual details. They will arrange a time for that.

Lastly, the District Attorney spoke in relation to Mr. Greenwood's comments about transparency. She indicated that the ability to conduct closed meetings does exist under the law. Closed meetings are allowed to discuss such things as litigation or personnel issues. She further stated that under the direction of President Hansen and the new Board there have been no closed session meetings and even things like litigation, which are normally discussed in a closed session, have been discussed in an open forum. This is a new expression of transparency by our current Board and most local governments do not conduct business quite so openly.

#### **Unfinished Business:**

Discussion took place regarding the County's RFQ for an assessment of the Sanitary District. Trustee Easler commented that the due date for this has been pushed back. As mentioned previously the other entities involved don't want to pay for the study. He further stated that the Sanitary District Board would need to justify spending money on this study to our users. Trustee Easler indicated that most of District's revenue comes from user fees and not property tax revenue. Therefore, he believes it is an incorrect assumption to state that this will be paid for from the same taxpayer funds who would pay to the County, the City of Crystal Lake or the Villages of Huntley or Lake in the Hills. He has concerns about how much this study will cost and would want to make sure that the benefits are justified to our users before any funds are expended.

Trustee Easler further added that with the tax levy being reduced over the past few years we may have to ask for more from the users. He said that he is not opposed to this study being done, but would like all entities involved to share in the cost. He also stated that he does not believe there are companies out there who will respond due to the uniqueness of the RFQ.

President Hansen further commented that before he was on the Board, and had an outsider's perspective, he thought that consolidation would be easy to accomplish. He now realizes that is not the case, especially since consolidation is such a new process. He further stated that the legislation simply allows consolidation to happen, but doesn't outline how to accomplish it.

District Attorney and District Manager indicated that there is some consolidation going on in Lake County, specifically with the Lakes Region Sanitary District. Trustee Easler indicated that they could help us navigate thru the steps for consolidation.

**New Business:**

None

**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 Easler and seconded by Trustee Kehoe. The motion passed after a verbal vote. All Board members who were present voted aye.

The meeting was adjourned at 7:35 pm.

Respectfully Submitted,

  
Karen Thompson,  
District Clerk

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2018 .

\_\_\_\_\_  
President Hansen

\*\*\*\*\*

**Ordinance No. 395**

***An Ordinance Abating the Taxes Levied for Year 2018 to Pay General Obligation Bonds  
(Alternate Revenue Source), Series 2014, of the Lake in the Hills Sanitary  
District, McHenry County Illinois***

\*\*\*\*\*

ORDINANCE PASSED BY THE  
PRESIDENT AND BOARD OF TRUSTEES  
OF THE LAKE IN THE HILLS SANITARY DISTRICT  
AT THEIR MEETING ON SEPTEMBER 13, 2018,  
PUBLISHED IN PAMPHLET FORM BY AUTHORITY OF THE  
PRESIDENT AND BOARD OF TRUSTEES  
OF THE  
LAKE IN THE HILLS SANITARY DISTRICT

President:	Eric Hansen
Board of Trustees:	Cheryl Kehoe Terry Easler
Clerk:	Karen Thompson

## ORDINANCE NO. 395

***An Ordinance Abating the Taxes Heretofore Levied for the Year 2018  
to Pay General Obligation Bonds (Alternate Revenue Source), Series 2014,  
of the Lake in the Hills Sanitary District, McHenry County, Illinois***

WHEREAS, the Board of Trustees of the Lake in the Hills Sanitary District (the “District”), in the County of McHenry, State of Illinois, by ordinance adopted on the 12<sup>th</sup> day of June, 2014 (the “Ordinance”), did provide for the issuance of not to exceed \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2014, and the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds; and

WHEREAS, pursuant to the Ordinance, the District has heretofore issued \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2014, dated August 14, 2014 (the “Bonds”), and has filed in the offices of the County Clerk of the County of McHenry, State of Illinois, (the “County Clerk”), a Bond Order for the levy of taxes to pay the Bonds; and

WHEREAS, the District has Pledged Revenues (as defined in the Ordinance) on deposit in the Bond Fund available for the purpose of paying debt service on the Bonds heretofore imposed by the 2018 levy; and

WHEREAS, such Pledged Revenues are hereby directed to be used for the purpose of paying debt service on the Bonds; and

WHEREAS, it is necessary and in the best interests of the District that the taxes heretofore levied for the year 2018 to pay the Bonds be abated.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Lake in the Hills Sanitary District in the County of McHenry, State of Illinois, as follows:

SECTION 1: *Abatement of Taxes.* The taxes heretofore levied for the year 2018 in the Ordinance are hereby abated in their entirety.

SECTION 2: *Filing of Ordinance.* Forthwith upon the adoption of this Ordinance, the Secretary of the Board of Trustees shall file a certified copy hereof with the County Clerk and it shall be the duty of the County Clerk to abate said taxes levied for the year 2018 in accordance with the provisions hereof.

SECTION 3: *Effective Date.* This Ordinance shall be in full force and effect forthwith upon its adoption and publication in pamphlet form (which publication is hereby authorized) as provided by law.

***An Ordinance Abating the Taxes Heretofore Levied for the Year 2018  
to Pay General Obligation Bonds (Alternate Revenue Source), Series 2014,  
of the Lake in the Hills Sanitary District, McHenry County, Illinois***

SECTION 4: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 5: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Ayes:

Nays:

Absent:

Abstain:

APPROVED:

\_\_\_\_\_  
President Eric Hansen

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk Karen Thompson

Passed: \_\_\_\_\_

Approved: \_\_\_\_\_

Published: \_\_\_\_\_

*An Ordinance Abating the Taxes Heretofore Levied for the Year 2018  
to Pay General Obligation Bonds (Alternate Revenue Source), Series 2014,  
of the Lake in the Hills Sanitary District, McHenry County, Illinois*

## CERTIFICATION

I, KAREN THOMPSON, do hereby certify that I am the duly appointed and qualified Clerk of the Lake in the Hills Sanitary District, McHenry County, Illinois, and that as such Clerk, I am the keeper of the ordinances, records, corporate seal and proceedings of the President and Board of Trustees of said Lake in the Hills Sanitary District.

I do hereby further certify that at a meeting of the President and Board of Trustees of the Lake in the Hills Sanitary District, held on the 13th day of September, 2018, the foregoing Ordinance entitled *An Ordinance Abating the Taxes Heretofore Levied for the Year 2018 to Pay General Obligation Bonds (Alternate Revenue Source), Series 2014, of the Lake in the Hills Sanitary District, McHenry County, Illinois* was duly passed and approved by the President and Board of Trustees of the Lake in the Hills Sanitary District.

The pamphlet form of Ordinance No. 395, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Lake in the Hills Sanitary District office, 515 Plum Street, commencing on the 14th day of September, 2018, and continuing for at least 10 days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Sanitary District Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Clerk of said District for safekeeping, and that I am the lawful custodian and keeper of the same.

In witness whereof, I have affixed my name as Clerk and caused the seal of said District to be affixed hereto this 13th day of September, 2018.

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Karen Thompson, Clerk  
Lake in the Hills Sanitary District,  
McHenry County, Illinois

(SEAL)

*An Ordinance Abating the Taxes Heretofore Levied for the Year 2018  
to Pay General Obligation Bonds (Alternate Revenue Source), Series 2014,  
of the Lake in the Hills Sanitary District, McHenry County, Illinois*



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# LAKE IN THE HILLS SANITARY DISTRICT, IL

Annual Financial Report  
For the Year Ended April 30, 2018



# LAKE IN THE HILLS SANITARY DISTRICT

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*Year Ended April 30, 2018*

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# LAKE IN THE HILLS SANITARY DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

To the President  
and Members of the Board of Trustees  
Lake In The Hills Sanitary District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake In The Hills Sanitary District, Illinois as of and for the year ended April 30, 2018, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake In The Hills Sanitary District, Illinois as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

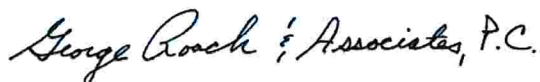
## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise Lake In The Hills Sanitary District, Illinois' financial statements as a whole. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.



George Roach & Associates, P.C.  
Crystal Lake, Illinois  
July 27, 2018

REQUIRED SUPPLEMENTARY INFORMATION –  
MANAGEMENT DISCUSSION AND ANALYSIS -  
UNAUDITED



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

As management of the Lake In The Hills Sanitary District (District), we offer readers of the District's statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2018.

#### FINANCIAL HIGHLIGHTS

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- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at April 30, 2018 by \$46,068,525 (net position).
- The District's total net position increased by \$415,799. Comprised of \$11,999 from activities and \$403,800 from contributed capital.
- At April 30, 2018, the District's governmental funds reported combined ending fund balances of \$1,277,959, an increase of \$70,071 in comparison with the prior year.
- At April 30, 2018, the fund balance for the General Fund was \$888,889.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

##### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

##### The Statement of Net Position

Accrual Basis presents information on all of the District's assets, deferred outflows along with liabilities, and deferred inflows with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

##### The Statement of Activities

Accrual Basis presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported on the accrual basis.

The government-wide financial statements show functions of the District that are principally supported by taxes, fees, and other revenues (governmental activities). The District does conduct functions intended to recover all or a significant portion of their costs through user fees

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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and charges (business-type activities). The governmental activities of the District include providing general governmental administrative services. The District conducts business-type activities by providing wastewater treatment to residences within their planning area.

#### Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet — Modified Accrual Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances — Modified Accrual Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains s individual governmental funds. The General Fund is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general District purposes. The Other Special Revenue Funds are used to account for funds received from taxes and fees and to account for expenditures made for specific governmental purposes.

Information is presented separately in the governmental fund Balance Sheet - Modified Accrual Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances —Modified Accrual Basis for the General Fund and the Special Revenue Fund.

#### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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##### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The District adopts an annual budget and appropriation ordinance that includes both the General Fund and the Audit Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the adopted budget and appropriation ordinance.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$46,068,525 at April 30, 2018. The largest portion of the District's net position reflects its investment in capital assets (e.g., land, land improvements, buildings, furniture and equipment, computer equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Lake In The Hills Sanitary District - Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
Current and Other Assets	\$ 1,904,814	\$ 1,897,645	\$ 7,638,311	\$ 7,236,164	\$ 9,543,125	\$ 9,133,809
Capital Assets	-	-	42,517,890	42,855,325	42,517,890	42,855,325
Total Assets	\$ 1,904,814	\$ 1,897,645	\$ 50,156,201	\$ 50,091,489	\$ 52,061,015	\$ 51,989,134
Deferred Outflows	\$ 92,797	\$ 293,872	\$ -	\$ -	\$ 92,797	\$ 293,872
Current and Other Liabilities	\$ 669,220	\$ 986,405	\$ 474,791	\$ 485,952	\$ 1,144,011	\$ 1,472,357
Long-Term Liabilities Outstanding	-	-	4,328,475	4,542,115	4,328,475	4,542,115
Total Liabilities	669,220	986,405	4,803,266	5,028,067	5,472,486	6,014,472
Deferred Inflows	612,801	615,808	-	-	612,801	615,808
Net Position						
Net Investment in Capital Assets	-	-	38,047,890	39,180,652	38,047,890	39,180,652
Restricted - Net Position	389,070	256,165	-	-	389,070	256,165
Unrestricted - Net Position	326,520	333,139	7,305,045	5,882,770	7,631,565	6,215,909
Total Net Position	\$ 715,590	\$ 589,304	\$ 45,352,935	\$ 45,063,422	\$ 46,068,525	\$ 45,652,726

Government-wide activities increased the District's net position by \$11,999. The key elements of the increase are as follows:

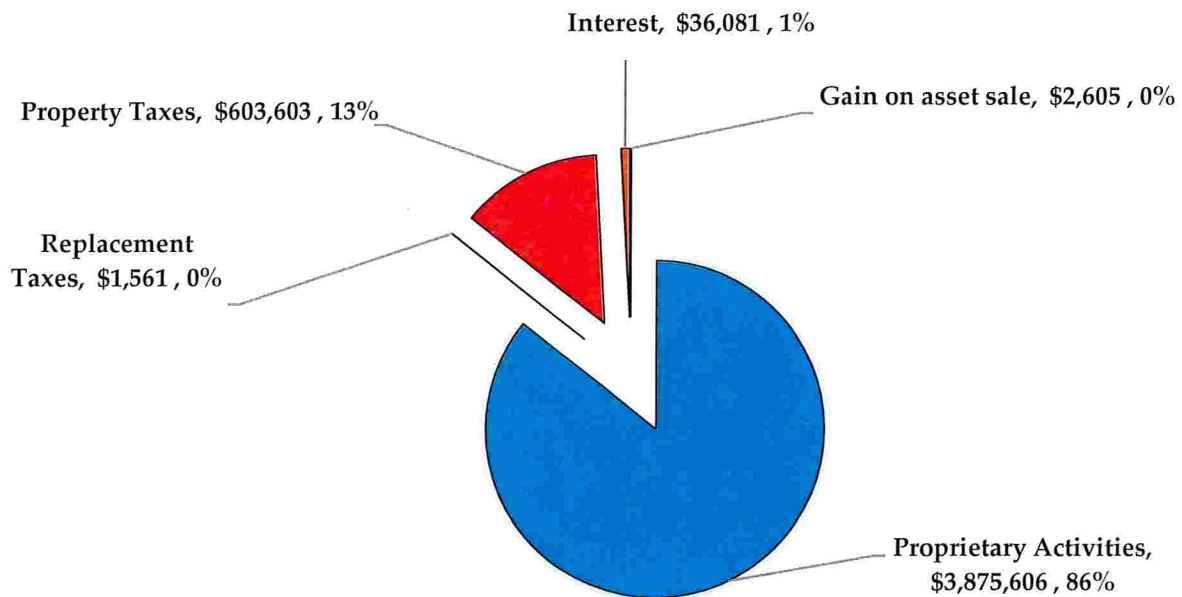
	Lake In The Hills Sanitary District - Activities and Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 3,875,606	\$ 4,131,308	\$ 3,875,606	\$ 4,131,308
General Revenues						
Property Taxes	603,603	596,543	-	-	603,603	596,543
Personal Property Taxes	1,561	1,915	-	-	1,561	1,915
Safety grant	-	1,899	-	-	-	1,899
Gain from sale of equipment	-	-	2,605	4,700	2,605	4,700
Interest	2,619	2,049	33,462	10,924	36,081	12,973
Total Revenues	607,783	602,406	3,911,673	4,146,932	4,519,456	4,749,338
Expenses						
General Government	481,497	596,963	-	-	481,497	596,963
Sewerage services	-	-	3,857,535	3,519,855	3,857,535	3,519,855
Debt service	-	-	168,425	174,643	168,425	174,643
Total Expenses	481,497	596,963	4,025,960	3,694,498	4,507,457	4,291,461
Increase/(Decrease) in Net Position	126,286	5,443	(114,287)	452,434	11,999	457,877
Net Position - Beginning of Year	589,304	583,861	45,063,422	44,610,988	45,652,726	45,194,849
Capital Contributions	-	-	403,800	-	403,800	-
Net Position - End of Year	\$ 715,590	\$ 589,304	\$ 45,352,935	\$ 45,063,422	\$ 46,068,525	\$ 45,652,726

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED APRIL 30, 2018

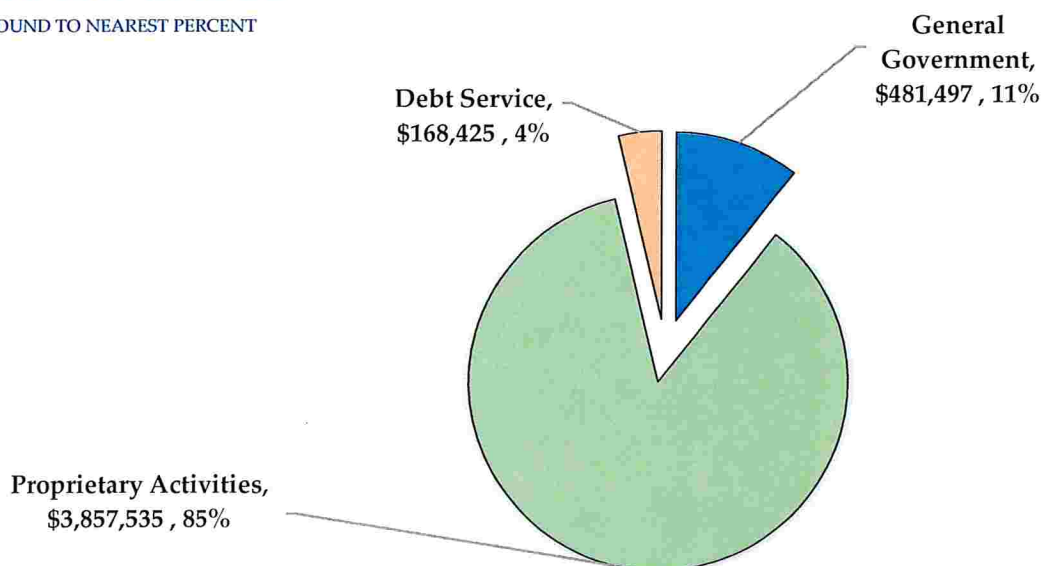
### 2018 REVENUES

ROUND TO NEAREST PERCENT



### 2018 EXPENSES

ROUND TO NEAREST PERCENT



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At April 30, 2018, the District's governmental funds reported combined ending, fund balances of \$1,277,959, an increase of \$70,071 in comparison with the prior year.

##### General Fund (Corporate Fund)

The focus of the District's General Fund is to provide information on the revenues and expenditures of the funds that the District receives from its corporate property tax levy and from other unrestricted sources such as personal property replacement taxes, and interest on bank deposits, and associated expenditures.

The General Fund balance at April 30, 2018 was \$888,889, which was an increase of \$23,426 during the year ended April 30, 2018.

##### Other Governmental Funds

The focus of the District's Other Governmental Funds are to provide information on the revenues and expenditures of the funds that the District receives from its property tax levy, interest on bank deposits, and associated expenditures.

The Other Governmental Fund balances at April 30, 2018 were \$389,070, which was an increase of \$46,645 during the year ended April 30, 2018.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

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The District amended its original budget and appropriations ordinance for the fiscal year ended April 30, 2018, on April 18, 2018; therefore, the amounts shown as original and final appropriations are adjusted for the amendment.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### Proprietary funds

The focus of the District's proprietary fund is to provide the same type of information found in the government-wide financial statements, but in more detail.

At April 30, 2018, the District's proprietary fund reported ending net position of \$45,352,935, a decrease of \$114,287 in comparison with the prior year.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

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##### Capital assets

The District's investment in capital assets for its proprietary activities as of April 30, 2018 amounts to \$42,517,889 net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings, furniture and equipment, computer equipment, and vehicles. The total increase in the District's investment in capital assets for the year ended April 30, 2018 was \$748,397 attributable to the purchase of various assets offset by disposals.

##### Proprietary Fund - Capital Assets

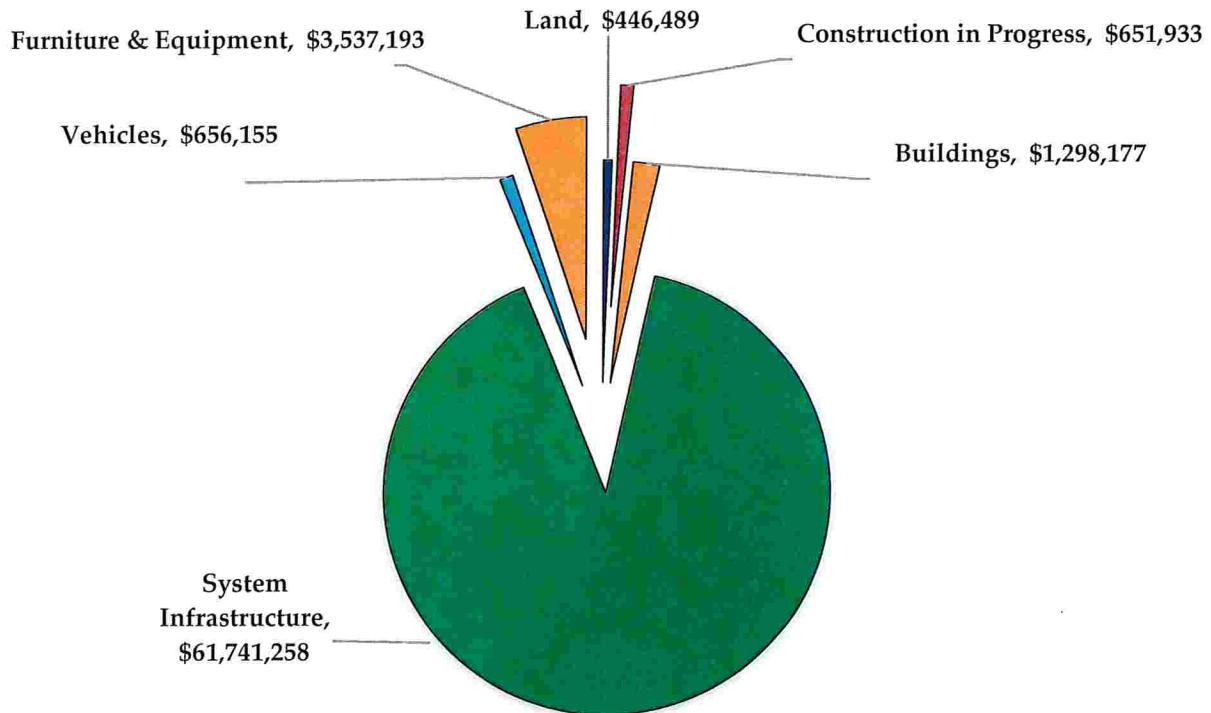
	Balance			Balance
Fixed Assets	May 1, 2017	Increases	Decreases	April 30, 2018
Land	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	65,590	586,343	-	651,933
Plant and lift stations	39,527,809	146,457	-	39,674,266
Sewer trunkline	22,066,992	-	-	22,066,992
Equipment	3,448,896	37,047	7,295	3,478,648
Administration building	1,298,177	-	-	1,298,177
Vehicles	670,310	29,790	43,945	656,155
Equipment & furniture	58,545	-	-	58,545
<b>Total Fixed Assets</b>	<b>67,582,808</b>	<b>799,637</b>	<b>51,240</b>	<b>68,331,205</b>
Less: Accumulated Depreciation	24,215,404	1,597,912	-	25,813,316
<b>Fixed Assets (Net)</b>	<b>\$ 43,367,404</b>	<b>\$ (798,275)</b>	<b>\$ 51,240</b>	<b>42,517,889</b>



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED APRIL 30, 2018

### CAPITAL ASSETS (AT COST)



### Long-term debt

At April 30, 2018, the District had two bond issues outstanding consisting of combined current principal due of \$205,000 and long-term due of \$4,328,475. The bond proceeds are being used to fund additional infrastructure and construction projects.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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The Trustees of the District considered the following factors in preparing the budget and appropriations ordinance for the District, which was adopted for the 2017-2018 fiscal year:

- The equalized assessed valuation (EAV) for the District for 2016 is \$718,670,206. This represents an increase in EAV of \$40,421,678 in comparison with the prior year.

# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

TAX LEVY YEAR	ASSESSED VALUATIONS, EXTENDED TAX RATES		
	PERCENTAGE ALLOCATIONS, EXTENDED TAX RATES		
	2017	2016	2015
ASSESSED VALUATION			
McHenry County	\$ 718,670,206	\$ 678,248,528	\$ 636,448,576

### TAX RATES AND PERCENTAGE ALLOCATIONS BY FUND

Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.040260	46.75	0.040260	45.21	0.040452	43.08
Chlorination	0.002800	3.25	0.002800	3.14	0.002000	2.13
Liability Insurance	0.019070	22.14	0.022000	24.70	0.024500	26.09
Social Security	0.006500	7.55	0.006500	7.30	0.007816	8.32
IMRF	0.014800	17.18	0.014800	16.62	0.016000	17.04
Audit	0.002700	3.13	0.002700	3.03	0.003122	3.33
<b>Totals</b>	<b>0.086130</b>	<b>100.00</b>	<b>0.089060</b>	<b>100.00</b>	<b>0.093890</b>	<b>100.00</b>

### Property Tax Extensions

Funds	2017	2016	2015
General Fund	\$ 289,337	\$ 273,063	\$ 257,456
Chlorination	20,123	18,991	12,729
Liability Insurance	137,050	149,214	155,930
Social Security	46,714	44,086	49,745
IMRF	106,363	100,381	101,832
Audit	19,404	18,313	19,870
<b>Totals</b>	<b>\$ 618,991</b>	<b>\$ 604,048</b>	<b>\$ 597,562</b>

## **LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS**

*MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED APRIL 30, 2018*

### **REQUESTS FOR INFORMATION**

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This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Lake In The Hills Sanitary District, 515 Plum St., Lake In The Hills, Illinois 60156.

## BASIC FINANCIAL STATEMENTS



# LAKE IN THE HILLS SANITARY DISTRICT

## Government-wide - Statement of Net Position

April 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 1,292,013	\$ 6,656,652	\$ 7,948,665
Accounts receivable	-	590,871	590,871
Property tax receivable	612,801	-	612,801
Other deposits	-	100,000	100,000
Deposit with paying agent	-	290,788	290,788
Fixed Assets	-	42,517,890	42,517,890
<b>Total Assets</b>	<b>\$ 1,904,814</b>	<b>\$ 50,156,201</b>	<b>\$ 52,061,015</b>
<b>Deferred Outflows - IMRF</b>	<b>\$ 92,797</b>	<b>\$ -</b>	<b>\$ 92,797</b>
<b>Current Liabilities</b>			
Accounts payable	\$ 14,054	\$ 167,910	\$ 181,964
Accrued payroll	-	13,927	13,927
Accrued interest	-	85,788	85,788
Current portion - revenue bonds	-	205,000	205,000
Developer deposits	-	2,166	2,166
<b>Total Current Liabilities</b>	<b>14,054</b>	<b>474,791</b>	<b>488,845</b>
<b>Noncurrent Liabilities</b>			
Revenue bonds payable	-	4,265,000	4,265,000
Revenue bond discount	-	63,475	63,475
Pension liability - IMRF	655,166	-	655,166
<b>Total Noncurrent Liabilities</b>	<b>655,166</b>	<b>4,328,475</b>	<b>4,983,641</b>
<b>Total Liabilities</b>	<b>669,220</b>	<b>4,803,266</b>	<b>5,472,486</b>
<b>Deferred Inflow - Property taxes</b>	<b>612,801</b>	<b>-</b>	<b>612,801</b>
<b>Net Position</b>			
Net Investment in capital assets	-	38,047,890	38,047,890
Restricted	389,070	-	389,070
Unrestricted	326,520	7,305,045	7,631,565
<b>Total Net Position</b>	<b>\$ 715,590</b>	<b>\$ 45,352,935</b>	<b>\$ 46,068,525</b>

The accompanying notes are an integral part of these financial statements.

# LAKE IN THE HILLS SANITARY DISTRICT

Government-wide - Statement of Activities and Changes in Net Position

Year Ended April 30, 2018

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Governmental Activities</b>							
General Government	\$ 481,497	\$ -	\$ -	\$ -	\$ 481,497	\$ -	\$ 481,497
<b>Total Governmental Activities</b>	<u>481,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,497</u>	<u>-</u>	<u>481,497</u>
<b>Business-Type Activities</b>							
Proprietary Activities	3,857,535	3,875,606	-	-	-	18,071	18,071
Interest and fees on Long-term debt	(168,425)	-	-	-	-	(168,425)	(168,425)
<b>Total Business-Type Activities</b>	<u>3,689,110</u>	<u>3,875,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,354)</u>	<u>(150,354)</u>
<b>Total Primary Government</b>	<u>\$ 4,170,607</u>	<u>\$ 3,875,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>481,497</u>	<u>(150,354)</u>	<u>331,143</u>
<b>General Revenues:</b>							
Property Taxes					603,603	-	603,603
Replacement tax					1,561	-	1,561
Gain on asset sale					-	2,605	2,605
Investment Income					2,619	33,462	36,081
<b>Total Revenues</b>					<u>607,783</u>	<u>36,067</u>	<u>643,850</u>
Change in Net Position					126,286	(114,287)	11,999
Net Position, Beginning					589,304	45,063,422	45,652,726
Capital Contributions					-	403,800	403,800
<b>Total Net Position, Ending</b>					<u>\$ 715,590</u>	<u>\$ 45,352,935</u>	<u>\$ 46,068,525</u>

The accompanying notes are an integral part of these financial statements.

**LAKE IN THE HILLS SANITARY DISTRICT***Governmental Funds - Balance Sheet**April 30, 2018*

	<b>General Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 902,943	\$ 389,070	\$ 1,292,013
Property tax receivable	286,444	326,357	612,801
<b>Total Assets</b>	<u>\$ 1,189,387</u>	<u>\$ 715,427</u>	<u>\$ 1,904,814</u>
<b>Liabilities</b>			
Accounts payable/accruals	\$ 14,054	\$ -	\$ 14,054
<b>Total Liabilities</b>	14,054	-	14,054
<b>Deferred Inflows - Property taxes</b>	286,444	326,357	612,801
<b>Total Liabilities and Deferred Inflows</b>	<u>300,498</u>	<u>326,357</u>	<u>626,855</u>
<b>Fund Balance</b>			
Non spendable	-	-	-
Restricted	-	389,070	389,070
Committed	-	-	-
Assigned - capital improvements	-	-	-
Unassigned	888,889	-	888,889
<b>Total Fund Balance</b>	<u>888,889</u>	<u>389,070</u>	<u>1,277,959</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balance</b>	<u>\$ 1,189,387</u>	<u>\$ 715,427</u>	<u>\$ 1,904,814</u>

The accompanying notes are an integral part of these financial statements.

**LAKE IN THE HILLS SANITARY DISTRICT***Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance**Year Ended April 30, 2018*

	<b>General Funds</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 272,874	\$ 330,729	\$ 603,603
Replacement taxes	1,561	-	1,561
Interest	2,619	-	2,619
<b>Total Revenue</b>	<b>277,054</b>	<b>330,729</b>	<b>607,783</b>
<b>Expenditures</b>			
Personal services	161,881	-	161,881
Contractual services	62,279	284,084	346,363
Commodities	29,233	-	29,233
Other	235	-	235
<b>Total Expenditures</b>	<b>253,628</b>	<b>284,084</b>	<b>537,712</b>
<b>Net Change in Fund Balance</b>	<b>23,426</b>	<b>46,645</b>	<b>70,071</b>
<b>Fund Balance</b>			
Fund balance, Beginning	865,463	342,425	1,207,888
<b>Total Fund Balance, Ending</b>	<b>\$ 888,889</b>	<b>\$ 389,070</b>	<b>\$ 1,277,959</b>

The accompanying notes are an integral part of these financial statements.

## LAKE IN THE HILLS SANITARY DISTRICT

*Governmental Funds -Reconciliations of the Governmental Fund*

*Balance to Net Position*

*Year Ended April 30, 2018*

### RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total Fund Balances - Total Governmental Funds	\$	1,277,959
Deferred pension outflows/inflows and net pension liabilities are not reported in funds.		
Deferred pension outflows		92,797
Net pension liabilities		(655,166)
Total Net Position of Governmental Activities	\$	715,590

### RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Excess (Deficiency) of Revenue Over Expenditures		
Governmental Funds	\$	70,071
Change in deferred pension outflows/inflows and net pension liabilities are not reported in funds.		56,215
Changes in Net Position Governmental Funds	\$	126,286

The accompanying notes are an integral part of these statements.

## LAKE IN THE HILLS SANITARY DISTRICT

### Proprietary Fund - Statement of Net Position

April 30, 2018

Assets	
Cash	\$ 6,656,652
Sewer billings receivable, net	590,871
Deposit with paying agent	290,788
Other deposits	100,000
Fixed assets (net of accumulated depreciation)	42,517,890
<b>Total Assets</b>	<b>\$ 50,156,201</b>
Liabilities	
Accounts payable/accruals	\$ 167,910
Accrued payroll	13,927
Accrued interest payable	85,788
Developer deposit	2,166
Revenue bonds payable - current portion	205,000
Revenue bonds payable - long term	4,265,000
Revenue bonds - long term premium	63,475
<b>Total Liabilities</b>	<b>4,803,266</b>
Net Position	
Net investment in capital assets	38,047,890
Unrestricted	7,305,045
<b>Total Net Position</b>	<b>45,352,935</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 50,156,201</b>

The accompanying notes are an integral part of these financial statements.



**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund - Statement of Revenues, Expenses, and Changes in Net Position**Year Ended April 30, 2018*

	<b>Sewerage Enterprise Fund</b>
<b>Revenues</b>	
Sewer charges	\$ 3,859,971
Miscellaneous	15,635
<b>Total Revenues</b>	<b>3,875,606</b>
<b>Expenses</b>	
Personnel	472,835
Contractual service	247,957
Commodities	1,298,773
Other expenditures	192,459
<b>Total Expenses</b>	<b>2,212,024</b>
<b>Operating Income Before Depreciation/Amortization</b>	<b>1,663,582</b>
Less: Depreciation/Amortization	1,645,511
<b>Operating Income (Loss)</b>	<b>18,071</b>
<b>Non-Operating Income (Expense)</b>	
Interest expense and fees	(168,425)
Gain on sale of assets	2,605
Interest income	33,462
<b>Total Non-operating Income/(Expense)</b>	<b>(132,358)</b>
<b>Net Income (Loss)</b>	<b>(114,287)</b>
<b>Net Position</b>	
Balance, beginning of year	45,063,422
Capitalized connection fees	403,800
<b>Total Net Position</b>	<b>\$ 45,352,935</b>

The accompanying notes are an integral part of these financial statements.

**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund - Statement of Cash Flows**Year Ended April 30, 2018*

	<b>Sewerage Enterprise Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers and users	\$ 3,790,886
Cash paid to suppliers	(1,603,695)
Cash and benefits paid for employees	(472,835)
<b>Net Cash Provided by Operating Activities</b>	<b>1,714,356</b>
<b>Cash Flows from Investing Activities</b>	
System additions	(799,637)
<b>Net Cash Flows Provided by Investing Activities</b>	<b>(799,637)</b>
<b>Cash Flows from Capital and Financing Activities</b>	
Interest income	33,462
Gain from sale of assets	2,605
Bond interest and fees	(168,425)
Bond/note payments, net	(205,000)
<b>Net Cash Flows Provided by Capital and Financing Activities</b>	<b>(337,358)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>577,361</b>
Connection Fees Capitalized	403,800
Cash at Beginning of Year	5,675,491
<b>Cash at End of Year</b>	<b>\$ 6,656,652</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating income (loss) for the year	\$ 18,071
Depreciation and amortization	1,645,511
(Increase) decrease in accounts receivable	69,085
(Increase) decrease in deposits with paying agent	(2,150)
Increase (decrease) in accounts payable	(6,808)
Increase (decrease) in accrued interest payable	(2,850)
Increase (decrease) in deferred compensation	(6,503)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,714,356</b>

Cash payments for interest made during the year were \$168,425.

The accompanying notes are an integral part of these financial statements.



NOTES TO THE BASIC  
FINANCIAL STATEMENTS

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### *Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the Lake In The Hills Sanitary District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the District.

##### REPORTING ENTITY

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financial relationships.

##### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### *Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recognized only when payment is due.

Property taxes, state-shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the District.

The government reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following major proprietary funds:

The Sewer O&M Fund is used to account for the treatment of sewerage of the District's citizens. User charges to customers account for substantially all of the revenue of this fund.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### CASH

Many of the District's funds combine their cash in a common cash account included in the general fund where available cash is invested. Interest is earned from commingled checking in the general fund.

For purposes of cash and cash equivalent determination, Lake In The Hills Sanitary District considers all cash, investments, investments in Illinois Funds, and short-term Certificates to be cash equivalents.

#### INVESTMENTS

Investment balances consist of savings account balances, certificates of deposit, investments in government securities, and shares in the Illinois Funds. Investment cost or amortized cost of investments approximate market value. The funds included in the Pool participate in the earnings of the Pool in proportion to their average balance therein. Should any of these funds have an average deficit in the Pool, they are charged interest accordingly. Currently, the District has no balances classified as investments.

#### RECEIVABLES AND REVENUE RECOGNITION

Property taxes receivable are recognized at the time they are levied. Property taxes are levied and attached as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. The tax levy for 2017 property taxes was adopted August 25, 2017. That portion of the property taxes which are not available for the current year's operations are shown as deferred revenue.

Income from investments, accounts, and unbilled usage receivables are recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for service (other than enterprise funds), miscellaneous and other revenues are recorded as revenue when received in cash, as they are generally not measurable until actually received.

#### FUND BALANCE CLASSIFICATIONS

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being Nonspendable.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board. These amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of April 30, 2018.

**Assigned** - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board or through the District Board delegating this responsibility to the District manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**Unassigned** - This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

##### EQUITY CLASSIFICATIONS USED IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Net Investment in Capital Assets** – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

**Restricted Net Position** - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – all other net position is reported in this category.

#### NOTE 2 – CASH AND INVESTMENTS

The District's investment policies are governed by state statutes whereby District money must be deposited in FDIC - insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

The District's pooled and nonpooled deposits are categorized to give an indication of the level of risk assumed by the District at April 30, 2018. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

	Category			Bank Balance	Carrying Value
	1	2	3		
Pooled deposits					
Checking/Savings	\$ 3,335,293	\$ 4,617,678	\$ -	\$ 7,952,971	\$ 7,948,665
Totals	<u>\$ 3,335,293</u>	<u>\$ 4,617,678</u>	<u>\$ -</u>	<u>\$ 7,952,971</u>	<u>\$ 7,948,665</u>

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### NOTE 3 – PROPRIETARY FUND TYPE – PROPERTY AND EQUIPMENT

The property and equipment of the proprietary type fund consists of:

##### Proprietary Fund - Capital Assets

	Balance			Balance
Fixed Assets	May 1, 2017	Increases	Decreases	April 30, 2018
Land	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	65,590	586,343	-	651,933
Plant and lift stations	39,527,809	146,457	-	39,674,266
Sewer trunkline	22,066,992	-	-	22,066,992
Equipment	3,448,896	37,047	7,295	3,478,648
Administration building	1,298,177	-	-	1,298,177
Vehicles	670,310	29,790	43,945	656,155
Office furniture & equipment	58,545	-	-	58,545
<b>Total Fixed Assets</b>	<b>67,582,808</b>	<b>799,637</b>	<b>51,240</b>	<b>68,331,205</b>
Less: Accumulated Depreciation	24,215,404	1,597,912	-	25,813,316
<b>Fixed Assets (Net)</b>	<b>\$ 43,367,404</b>	<b>\$ (798,275)</b>	<b>\$ 51,240</b>	<b>\$ 42,517,889</b>

The aggregate depreciation charged to operations is \$1,597,912.

#### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT

##### IMRF PLAN DESCRIPTION

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

##### BENEFITS PROVIDED –

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT – (CONTINUED)

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selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

As of December 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	8
Inactive Plan Members entitled to but not yet receiving benefits	4
Active Plan Members	10
<b>Total</b>	<b>22</b>

### CONTRIBUTIONS -

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 20.64%. For the fiscal year ended



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### *Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

#### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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April 30, 2018, the District contributed \$121,610 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### NET PENSION LIABILITY -

The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### ACTUARIAL ASSUMPTIONS -

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### Executive Summary as of December 31, 2017

Actuarial Valuation Date	12/31/2017
Measurement Date of the Net Pension Liability	12/31/2017
Fiscal Year End	4/30/2018

#### Membership

Number of	
- Retirees and Beneficiaries	8
- Inactive, Non-Retired Members	4
- Active Members	10
- Total	22

Covered Valuation Payroll (1)	\$ 589,197
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#### Net Pension Liability

Total Pension Liability/(Asset)	\$ 3,216,047
Plan Fiduciary Net Position	2,560,881
Net Pension Liability/(Asset)	\$ 655,166
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.63%
Net Pension Liability as a Percentage of Covered Valuation Payroll	111.20%

#### Development of the Single Discount Rate as of December 31, 2017

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate (2)	3.31%
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate calculated using December 31, 2016 Measurement Date	7.50%

<b>Total Pension Expense/(Income)</b>	<b>\$ 148,088</b>
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#### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 125,927	\$ 3,904
Changes in assumptions	-	99,191
Net difference between projected and actual earnings on pension plan investments	65,435	181,064
Total	\$ 191,362	\$ 284,159

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 67-68.

(2) Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal Go AA Index" as of December 29, 2017. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

### NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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#### SINGLE DISCOUNT RATE -

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

#### SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE -

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:



# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2017

##### A. Total pension liability

1. Service Cost	\$ 67,952
2. Interest on the Total Pension Liability	235,467
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	(4,651)
5. Changes of assumptions	(106,741)
6. Benefit payments, including refunds of employee contributions	(163,139)
7. Net change in total pension liability	28,888
8. Total pension liability – beginning	3,187,159
9. Total pension liability – ending	<u>\$ 3,216,047</u>

##### B. Plan fiduciary net position

1. Contributions – employer	\$ 121,610
2. Contributions – employee	26,514
3. Net investment income	391,039
4. Benefit payments, including refunds of employee contributions	(163,139)
5. Other (Net Transfer)	(37,539)
6. Net change in plan fiduciary net position	338,485
7. Plan fiduciary net position – beginning	2,222,396
8. Plan fiduciary net position – ending	<u>\$ 2,560,881</u>

##### C. Net pension liability/(asset)

\$ 655,166

##### D. Plan fiduciary net position as a percentage of the total pension liability

79.63%

##### E. Covered Valuation payroll

\$ 589,197

##### F. Net pension liability as a percentage

of covered valuation payroll 111.20%

#### Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 3,702,942	\$ 3,216,047	\$ 2,820,799
Plan Fiduciary Net Position	2,560,881	2,560,881	2,560,881
Net Pension Liability/(Asset)	<u>\$ 1,142,061</u>	<u>\$ 655,166</u>	<u>\$ 259,918</u>

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### **Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2018, the District recognized pension expense of \$121,610. At April 30, 2018, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pensions Expenses in Future Periods</i>		
Differences between expected and actual	\$ 125,927	\$ 3,904
Changes of assumptions	-	99,191
Net differences between projected and actual earnings on pension plan investments	65,435	181,064
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 191,362</b>	<b>\$ 284,159</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2018	\$ (1,647)
2019	(1,646)
2020	(30,392)
2021	(39,213)
2022	(15,817)
Thereafter	(4,082)
<b>Total</b>	<b>\$ (92,797)</b>



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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##### Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\*

###### Valuation Date: December 31, 2017

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

###### Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period until remaining period reaches 10 years (then 10-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non- disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

###### Other Information:

Notes There were no benefit changes during the year

\* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

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#### SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

##### Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes	There were no benefit changes during the year.

*\*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.*

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### NOTE 5 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

#### NOTE 6 – EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations.

#### NOTE 7 – SEWERAGE – GENERAL OBLIGATION (ALTERNATE REVENUE BONDS)

The Sewerage Debt Certificates, Series 2008 dated February 6, 2008 were issued during February 2008 for constructing improvements of the sanitary sewerage system. The debt certificates are collateralized by the net revenue of the Lake In The Hills Sanitary District and will be paid each year beginning May 1, 2008, until retired. The debt certificates carry interest rates ranging from 3.700% to 4.875% and mature May 1, 2017 through May 1, 2027. The certificates maturing on or after 2019 are subject to redemption prior to maturity. The Sewerage General Obligation Bonds, Series 2014A dated November 13, 2014 were issued during November 2014 for capital projects of the District. The bonds are collateralized by the net revenue of the Lake In The Hills Sanitary District and will be paid each year beginning May 1, 2008, until retired. The bonds carry interest rates ranging from 2.000% to 4.000% and mature May 1, 2017 through May 1, 2039. The certificates maturing on or after 2025 are subject to redemption prior to maturity.

Long-term liability activity for the year ended April 30, 2018 was as follows:

	Balance			Balance	Amounts
Business-Type Activities: Long-Term Debt	May 1, 2017	Additions	Retirements	April 30, 2018	Due Within
Bond Dated February 6, 2008	\$ 1,345,000	\$ -	\$ 100,000	\$ 1,245,000	\$ 105,000
Bond Dated November 13, 2014	3,330,000	-	100,000	3,230,000	100,000
<b>Total Business-Type Long-Term Debt Obligation</b>	<b>4,675,000</b>	<b>-</b>	<b>200,000</b>	<b>4,475,000</b>	<b>205,000</b>

Long-term liabilities at April 30, 2018	Maturity	Interest	Face	Carrying
	Dates	Rates	Amount	Amounts
Business-Type Activities: Long-Term Debt				
Bond Dated February 6, 2008	5/1/2017	3.700% - 4.875%	\$ 2,000,000	\$ 1,245,000
Bond Dated November 13, 2014	5/1/2039	2.000% - 4.000%	\$ 3,430,000	\$ 3,230,000

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### NOTE 7 – SEWERAGE – GENERAL OBLIGATION (ALTERNATE REVENUE BONDS) (CONCLUDED)

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Debt service activity with principal and interest payments due in year ended April 30 are as follows:

Long Term Debt Maturity Schedule

Fiscal Year Ended Due	Bonds Dated February 6, 2008 Outstanding April 30, 2018		Bond Dated November 13, 2014 Outstanding April 30, 2018		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
4/30/2019	105,000	54,291	100,000	113,988	205,000	168,279
4/30/2020	105,000	49,697	105,000	111,413	210,000	161,110
4/30/2021	110,000	44,994	110,000	108,188	220,000	153,182
4/30/2022	115,000	40,072	110,000	104,888	225,000	144,960
4/30/2023	120,000	34,856	115,000	101,513	235,000	136,369
4/30/2024	125,000	29,344	120,000	97,388	245,000	126,732
4/30/2025	130,000	23,606	125,000	92,488	255,000	116,094
4/30/2026	140,000	17,531	125,000	87,956	265,000	105,487
4/30/2027	145,000	10,847	130,000	83,813	275,000	94,660
4/30/2028	150,000	3,656	135,000	79,506	285,000	83,162
4/30/2029	-	-	140,000	75,038	140,000	75,038
4/30/2030	-	-	145,000	70,406	145,000	70,406
4/30/2031-4/30/2040	-	-	1,770,000	370,503	1,770,000	370,503
<b>Total Debt</b>	<b>\$ 1,245,000</b>	<b>\$ 308,894</b>	<b>\$ 3,230,000</b>	<b>\$ 1,497,084</b>	<b>\$ 4,475,000</b>	<b>\$ 1,805,978</b>

#### NOTE 8 – CONTINGENCIES

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The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

#### NOTE 9 – SUBSEQUENT EVENTS

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The Organization has evaluated subsequent events through July 27, 2018, the date on which the financial statements were available to be issued.



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

### NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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As of these financial statements, the District has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources (\$612,801) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.

## REQUIRED SUPPLEMENTARY INFORMATION



# LAKE IN THE HILLS SANITARY DISTRICT

General Fund - Schedule of Revenues, Expenditures Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2018

	Budget		Actual
	Original	Final	Amounts
<b>Revenues</b>			
Property taxes	\$ 273,000	\$ 273,000	\$ 272,874
Replacement tax	-	-	1,561
Interest	1,000	1,000	2,619
<b>Total Revenues</b>	<b>274,000</b>	<b>274,000</b>	<b>277,054</b>
<b>Personnel Services</b>			
Salaries and payroll taxes	168,000	168,000	161,881
<b>Contractual Services</b>			
Professional engineering	40,000	40,000	30,949
Legal services	15,000	15,000	16,894
Other professional services	5,000	5,000	941
<b>Total Contractual Services</b>	<b>60,000</b>	<b>60,000</b>	<b>48,784</b>
<b>Administrative Expenses</b>			
Printing, publications	4,000	4,000	4,183
Office supplies, equipment	3,000	3,000	2,146
Postage	1,000	1,000	771
Treasurer's bond	3,500	3,500	3,000
Community affairs	2,000	2,000	271
Membership and dues	4,500	4,500	3,124
<b>Total Administrative Exepens</b>	<b>18,000</b>	<b>18,000</b>	<b>13,495</b>
<b>Operating Expenses</b>			
Building and grounds upkeep	12,000	12,000	6,556
Utilites	28,000	28,000	16,991
J.U.L.I.E.	2,500	2,500	2,472
Training and education	2,000	2,000	195
Travel expenses	2,000	2,000	82
Computer hardware, software & Support	8,000	8,000	2,937
<b>Total Operating Expenses</b>	<b>54,500</b>	<b>54,500</b>	<b>29,233</b>
<b>Contingency and Miscellaneous Expenses</b>			
Not otherwise appropriated	1,000	1,000	235
<b>Total Congency and Miscellaneous Expenses</b>	<b>1,000</b>	<b>1,000</b>	<b>235</b>
<b>Total General Fund</b>	<b>301,500</b>	<b>301,500</b>	<b>253,628</b>
<b>Net Change in Fund Balance</b>	<b>\$ (27,500)</b>	<b>\$ (27,500)</b>	<b>23,426</b>
<b>Fund Balance</b>			
Fund balance, Beginning			865,463
<b>Total Fund Balance, Ending</b>			<b>\$ 888,889</b>

NOTES TO REQUIRED  
SUPPLEMENTARY INFORMATION

## LAKE IN THE HILLS SANITARY DISTRICT ILLINOIS

### *Notes to Required Supplemental Information*

*Year Ended April 30, 2018*

The accounting policies of the District include the preparation of financial statements on the modified accrual basis of accounting. The District prepares its budget on the cash basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However; expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

Appropriation ordinances are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The District procedures in establishing the appropriation data reflected in the General Fund Financial Statements are presented below:

- Prior to July 15<sup>th</sup> the District Board receives a proposed appropriation ordinance for the fiscal year commencing on May 1<sup>st</sup>. The appropriation ordinance includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The appropriation ordinance is legally enacted through passage of an ordinance prior to July 31<sup>st</sup>.
- The District Treasurer, in conjunction with the Board, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original appropriation ordinance was passed on May 11, 2017 and amended on April 18, 2018.
- Formal budgetary integration is not employed as a management control device during the year for any fund.

## LAKE IN THE HILLS SANITARY DISTRICT ILLINOIS

### *Notes to Required Supplemental Information*

*Year Ended April 30, 2018*

- Appropriation comparisons presented in the accompanying financial statements are prepared on the modified accrual and accrual basis of accounting. Governmental funds utilize the modified accrual basis of accounting, and the business type funds use the accrual basis of accounting for both appropriation purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

## OTHER SUPPLEMENTARY INFORMATION

# LAKE IN THE HILLS SANITARY DISTRICT

Special Revenue Funds - Balance Sheet

April 30, 2018

	Total	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 389,070	\$ 10,114	\$ 50,016	\$ 127,349	\$ 170,629	\$ 30,962
Taxes receivable, net of 1% allowance of loss	326,357	19,210	19,922	105,299	135,679	46,247
<b>Total Assets</b>	<b>\$ 715,427</b>	<b>\$ 29,324</b>	<b>\$ 69,938</b>	<b>\$ 232,648</b>	<b>\$ 306,308</b>	<b>\$ 77,209</b>
<b>Liabilities</b>						
Accounts payable/accruals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows</b>						
Property taxes	326,357	19,210	19,922	105,299	135,679	46,247
<b>Fund Balance</b>						
Fund balance, Ending	389,070	10,114	50,016	127,349	170,629	30,962
<b>Total Liabilities and Fund Balance</b>	<b>\$ 715,427</b>	<b>\$ 29,324</b>	<b>\$ 69,938</b>	<b>\$ 232,648</b>	<b>\$ 306,308</b>	<b>\$ 77,209</b>



# LAKE IN THE HILLS SANITARY DISTRICT

Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended April 30, 2018

	Total	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund
<b>Revenues</b>						
Property taxes	\$ 330,729	\$ 18,299	\$ 18,976	\$ 100,303	\$ 149,099	\$ 44,052
<b>Total Revenues</b>	<b>330,729</b>	<b>18,299</b>	<b>18,976</b>	<b>100,303</b>	<b>149,099</b>	<b>44,052</b>
<b>Expenditures</b>						
Auditing expense and fee	16,700	16,700	-	-	-	-
Chlorination, disinfection, and treatment	3,487	-	3,487	-	-	-
Pension contributions	123,281	-	-	123,281	-	-
Public liability insurance	91,602	-	-	-	91,602	-
Social Security contributions	49,014	-	-	-	-	49,014
<b>Total Expenditures</b>	<b>284,084</b>	<b>16,700</b>	<b>3,487</b>	<b>123,281</b>	<b>91,602</b>	<b>49,014</b>
<b>Net Change in Fund Balance</b>	<b>46,645</b>	<b>1,599</b>	<b>15,489</b>	<b>(22,978)</b>	<b>57,497</b>	<b>(4,962)</b>
<b>Fund Balance</b>						
Fund balance, beginning	342,425	8,515	34,527	150,327	113,132	35,924
<b>Total Fund Balance, Ending</b>	<b>\$ 389,070</b>	<b>\$ 10,114</b>	<b>\$ 50,016</b>	<b>\$ 127,349</b>	<b>\$ 170,629</b>	<b>\$ 30,962</b>

**LAKE IN THE HILLS SANITARY DISTRICT***Audit Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

	Budget		
	Original	Final	Actual Amounts
Revenues			
Property taxes	\$ 18,300	\$ 18,300	\$ 18,299
Total Revenues	18,300	18,300	18,299
Expenditures			
Auditing expense and fee	20,000	20,000	16,700
Net Change in Fund Balance	\$ (1,700)	\$ (1,700)	1,599
Fund Balance			
Fund balance, Beginning			8,515
Total Fund Balance, Ending			\$ 10,114

**LAKE IN THE HILLS SANITARY DISTRICT***Chlorination Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

	Budget		
	Original	Final	Actual Amounts
Revenues			
Property taxes	\$ 19,000	\$ 19,000	\$ 18,976
Total Revenues	19,000	19,000	18,976
Expenditures			
Chlorination, disinfection and treatment	24,000	24,000	3,487
Net Change in Fund Balance	\$ (5,000)	\$ (5,000)	15,489
Fund Balance			
Fund balance, Beginning			34,527
Total Fund Balance, Ending			\$ 50,016

**LAKE IN THE HILLS SANITARY DISTRICT***IMRF Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

	Budget		
	Original	Final	Actual Amounts
Revenues			
Property taxes	\$ 100,400	\$ 100,400	\$ 100,303
Total Revenues	100,400	100,400	100,303
Expenditures			
Pension contributions by employer	130,000	130,000	123,281
Net Change in Fund Balance	\$ (29,600)	\$ (29,600)	(22,978)
Fund Balance			
Fund balance, Beginning			150,327
Total Fund Balance, Ending			\$ 127,349

**LAKE IN THE HILLS SANITARY DISTRICT***Public Liability Insurance Fund - Schedule of Revenues, Expenditures Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

	Budget		Actual
	Original	Final	Amounts
<b>Revenues</b>			
Property taxes	\$ 149,200	\$ 149,200	\$ 149,099
<b>Total Revenues</b>	<u>149,200</u>	<u>149,200</u>	<u>149,099</u>
<b>Expenditures</b>			
Workers compensation	21,000	21,000	18,576
Property	43,000	43,000	36,671
Vehicles	15,000	15,000	11,077
General liability	70,000	70,000	25,278
Administration fee	800	800	-
<b>Total Expenditures</b>	<u>149,800</u>	<u>149,800</u>	<u>91,602</u>
<b>Net Change in Fund Balance</b>	<u>\$ (600)</u>	<u>\$ (600)</u>	<u>\$ 57,497</u>
<b>Fund Balance</b>			
Fund balance, Beginning			<u>113,132</u>
<b>Total Fund Balance, Ending</b>			<u>\$ 170,629</u>



**LAKE IN THE HILLS SANITARY DISTRICT***Social Security Fund - Schedule of Revenues, Expenditures Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>
<b>Revenues</b>			
Property taxes	\$ 44,100	\$ 44,100	\$ 44,052
<b>Total Revenues</b>	<u>44,100</u>	<u>44,100</u>	<u>44,052</u>
<b>Expenditures</b>			
Social security contributions	<u>50,000</u>	<u>50,000</u>	<u>49,014</u>
<b>Net Change in Fund Balance</b>	<u>\$ (5,900)</u>	<u>\$ (5,900)</u>	<u>\$ (4,962)</u>
<b>Fund Balance</b>			
Fund balance, Beginning			<u>35,924</u>
<b>Total Fund Balance, Ending</b>			<u>\$ 30,962</u>

**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund Types - Schedule of Expenditures**- Budget and Actual**Year Ended April 30, 2018*

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>
<b>Personnel Services</b>			
District personnel salaries	\$ 580,000	\$ 580,000	\$ 472,835
<b>Total Personnel Services</b>	<b>580,000</b>	<b>580,000</b>	<b>472,835</b>
<b>Administrative Expenses</b>			
Telephone	3,000	3,000	2,958
Postage	20,000	20,000	18,669
Printing, publishing	2,000	2,500	2,373
Office supplies	8,000	8,000	6,213
Billing and collection expense	80,000	80,000	13,338
Professional services	5,000	5,000	1,611
Training, travel, and education	5,000	5,000	220
Computer hardware, software, and support	20,000	20,500	19,466
Community affairs	2,000	1,000	709
Medical and life insurance	195,000	195,000	182,400
<b>Total Administrative Expenses</b>	<b>340,000</b>	<b>340,000</b>	<b>247,957</b>
<b>Operation and Maintenance of Plant</b>			
Operating supplies	60,000	60,000	58,595
Maintenance and repair (plant)	130,000	122,000	105,067
Maintenance and repair (collection system)	295,000	295,000	132,076
Utilities and energy	378,000	386,000	385,633
Grounds upkeep	30,000	30,000	18,745
Gasoline/oil	15,000	15,000	11,480
Computer and support services	2,000	2,000	100
Emergency communications	48,000	55,000	55,274
Sludge management	500,000	493,000	480,671
Professional services	24,000	24,000	20,713
Residential reimbursement	10,000	10,000	-
Compliance requirements/permits	28,000	28,000	27,895
Contingency and miscellaneous expense	3,000	3,000	2,524
GIS	10,000	10,000	-
<b>Total Operation and Maintenance of Plant</b>	<b>1,533,000</b>	<b>1,533,000</b>	<b>1,298,773</b>

# LAKE IN THE HILLS SANITARY DISTRICT

## Proprietary Fund Types - Schedule of Expenditures

### - Budget and Actual

Year Ended April 30, 2018

	Budget		Actual
	Original	Final	Amounts
Capital Improvements			
New construction	\$ 3,000,000	\$ 3,000,000	\$ 55,844
Plant equipment	30,000	30,000	11,041
Collection system	280,000	280,000	-
Vehicles	50,000	50,000	-
Legal expense	5,000	5,000	298
Engineering expense	375,000	375,000	125,276
Bond, Finance consulting expense	1,000	1,000	-
Total Capital Improvements	3,741,000	3,741,000	192,459
Bond and Interest Account			
2008 Debt Certificates, Principal	100,000	105,000	-
2008 Debt Certificates, Interest	60,000	57,000	53,737
Administration fee	3,500	1,500	750
2014 Debt Certificates, Principal	100,000	100,000	-
2014 Debt Certificates, Interest	118,000	118,000	112,838
Administration fee	3,500	3,500	1,100
Total Bond and Interest Account	385,000	385,000	168,425
Total Expenditures	\$ 6,579,000	\$ 6,579,000	\$ 2,380,449

# LAKE IN THE HILLS SANITARY DISTRICT

Property Tax Extension Rates

Year Ended April 30, 2018

Tax Levy Year	2017	2016	2015
Assessed Valuation	\$ 718,670,206	\$ 678,248,528	\$ 636,448,576

## Tax Rates and Percentages - Allocated by Fund

Lake County	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.040260	47.75%	0.040260	45.21%	0.040452	43.08%
Chlorination	0.002800	3.25%	0.002800	3.14%	0.002000	2.13%
Liability Insurance	0.019070	22.14%	0.022000	24.70%	0.024500	26.09%
Social Security	0.006500	7.55%	0.006500	7.30%	0.007816	8.33%
IMRF	0.014800	17.18%	0.014800	16.62%	0.016000	17.04%
Audit	0.002700	3.13%	0.002700	3.03%	0.003122	3.33%
Totals	0.086130	100.00%	0.089060	100.00%	0.093890	100.00%

**LAKE IN THE HILLS SANITARY DISTRICT**  
**Multi-year Schedule of Changes in Net IMRF Pension Liability and Related Ratios**  
**Last 10 Calendar Years**  
*(schedule to be built prospectively from 2014)*

Calendar Year Ending	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service Cost	\$ 67,952	\$ 69,512	\$ 61,533							
Interest on the Total Pension Liability	235,467	222,115	200,087							
Benefit Changes	-	-	-							
Difference between Expected and Actual Experience	(4,651)	45,934	169,681							
Assumption Changes	(106,741)	(13,932)	-							
Benefit Payments and Refunds	(163,139)	(150,295)	(130,507)							
<b>Net Change in Total Pension Liability</b>	<b>28,888</b>	<b>173,334</b>	<b>300,794</b>							
<b>Total Pension Liability - Beginning</b>	<b>3,187,159</b>	<b>3,013,825</b>	<b>2,713,031</b>							
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 3,216,047</b>	<b>\$ 3,187,159</b>	<b>\$ 3,013,825</b>							
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 121,610	\$ 111,249	\$ 63,778							
Employee Contributions	26,514	40,264	26,379							
Pension Plan Net Investment Income	391,039	142,802	10,043							
Benefit Payments and Refunds	(163,139)	(150,295)	(130,507)							
Other	(37,539)	(3,250)	83,137							
<b>Net Change in Plan Fiduciary Net Position</b>	<b>338,485</b>	<b>140,770</b>	<b>52,830</b>							
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,222,396</b>	<b>2,081,626</b>	<b>2,028,796</b>							
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 2,560,881</b>	<b>\$ 2,222,396</b>	<b>\$ 2,081,626</b>							
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>655,166</b>	<b>964,763</b>	<b>932,199</b>							
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>79.63%</b>	<b>69.73%</b>	<b>69.07%</b>							
<b>Covered Valuation Payroll</b>	<b>\$ 589,197</b>	<b>\$ 600,051</b>	<b>\$ 586,199</b>							
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>111.20%</b>	<b>160.78%</b>	<b>159.02%</b>							

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.



LAKE IN THE HILLS SANITARY DISTRICT  
Multi-year Schedule of IMRF Pension Contributions  
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 121,610 *	\$ 121,610	\$ -	\$ 589,197	20.64%
2016	\$ 111,249	\$ 111,249	\$ -	\$ 600,051	18.54%
2015	\$ 63,778	\$ 63,778	\$ -	\$ 586,199	10.88%

\* Estimated based on a contribution rate of 20.64% and covered valuation payroll of \$589,197.

53 Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

**LAKE IN THE HILLS SANITARY DISTRICT**  
**ANNUAL TREASURER'S REPORT**  
Year Ended April 30, 2018

**REVENUE SUMMARY**

Sewer Services Collections – 3,977,867 ; Property Taxes – 603,603; Connection Fees – 419,406; Interest Income – 36,080; Proceeds from Sale of Equipment – 2,605; Safety Grant Proceeds – 2,144; Replacement Taxes – 1,561.

TOTAL REVENUES: \$5,043,266.

**COMPENSATION SUMMARY**

Range Under \$25,000: Cheryl A. Kehoe, Eric J. Hansen, Jacob R. Lowenheim, John P. Sullivan, Joshua T. Dyra, Kyle Caccamo, Kyle D. Kane, Nancy A. Delaney, Renee J. Velasquez, Shelby Key, Terry L. Easler, Trevor A. Martenson; Range \$25,000 - \$49,999: Jennifer L. Olson, Jessica L. Maioni, Karen L. Thompson; Range \$50,000- \$74,999: James F. Olvera, Jerilyn Stahlberg, Michael G. Nelson, Ross K. Nelson, Tamara C. Mueller; Range \$75,000 to \$99,999: John E. Caccamo Jr; Range \$100,000 to \$124,999: Rick Forner; Range Over \$125,000: None.

TOTAL COMPENSATION: \$640,707.

**EXPENDITURE SUMMARY**

AB Links LLC – 3,650; Advantage Mechanical – 8,015; Algonquin Bank & Trust – 16,713; AMS Mechanical Systems – 17,863; Ancel Glink (et al.) – 42,913; AT&T – 44,371; Bank of New York Mellon – 162,338; Bearing Distributors Inc – 3,319; Benchmark Sales & Service Inc – 49,130; Bond Trust Services Corporation 215,338; Cintas Corporation – 11,291; Civic Systems LLC – 6,614; Comcast Cable – 4,259; ComEd – 11,252; Conrad De Latour & Associates Inc. – 6,431 Constellation NewEnergy Inc – 60,262; Controls Consulting Inc – 102,131; DN Tanks Inc – 32,140; Dynegy Energy Services – 312,889; EJ Equipment – 8,210; Flood Brothers Disposal & Recycling – 3,439; Fox River Study Group – 8,250; Hadronex Inc – 3,558; Hawkins Inc – 23,832; Humana – 180,836; Illini Power Products Corp – 15,658; Illinois EPA – 17,500; Illinois Municipal Retirement Fund – 123,281; Illinois Public Risk Fund – 18,576; Illinois State Treasurer's Office – 2,525 Interstate Gas Supply Inc – 10,181; James Gioia & Company PC – 16,700; Jones Insurance Services – 76,706; Lakeside Equipment Corporation – 20,098; Logsdon Office Supply – 6,876; Mac Painting – 2,700; Marc Kresmery Construction LLC – 69,934; Michael Kruse – 16,492; Nicor Gas – 5,500; Northern Tool & Equipment – 3,769; O'Reilly Auto Parts – 4,622; Parkson Corporation – 9,022; Payment Service Network – 21,721; Peerless Enterprises Inc – 23,895; PetroChoice LLC – 14,457; Pivotal Payments – 3,582; Postl Yore and Associates Inc – 485,799; Ray Chevrolet – 29,790; RP Coatings Inc – 311,000; Ryco Landscaping – 12,200; Shaw Suburban Media – 2,793; Storino Ramello & Durkin – 26,501; Suburban Laboratories Inc – 3,930; Synagro WWT Inc – 461,865; Technology Masters Inc – 13,395; Third Millennium Associates Inc – 13,277; TruGreen – 4,768; United Laboratories – 4,955; United States Postal Service – 17,703; United States Treasury – 49,014; USA Blue Book – 8,207; Verizon Wireless – 3,691; Village of Lake in the Hills – 5,624; Wilkens Anderson – 3,912; Ziegler's Ace Hardware – 4,194; Zukowski Rogers Flood & McArdle – 5,369. All other disbursements in amounts less than \$2,500 – 76,079.

TOTAL VENDORS: \$3,366,905.

**SUMMARY STATEMENT OF CONDITION  
(Excerpt from Comptroller Report AFR)**

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	FIDUCIARY	DISCRETELY PRESENTED COMPONENT UNITS
Revenues (*Line 240)	277,054	330,729	-	-	3,911,673	-	-	-
Expenditures (*Line 270)	253,628	284,084	-	-	4,025,960	-	-	-
Excess of Revenues Over (Under) Expenditures (*Line 301)	23,426	46,645	-	-	(114,287)	-	-	-
Transfers In (*Line 302)	-	-	-	-	-	-	-	-
Transfers Out (*Line 303)	-	-	-	-	-	-	-	-
Bond Proceeds (*Line 304)	-	-	-	-	-	-	-	-
Other (*Line 305)	-	-	-	-	-	-	-	-
Net Increase (Decrease) in Fund Balance (*Line 306)	23,426	46,645	-	-	(114,287)	-	-	-
Previous Year Fund Balance (*Line 307)	865,463	342,425	-	-	45,063,422	-	-	-
Other (*Line 308)	-	-	-	-	403,800	-	-	-
Current Year Ending Fund Balance (*Line 310)	888,889	389,070	-	-	45,352,935	-	-	-
<b>TOTAL DEBT</b>	<b>OUTSTANDING BEGINNING OF YEAR</b>	<b>ISSUED CURRENT FISCAL YEAR</b>	<b>RETIRED CURRENT FISCAL YEAR</b>	<b>OUTSTANDING END OF YEAR</b>				
	4,675,000	-	205,000	4,470,000				
	(*Line 405)	(*Line 411)	(*Line 417)	(*Line 423)				

Subscribed and sworn to this 13th day of September, 2018.

\_\_\_\_\_  
Rick E. Forner, District Manager

I, Karen L. Thompson, Clerk of Lake In The Hills Sanitary District, McHenry County, Illinois, do hereby certify that the above is a true copy of the Annual Treasurer's Report for the fiscal year ended April 30, 2018.

\_\_\_\_\_  
Karen L. Thompson, Clerk

**\*NOTE: Refers to the Line Numbers in the Comptrollers Annual Financial Report (AFR).**

# Memo

**To: President Eric Hansen and Board of Trustees**

**From: Rick Forner, District Manager**

**Date: August 21, 2018**

**Cc: James Olvera File**

**RE: Operator's Certification**

It's my pleasure to announce that James Olvera has passed his Class 1 Operators Certification through the Illinois Environmental Protection Agency. This is the highest certification for wastewater operators in the state of Illinois.

Per the Lake in the Hills Sanitary District's Personnel Policies and Procedures Handbook, an employee's salary shall be increased \$100 per month, 30 days after the District receives formal notification that a Class 1 Operator's Certification has been issued.

Therefore it is my recommendation that James Olvera's salary be adjusted effective September 16, 2018 to \$27.83 per hour, which equates to a \$100 per month increase.



## Change Order #6 to Agreement

For  
"Sludge Management Project"  
Lake in the Hills Sanitary District  
Lake in the Hills, IL

On November 13<sup>th</sup>, 2008 the Change Order #5 was implemented for the Sludge Management Project (the Contract) was entered into between Synagro Central LLC (Synagro) and the Lake in the Hills Sanitary District (the Customer).

**WHEREAS**, Synagro and the Customer desire to add a Change Order #6 to the Contract for good and valuable consideration while working together on a new contract, the receipt of which is hereby acknowledged and parties hereby agree to amend the contract as follows:

1. The term of the contract shall be renewed for a period of one (1) month commencing on October 1, 2018 with automatic monthly renewals until a 30 day notice is given by either party. The contract shall remain in effect in full force in accordance with all of the original terms and conditions.
2. Current Rate:

**\$0.046 per gallon- Dewatering & Utilization of Class B Solids**

**IN WITNESS HEREOF**, the parties hereto have caused this Amendment #6 to be executed by their duly authorized officers or representatives on \_\_\_\_\_

**Synagro Central, LLC**

**Lake in the Hills Sanitary District**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

Signature

Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



September 5, 2018

Mr. Rick Forner  
Lake in the Hills Sanitary District  
515 Plum Street  
Lake in the Hills, Illinois 60156

RE: 2017 Reconfiguration of Existing Hoffman Air Blowers  
Recommendation for Payment – Application #3  
Lake in the Hills Sanitary District

Dear Mr. Forner:

Enclosed is Pay Application #3 Pay Request for work completed by Energenecs, Inc. on the Lake in the Hills Sanitary District 2017 Reconfiguration of Existing Hoffman Air Blowers project. This pay application reflects work completed through August 31, 2018.

We have reviewed the request for payment and find the request and supporting documentation in order. We recommend payment in the amount of **ONE HUNDRED THIRTY THOUSAND FORTY TWO DOLLARS AND THIRTY FIVE CENTS (\$130,042.35)** to Energenecs, Inc., 700 East Milan Drive, Saukville, Wisconsin 53050 upon receipt of unconditional waivers of liens from the contractor and sub-contractors.

Please find enclosed one (1) original copy of the Application for Payment and supporting documents. Please contact me with any comments or questions.

Sincerely,  
Postl-Yore and Associates, Inc.

A handwritten signature in blue ink, appearing to read "Brett Postl", written over a horizontal line.

Brett Postl, P.E., PMP  
President

Enclosures

# APPLICATION AND CERTIFICATE FOR PAYMENT

OWNER: LAKE IN THE HILLS SANITARY DISTRICT  
 PROJECT: 2017 RECONFIGURATION OF EXISTING HOFFMAN BLOWERS  
 CONTRACTOR: ENERGENECS, INC.  
 CONTRACT FOR: LAKE IN THE HILLS SANITARY DISTRICT  
 ENGINEER: POSTL YORE AND ASSOCIATES  
 DISTRIBUTED TO: OWNER, ENGINEER, CONTRACTOR  
 APPLICATION #: 3

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment as shown below in connection with the Contract. Payment Application Communication Sheet Schedule of Units Completed is attached

1. ORIGINAL CONTRACT SUM	\$ 659,000.00
2. Net Change By Change Orders	\$ 0.00
3. CONTRACT SUM TO DATE (Line 1 & 2)	\$ 659,000.00
4. TOTAL COMPLETED TO DATE	\$ \$424,469.56
5. RETAINAGE: (10% of Line 4)	\$ \$42,446.96
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$ \$382,022.60
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior certificate)	\$ \$251,980.25
8. CURRENT PAYMENT DUE	\$ \$130,042.35
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$ \$276,977.40

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	\$0.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, the work has been performed in a good and workmanlike manner and in accordance with all applicable governmental approvals and required permits, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown is now due. Contractor certifies that there are no liens on any of the work or materials that the Owner has made prior payment for, or the existence of any such liens have been fully disclosed to the Owner in writing.

CONTRACTOR: [Signature] Date: 8/20/2018  
 By: [Signature]  
 State of Wisconsin  
 County of Ozaukee  
 Subscribed and sworn to before me this 20 day of August 2018  
 Notary Public: David S. Moga  
 My Commission expires: 5/4/20



## CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data furnished by the Contractor, the Engineer certifies to the Owner that to the best of their knowledge, information and belief the Work has progressed as indicated, the quality of the completed Work is in accordance with the Contract Documents, the work has been performed in a good and workmanlike manner (including applicable governmental approvals and required permits) and the completed work is in accordance with applicable governmental approvals and required permits, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ \$130,042.35  
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and the Schedule of Units Completed that changed to conform to the amount certified.)

ENGINEER: [Signature] Date: 9.5.18  
 By: [Signature]  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



STATE OF ILLINOIS  
COUNTY OF McHenry

# WAIVER OF LIEN TO DATE

Gty #

Escrow #

## TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by Energenecs, Inc.  
to furnish Reconfiguration of Existing Hoffman Air Blowers  
for the premises known as Main Plant, 515 Plum Street, Lake in the Hills, IL  
of which Lake in the Hills Sanitary District is the owner.

THE undersigned, for and in consideration of One Hundred Forty-Four Thousand Four Hundred Ninety-one dollars and 50/100  
(\$ 144,491.50 ) Dollars, and other good and valuable considerations, the receipt whereof is hereby acknowledged,  
do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to  
mechanics' liens, with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures,  
apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account  
of all labor, services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described  
premises, INCLUDING EXTRAS.\*

DATE 7/20/18 COMPANY NAME Energenecs, Inc

ADDRESS 700 East Milan Drive, Saukville WI 53080

SIGNATURE AND TITLE \_\_\_\_\_

\*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT

## CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS

COUNTY OF McHenry

## TO WHOM IT MAY CONCERN:

THE UNDERSIGNED, (NAME) Jared Feider BEING DULY SWORN, DEPOSES  
AND SAYS THAT HE OR SHE IS (POSITION) President  
OF (COMPANY NAME) Energenecs, Inc WHO IS THE  
CONTRACTOR FURNISHING Reconfiguration of Existing Hoffman Air Blowers WORK ON THE BUILDING  
LOCATED AT Main Plant, 515 Plum Street, Lake in the Hills, IL  
OWNED BY Lake in the Hills Sanitary District

That the total amount of the contract including extras\* is \$ 659,000.00 on which he or she has received payment of  
\$ 279,978.06 prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally  
and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names and  
addresses of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts  
for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each,  
and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

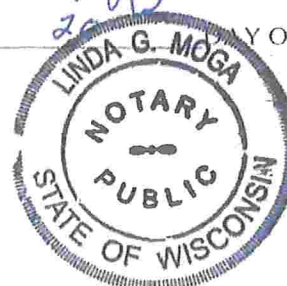
NAMES AND ADDRESSES	WHAT FOR	CONTRACT PRICE INCLDG EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
Energenecs Inc	Proj Management	163,881.00	109,030.46	0	54,850.54
Mission Controls	VFD & controls	176,777.00	141,421.60	0	35,355.40
Werner	Distribution panel	16,132.00	14,518.80	0	1,613.20
Gardner Denver	Blower Rehab	227,174.00	0	109,256.50	117,917.50
United Power	Electrical	43,816.00	8,763.20	25,869.00	9,183.80
Utility Worx	Site Work	31,220.00	6,244.00	9,366.00	15,610.00
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS* TO COMPLETE		659,000.00	279,978.06	144,491.50	234,530.44

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material,  
labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE 8/20/18 SIGNATURE: \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME THIS 20 DAY OF August, 2018

\*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE  
ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.



Linda G. Moga  
NOTARY PUBLIC



AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for line items may apply.

APPL NUMBER: 3

APPL DATE: August 20, 2018

PERIOD FROM: 7-1-18

TO: 8-30-18

ARCHITECT'S PROJECT NO: 01-11-18

A Item No	B Description of Work	C Scheduled Value	D WORK COMPLETED THIS APPLICATION		E Work in Place	F Stored Mat. (not in D or E)	G Total Completed and Stored To Date (D+E+F)	H Balance to Finish (C-G)	I Retainage
			Previous Applications						
010	Energeneics Inc	\$ 163,881.00	\$ 109,030.46		\$ 0		\$ 109,030.46	\$ 54,850.54	\$42,446.96
020	Mission Controls	\$ 176,777.00	\$ 141,421.60		\$ 0		\$ 141,421.60	\$ 35,355.40	\$
030	Werner	\$ 16,132.00	\$ 14,518.80		\$ 0		\$ 14,518.80	\$ 1,613.20	\$
040	Gardner Denver	\$ 227,174.00	\$ 0		\$ 109,256.50		\$ 109,256.50	\$ 117,917.50	\$
050	United Power	\$ 43,816.00	\$ 8,763.20		\$ 25,869.00		\$ 34,632.20	\$ 9,183.80	\$
060	Utility Worx	\$ 31,220.00	\$ 6,244.00		\$ 9,366.00		\$ 15,610.00	\$ 15,610.00	\$
070							\$ -	\$ -	\$
080							\$ -	\$ -	\$
090							\$ -	\$ -	\$
100							\$ -	\$ -	\$
110							\$ -	\$ -	\$
120							\$ -	\$ -	\$
130							\$ -	\$ -	\$
140							\$ -	\$ -	\$
150							\$ -	\$ -	\$
160							\$ -	\$ -	\$
170							\$ -	\$ -	\$
180							\$ -	\$ -	\$
190							\$ -	\$ -	\$
200							\$ -	\$ -	\$
210							\$ -	\$ -	\$
220							\$ -	\$ -	\$
230							\$ -	\$ -	\$
240							\$ -	\$ -	\$
250							\$ -	\$ -	\$
260							\$ -	\$ -	\$
270							\$ -	\$ -	\$
280							\$ -	\$ -	\$
290							\$ -	\$ -	\$
300							\$ -	\$ -	\$
310							\$ -	\$ -	\$
320							\$ -	\$ -	\$
TOTAL		\$ 659,000.00	\$ 279,978.06	\$ 144,491.50	\$ -	\$ 424,469.56	\$ 234,530.44	\$42,446.96	

AIA DOCUMENT G703-A15 \* Continuation Sheet \* April 1978 Edition \* AIA@ \* @1978

The American Institute of Architects, 1735 New York Ave., NW, Washington, D.C. 20006

G703

September 5, 2018

Mr. Rick Forner  
Lake in the Hills Sanitary District  
515 Plum Street  
Lake in the Hills, Illinois 60102

RE: Aerobic Digester #4  
Recommendation for Payment – Application #2  
Lake in the Hills Sanitary District

Dear Mr. Forner:

Enclosed is Pay Application #2 for work completed by AMS Mechanical Systems, INC on the Lake in the Hills Sanitary District Aerobic Digester #4 Project. This pay application reflects work completed through August 31, 2018.

We find the pay request and supporting documents to be in order, and recommend payment in the amount of FIVE HUNDRED FIFTY SIX THOUSAND EIGHT HUNDRED SIXTY NINE DOLLARS AND SIXTY CENTS (\$556,869.60) to AMS Mechanical Systems, Inc., 9341 Adam Don Parkway, Woodridge, IL 60517, upon receipt of non-conditional partial waivers of lien.

Please find enclosed one (1) original copy of the Application for Payment and supporting documents. Please contact me with any comments or questions.

Sincerely,  
Postl-Yore and Associates, Inc.

A handwritten signature in blue ink, appearing to read "Brett Postl", with a stylized flourish at the end.

Brett Postl  
President

Enclosures



# Application and Certificate For Payment

<b>To Owner:</b> LAKE IN THE HILLS SANITARY ATTN: ACCOUNTS PAYABLE 515 PLUM STREET LAKE IN THE HILLS, IL 60156		<b>Project:</b> LITH DIGESTER #4 PROJ LAKE IN THE HILLS SANITARY DIS 515 PLUM STREET LAKE IN THE HILLS, IL 60156		<b>Application No:</b> 2 <b>Date:</b> 08/19/2018
<b>From (Contractor):</b> AMS MECHANICAL SYSTEMS, INC. 9341 ADAM DON PARKWAY WOODRIDGE, IL 60517		<b>Contractor Job Number:</b> 25046 <b>Via (Architect):</b> <b>Contract For:</b>	<b>Period To:</b> 08/31/18 <b>Architect's Project No:</b> <b>Contract Date:</b>	
<b>Phone:</b> 630 887-7700				

## Contractor's Application For Payment

Change Order Summary	Additions	Deductions
Change orders approved in previous months by owner	35,143.89	
Change orders approved this month		
<b>Totals</b>		
<b>Net change by change orders</b>	35,143.89	

Original contract sum	1,820,000.00
Net change by change orders	35,143.89
Contract sum to date	1,855,143.89
Total completed and stored to date	787,780.00
Retainage	
10.0% of completed work	78,778.00
0.0% of stored material	0.00
Total retainage	78,778.00
Total earned less retainage	709,002.00
Less previous certificates of payment	152,132.40
Current sales tax	0.00
0.000% of taxable amount	0.00
Current sales tax	0.00
Current payment due	556,869.60
Balance to finish, including retainage	1,146,141.89

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor: [Signature] Date: 8/19/18  
 By: [Signature] Date: 8/19/18  
 State of ILLINOIS County of DEKALB  
 Subscribed and sworn to before me this 19th day of AUGUST 2018  
2018 (year). Notary public: ANGELINE M. MELFI  
 My commission expires 11/27/19 MY COMMISSION EXPIRES 11/27/19

## Architect's Certificate for Payment

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the Amount Certified.

Amount Certified: \$556,869.60

Architect: [Signature] Date: 9.5.18  
 By: [Signature] Date: 9.5.18

This Certification is not negotiable. The Amount Certified is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

**Application and Certificate For Payment -- page 2**

To Owner: LAKE IN THE HILLS SANITARY  
 From (Contractor): AMS MECHANICAL SYSTEMS, INC.  
 Project: LITH DIGESTER #4 PROJ

Application No: 2 Date: 08/19/18 Period To: 08/31/18  
 Contractor's Job Number: 25046  
 Architect's Project No:

Item Number	Description	Scheduled Value	Work Completed		Materials Presently Stored	Completed and Stored to Date	%	Balance to Finish	Retention	Memo
			Previous Application	This Period						
0010	MOBILIZATION	10,000.00	2,500.00	2,500.00	0.00	5,000.00	50.00	5,000.00	500.00	
0020	1M GALLON TANK Coordination and Pre-Planning	1,043,500.00	0.00	554,242.00	0.00	554,242.00	53.11	489,258.00	55,424.20	
0030	EXCAVATION and UNDERGROUND PIPING	338,800.00	168,536.00	40,271.00	0.00	206,807.00	61.04	131,993.00	20,680.70	
0040	AERATION EQUIPMENT MATERIAL (EQUIPMENT MOORES)	129,580.00	0.00	21,731.00	0.00	21,731.00	16.77	107,849.00	2,173.10	
0050	AERATION EQUIPMENT LABOR	24,000.00	0.00	0.00	0.00	0.00	0.00	24,000.00	0.00	
0060	ACTUATOR VALVES MATERIAL (SWANSON FLO)	32,000.00	0.00	0.00	0.00	0.00	0.00	32,000.00	0.00	
0070	ACTUATOR VALVES LABOR	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	
0080	SCADA CONTROL	121,738.00	0.00	0.00	0.00	0.00	0.00	121,738.00	0.00	
0090	ELECTRICAL	62,700.00	0.00	0.00	0.00	0.00	0.00	62,700.00	0.00	
0100	ELECTRICAL - EXCAVATING	8,000.00	0.00	0.00	0.00	0.00	0.00	8,000.00	0.00	
0110	DEMOLITION	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	
0120	PIPING from U/G to AERATION TK LABOR and MATERIAL	8,000.00	0.00	0.00	0.00	0.00	0.00	8,000.00	0.00	
0130	SUMP PUMPS and LABOR	4,000.00	0.00	0.00	0.00	0.00	0.00	4,000.00	0.00	
0140	ADDITIONAL HAULING for SHOTCRETE OVERSPRAY	2,000.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0.00	
0150	TARPING and PROTECTION of area for SHOTCRETE	2,000.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0.00	
0160	CONCRETE PIERS and PAD for STAIRS	4,682.00	0.00	0.00	0.00	0.00	0.00	4,682.00	0.00	
0170	PAINTING	19,000.00	0.00	0.00	0.00	0.00	0.00	19,000.00	0.00	
9001	Holiday H2W Cast in Hatch Billing Total	7,950.00	0.00	0.00	0.00	0.00	0.00	7,950.00	0.00	
9002	Holiday H2W Cast-in-Hatch	9,496.13	0.00	0.00	0.00	0.00	0.00	9,496.13	0.00	
9003	Aeration pipe size increase	17,697.76	0.00	0.00	0.00	0.00	0.00	17,697.76	0.00	
<b>Application Total</b>		1,855,143.89	169,036.00	618,744.00	0.00	787,780.00	42.45	1,067,363.89	76,778.00	

September 10, 2018



Mr. Rick Forner, District Manager  
Lake in the Hills Sanitary District  
515 Plum Street  
Lake in the Hills, IL 60156

Subject: Letter of Engagement for Professional Services  
District Engineer

Dear Rick:

Applied Technologies, Inc. (ATI) is pleased to submit this Letter of Engagement for Professional Services to serve as District Engineer for the Lake in the Hills Sanitary District (District). ATI will provide study, design, construction, and general consulting engineering services for projects concerning infrastructure owned by the District.

As District Engineer, Peter Kolb, P.E. will coordinate District activities at the direction of the District Manager and Board of Trustees. This is an ongoing position that may be extended on an annual basis. The DE shall act as the District's technical advisor and offer advice as requested by the District Manager and/or the Board of Trustees.

## BACKGROUND

The District was formed in 1963 under the Sanitary District Act of 1917. Today it is governed by a three member Board of Trustees and serves approximately 11,000 accounts located in the Village of Lake in the Hills and portions of the City of Crystal Lake and the Village of Huntley. The District owns, maintains, and operates 125 miles of collection system sewers, six lift stations and a 4.5 MGD wastewater treatment facility.





## **SCOPE OF SERVICES**

Services will be provided under two general categories: General District Engineer Services and Task Order Services. These categories are detailed in the following sections.

### **General District Engineer Services**

The scope of work for General District Engineer Services includes, but is not limited to, the following items and shall be provided on an hourly basis. (See Appendix A for the Standard Rate Schedule.)

1. Services requested by the Board of Trustees.
2. Preliminary investigations, cost studies, feasibility studies, economic analyses, and forecasts.
3. Attendance and preparation for all requested Board of Trustees meetings. Prepare monthly status reports for Capital Improvement Projects when appropriate.
4. Site visits necessary for operation of the facilities.
5. Special planning, engineering studies, appraisals, and utility rate analyses.
6. Financial/budgetary planning.
7. Technical advice as requested by the District Manager and Board of Trustees.
8. Technical representation of the District at meetings or conferences with regulatory, municipal, county, and state agencies, as needed or requested.

### **Task Order Services**

Task Order Services will be provided on a project-by-project basis as requested by the District. The tasks will be detailed in a Project Task Order, a sample of which is included in Appendix B. Each Task Order Service will have a defined scope, schedule, and not-to-exceed budget amount authorized by the District. These services include, but are not limited to, the following:

1. Surveying and mapping.
2. Construction plans, specifications and contract documents, and all permit submittals.
3. Onsite management, construction related services, and inspection of capital improvement projects.
4. Monthly status reports on project activities.





## ENGINEERING BUDGET AND INVOICING

Engineering services will be billed monthly on an hourly basis for actual services provided under the General District Engineer Services category. Task Order Services will be billed on an hourly basis for actual services provided and will not exceed the task's budget amount without written authorization by the District. Our level of effort can be modified as necessary to meet any contractual or budgetary requirements of the District. Appendix C contains a sample invoice, and Appendix D features ATI's General Contract Provisions.

## INSURANCE

A Certificate of Insurance will be provided to the District upon commencement of the services. ATI will maintain the following insurance coverage for the duration of this agreement:

Type	Limit
Professional Liability (Occurrence/Aggregate)	\$2,000,000/\$3,000,000
Commercial General Liability (Occurrence/Aggregate)	\$1,000,000/\$2,000,000
Automobile Liability (Combined Single Limit)	\$1,000,000
Umbrella Liability (Occurrence/Aggregate)	\$5,000,000/\$5,000,000
Workers Compensation and Employers' Liability	\$1,000,000

Lake in the Hills Sanitary District will be named as additionally insured on all Certificates of Insurance.





To accept this Letter of Engagement, please sign and date this page and return a copy to us. Please contact me directly at (847) 309-5402 with any questions. Thank you for the opportunity to provide professional engineering services to Lake in the Hills Sanitary District; we look forward to working with you on this exciting endeavor!

Sincerely,  
Applied Technologies, Inc.

Peter E. Kolb, P.E.  
Vice President

cc: Jim Smith, P.E., President of Applied Technologies, Inc.

### **Appendices**

- A. 2018 Standard Rates
- B. Sample Task Order Form
- C. Sample Invoice
- D. Applied Technologies, Inc. General Provisions

### **Lake in the Hills Sanitary District District Engineer**

Accepted by:

Owner: \_\_\_\_\_

By (Signed): \_\_\_\_\_

By (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# **APPENDIX A**

## **2018 Standard Rate Schedule**

## 2018 Standard Rate Schedule

Project Role	Hourly Rate
Principal/District Engineer	\$190
Senior Project Manager	\$170
Project Manager	\$160
Senior Project Engineer V	\$156
Senior Project Engineer IV/Land Surveyor	\$138
Senior Project Engineer III/Assistant District Engineer	\$130
Project Engineer II	\$120
Project Engineer I	\$103
Senior Architect	\$130
Architect	\$110
Senior Designer IV	\$148
Senior Designer III	\$120
Designer II	\$110
Designer I	\$98
Clerical	\$68

### Other Terms and Conditions

1. This standard rate schedule is adjusted on January 1st of each year.
2. Rates include expenses, such as mileage, photocopying, blueprints, and postage.

# **APPENDIX B**

## **Sample Task Order Form**

## Lake in the Hills Sanitary District TASK ORDER NO.

**Date:** \_\_\_\_\_ **Project No.:** \_\_\_\_\_ **LITHSD Project Manager:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

**ATI Point(s) of Contact:** \_\_\_\_\_

**Project Description:**

**Scope of Services/Schedule:**

**Compensation:**

---

### PROJECT APPROVAL

Applied Technologies, Inc.

Accepted by Lake in the Hills Sanitary District

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# APPENDIX C

## Sample Invoice

## SAMPLE INVOICE

District Engineer: Peter Kolb

Rick Forner, District Manager  
Lake in the Hills Sanitary District.  
515 Plum Street  
Lake in the Hills, Illinois 60156

DATE  
Project No: #####  
Invoice No: #####  
Lake In the Hills Sanitary District Task No. ##

Project ##### Lake in the Hills Sanitary District Sample Invoice  
Lake in the Hills Sanitary District

**Professional Services from August 26, 2018 to September 25, 2018**  
**Professional Personnel Summary**

	Hours	Rate	Amount	
District Engineer				
Kolb, Peter	3.50	190.00	570.00	
Senior Project Engineer V				
Last, First	10.00	156.00	1,560.00	
Project Engineer 1				
Last, First	5.00	103.00	515.00	
Totals	18.50		2,645.00	
<b>Total Labor</b>				<b>2,645.00</b>
		<b>Rate</b>		
		<b>Total this Invoice</b>		<b><u>\$2,645.00</u></b>

**Outstanding Invoices**

Number	Date	Balance			
<b>Total</b>					
	<b>Current</b>	<b>Prior</b>	<b>Total</b>	<b>Received</b>	<b>A/R Balance</b>
<b>Billings to Date</b>	<b>2,645.00</b>	<b>0.00</b>	<b>2,645.00</b>	<b>0.00</b>	<b>2,645.00</b>
Budget					
\$##,###.##					
Terms: Net 10 Days					

# **APPENDIX D**

## **General Contract Provisions**



### 1. Scope of Services and Time Limit

The Proposal or Agreement for Professional Services, hereinafter both called the Agreement, is valid for a period of 60 days. Signing of the Agreement by the Client shall be considered as authorization for Applied Technologies, Inc. (ATI) to proceed with the Scope of Services. If acceptance is not received within 60 days, ATI reserves the right to revise the Scope of Services, Compensation, schedule, and personnel commitments.

### 2. Compensation

Compensation for the Scope of Services shall be as indicated in the Agreement, including any rate schedule or other attachments. All time spent on the Project by professional, technical, and clerical personnel will be invoiced. Unless otherwise stated, any compensation or fee estimate is considered a budget estimate only, and is not a lump-sum fee. If it becomes apparent to ATI that the total amount of compensation will exceed the budget estimate, ATI will notify the Client. Promptly thereafter, the Client and ATI shall review the matter of compensation and either the budget estimate or the remaining Scope of Services shall be revised. Rate schedules are adjusted on January 1st of each calendar year.

### 3. Additional Services

Additional compensation shall be negotiated between the Client and ATI for Additional Services beyond the Scope of Services. Unless otherwise noted, these Additional Services will include, but not be limited to: investigating the condition of existing facilities; verifying the accuracy of drawings or information furnished by the Client; surveying and preparation of easements and right-of-way descriptions, redesign after approval of preliminary phase documents; preparation of alternative designs; bid protests; redesign and rebidding; Client-requested change orders involving redesign; restaking of construction stakes; and delays beyond the control of ATI.

### 4. Payments to ATI

Progress invoices will be issued monthly by ATI for all services performed under the Agreement. Invoices are due and payable on receipt. Interest at the rate of 1% per month will be charged on all past due amounts.

### 5. Professional Standards

ATI shall be responsible, to the level of competency presently maintained by other practicing professionals in the same type of work and time in the Client's community, for the professional and technical soundness, accuracy, and adequacy of all design, drawings, specifications, and other work and materials furnished under this Agreement. Professional services are not subject to, and ATI can not provide, any warranty or guarantee, express or implied, including warranties or guarantees contained in any uniform commercial code. Any such warranties or guarantees contained in any purchase orders, requisitions or notices to proceed issued by the Client are specifically objected to.

### 6. Opinions of Cost

Since ATI has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, the opinions of probable Total Project Costs and Construction Cost are made on the basis of ATI's experience and qualifications and represent ATI's professional judgment. ATI does not guarantee that proposals, bids or actual Total Project Costs or Construction Costs will not vary from the opinions of probable cost prepared by ATI. If prior to bidding, the Client wishes greater assurance as to Total Project or Construction Costs, the Client shall employ an independent cost estimator. ATI's services to modify the Contract Documents to bring the Construction Cost within any limitation established by Client will be considered Additional Services.

### 7. Construction Observation

During construction observation ATI shall not supervise, direct, or have control over the Contractor's work or responsibility for the means, methods, techniques, sequences, or procedures of construction, nor for construction safety precautions and programs. ATI shall not be responsible for any failure of the Contractor to comply with applicable laws, rules, regulations, ordinances, or codes. ATI can neither guarantee the performance of the construction contract by the Contractor nor assume responsibility for the Contractor's failure to furnish and perform work in accordance with the Contract Documents.

### 8. Insurance

ATI shall procure and maintain insurance for protection from claims under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use.

### 9. Indemnification

ATI agrees to indemnify Client from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage and bodily injury, including death, caused solely by the negligence or willful misconduct of ATI in connection with

the project. Client agrees to indemnify ATI from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage and bodily injury, including death, caused solely by the negligence or willful misconduct of Client, Client's employees, or agents in connection with the project.

If the negligence or willful misconduct of both ATI and Client (or a person identified above for whom each is liable) is a cause of such damage or injury, the loss, cost, or expense shall be shared between ATI and Client in proportion to their relative degrees of negligence or willful misconduct and the right of indemnity shall apply for such proportion.

### 10. Limitation of Liability

The Client agrees to limit any and all liability or claim for damages, cost of defense, or expenses levied against ATI to a sum not to exceed \$50,000 or the amount of total compensation under this Agreement, whichever is less, on account of any design defect, error, omission, or professional negligence.

### 11. Reuse of Documents

Any reuse of documents including reports, drawings, specifications, Contract Documents and other deliverables furnished by ATI, whether in hard copy or electronic form, under this Agreement without specific written verification or adoption by ATI will be at the Client's sole risk and without liability or legal exposure to ATI. Any such reuse, verification or adoption will entitle ATI to further compensation at rates agreed upon by the Client and ATI.

### 12. Termination

Either the Client or ATI may terminate the Agreement by giving 30 days written notice to the other party. In such an event, the Client shall pay ATI in full for all work previously authorized and performed prior to the effective date of termination. All relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.

### 13. Dispute Resolution

In the event of a dispute arising under this Agreement, the Client and ATI shall attempt to settle the dispute by discussion between the Client's and ATI's management. If any dispute cannot be resolved in this manner, in a reasonable length of time, the Client and ATI agree to attempt non-binding mediation or other alternative dispute resolution prior to filing any legal proceedings. In the event actions are brought to enforce this Agreement, the prevailing party shall be entitled to collect its litigation costs from the other party.

### 14. Controlling Law and Severability

This Agreement is to be governed by the law of the principal place of business of ATI. If any provisions, paragraph, word, section, or subsection of this Agreement is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections, and subsections shall not be affected and shall continue in full force and effect.

### 15. Entire Agreement

This Agreement represents the entire agreement between the Client and ATI. No other terms, conditions, promises, understandings, statements, or representations, express or implied, covered in the subject matter of this Agreement exist or have been made. This Agreement cancels and supersedes all previous agreements, proposals and understandings, if any, written or oral, between the parties relating to the subject matter of this Agreement.

### 16. Joint Purchasing

The purchase of goods and services pursuant to the terms of this Agreement shall also be offered for purchases to be made by other governmental units, as authorized by the Governmental Joint Purchasing Act, 30 ILCS 525/0.01, et seq. (the "Act"). All purchases and payments made under the Act shall be made directly by and between each governmental unit and the successful Bidder. Applied Technologies, Inc. agrees that Lake County shall not be responsible in any way for purchase orders or payments made by the other governmental units. Applied Technologies, Inc. further agrees that all terms and conditions of this Agreement shall continue in full force and effect as to the other governmental units during extended terms. The credit or liability of each governmental unit shall remain separate and distinct. Disputes between Applied Technologies, Inc. and governmental units shall be resolved between the immediate parties.

Applied Technologies, Inc. and the other governmental units may negotiate such other and further terms and conditions to this Agreement ("Other Terms") as individual projects may require. To be effective, Other Terms shall be reduced to writing and signed by a duly authorized representative of both Applied Technologies, Inc. and the other governmental unit. Applied Technologies, Inc. shall provide the other governmental units with all required documentation set forth in the Agreement including but not limited to: performance and payment bonds, Certificates of Insurance naming the respective governmental unit as an additional insured and certified payrolls to the other governmental unit as required.



**LAKE IN THE HILLS SANITARY DISTRICT**  
**MONTHLY TREASURER REPORT - GOVERNMENTAL FUNDS**  
Month of August, 2018

	MONTH	YTD	BUDGET
<b>Beginning Cash and Investments</b>			
First National Bank	1,496,153.77	1,292,012.41	
Credit Cards	-	(406.93)	
<b>TOTAL BEGINNING CASH AND INVESTMENTS</b>	<b>1,496,153.77</b>	<b>1,291,605.48</b>	
<b>Revenues and Receipts</b>			
Real Estate Taxes			
General Fund	21,353.67	174,754.36	289,000.00
Audit Fund	1,432.07	11,719.74	19,400.00
Chlorination Fund	1,485.11	12,153.76	20,100.00
Liability Insurance Fund	10,114.60	82,775.76	137,000.00
Social Security Fund	3,447.55	28,214.01	46,700.00
Retirement Fund	7,849.81	64,241.30	106,300.00
Replacement Taxes	-	613.15	-
Safety Grant Recvd from IL Public Risk Fund	-	-	
Interest Income	322.28	1,236.32	1,000.00
<b>TOTAL REVENUES AND RECEIPTS</b>	<b>46,005.09</b>	<b>375,708.40</b>	<b>619,500.00</b>
<b>Expenditures</b>			
<b>GENERAL FUND</b>			
<b>PERSONNEL SERVICES</b>			
Salaries of Trustees, Manager, Treasurer & Clerk	13,953.97	56,028.99	170,000.00
<b>CONTRACTUAL SERVICES</b>			
Professional Engineering	-	12,410.00	40,000.00
Legal Services	1,760.50	5,455.25	36,000.00
Other Professional Services	-	-	5,000.00
	1,760.50	17,865.25	81,000.00
<b>ADMINISTRATIVE EXPENSES</b>			
Printing, Publications	90.54	1,212.02	5,000.00
Office Supplies, Equipment	-	541.42	3,000.00
Postage	-	132.35	1,500.00
Treasurer's Bond	-	-	4,000.00
Community Affairs	20.33	20.33	2,000.00
Memberships and Dues	30.00	130.00	4,500.00
	140.87	2,036.12	20,000.00
<b>OPERATING EXPENSES</b>			
Building and Grounds Upkeep	-	4,348.06	12,000.00
Utilities	225.57	5,908.68	26,000.00
J.U.L.I.E.	-	-	3,000.00
Training and Education	-	-	2,000.00
Travel Expenses	-	40.00	2,000.00
Computer Hardware, Software & Support	99.95	737.30	8,000.00
	325.52	11,034.04	53,000.00
<b>CONTINGENT AND MISCELLANEOUS EXPENSES</b>			
Not Otherwise Appropriated	-	-	1,000.00
	-	-	1,000.00
<b>TOTAL GENERAL FUND</b>	<b>16,180.86</b>	<b>86,964.40</b>	<b>325,000.00</b>



**Expenditures (continued)**

CHLORINATION FUND	-	2,183.90	24,000.00
	-	2,183.90	24,000.00
AUDIT FUND	-	-	25,000.00
	-	-	25,000.00
PUBLIC LIABILITY INSURANCE FUND			
Workers' Compensation	-	4,076.00	24,000.00
Property	-	-	45,000.00
Vehicles	-	-	18,000.00
General Liability	-	-	80,000.00
Administrative Fee	-	123.00	800.00
	-	4,199.00	167,800.00
SOCIAL SECURITY FUND	4,650.41	18,151.36	55,000.00
IMRF FUND	11,953.53	46,441.16	150,000.00
OTHER EXPENDITURES (RECEIPTS)	-	-	-
TOTAL EXPENDITURES	32,784.80	157,939.82	746,800.00
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,220.29	217,768.58	(127,300.00)
Ending Cash and Investments			
First National Bank	1,509,394.39	1,284,239.04	
Credit Cards	(20.33)	(531.20)	
TOTAL ENDING CASH AND INVESTMENTS	1,509,374.06	1,283,707.84	
GENERAL CORPORATE FUND			

**LAKE IN THE HILLS SANITARY DISTRICT**  
**MONTHLY TREASURER REPORT - O&M/SEWERAGE FUNDS**  
 Month of August, 2018

		MONTH	YTD	BUDGET
<b>Beginning Cash and Investments</b>				
First National Bank - O & M Account	O&M	547,208.94	559,902.23	
First National Bank - Certificate Fund	Bond & Int	68,452.50	29,423.42	
First National Bank - Depreciation Account	Construction	1,953,263.57	1,900,909.65	
First National Bank - Surplus Funds	Construction	54,715.04	14,532.59	
First National Bank - Bond & Interest Fund	Bond & Int	602,745.33	527,845.89	
First National Bank - Sinking Funds	Bond & Int	577,718.51	533,136.32	
Algonquin Bank & Trust - Cash Mgr	O&M	2,617,875.55	3,007,896.46	
Algonquin Bank & Trust - Operating	O&M	1,753.00	2,164.00	
Home State Bank	O&M	50,122.39	46,412.23	
Illinois State Bank	O&M	30,182.23	28,820.69	
Credit Cards		(396.15)	(918.59)	
<b>TOTAL BEGINNING CASH AND INVESTMENTS</b>		<b>6,503,640.91</b>	<b>6,650,124.89</b>	
<b>SEWERAGE FUNDS</b>				
<b>Revenues and Receipts</b>				
Sewer Bill Income/User Charges		90,786.42	1,007,719.10	3,600,000.00
Septage Income		17,935.68	71,306.62	200,000.00
Wastewater Discharge Income		3,768.32	14,352.63	45,000.00
Refunds		(410.15)	(4,977.46)	-
Connection/Tap-On Fees		-	41,600.00	125,000.00
Annexation Fees (inc. GIS)		-	-	5,000.00
Downstream & Misc Charges		-	-	500.00
Liftstation Recapture		-	-	-
Gain/Loss - Sale of Equipment		-	-	-
Interest Income		5,846.34	22,017.84	10,000.00
<b>TOTAL REVENUES AND RECEIPTS</b>		<b>117,926.61</b>	<b>1,152,018.73</b>	<b>3,985,500.00</b>
<b>Expenditures</b>				
<b>PERSONNEL SERVICES</b>				
District Personnel Salaries		46,812.81	181,220.63	580,000.00
<b>ADMINISTRATIVE EXPENSES</b>				
Telephone		473.41	1,179.04	3,500.00
Postage		532.53	5,118.46	21,000.00
Printing and Publications		-	60.19	2,200.00
Office Supplies		86.23	895.23	8,500.00
Collection and Billing Expenses		8,164.50	25,038.00	80,000.00
Professional Services		83.66	329.59	20,000.00
Training, Travel and Education		-	210.00	5,000.00
Computer Hardware, Software, and Support		857.30	6,425.75	24,000.00
Community Affairs		-	62.18	2,000.00
Medical and Life Insurance		18,757.90	69,874.99	210,000.00
		28,955.53	109,193.43	376,200.00
<b>OPERATIONS AND MAINTENANCE</b>				
Operating Supplies		6,253.36	24,513.19	60,000.00
Maintenance and Repair (Plant)		5,010.87	46,663.88	150,000.00
Maintenance and Repair (Collection Systems)		-	83,911.00	310,000.00
Utilities and Energy		30,873.77	127,983.35	390,000.00
Grounds Upkeep		1,575.85	6,667.72	30,000.00
Gasoline/Oil		2,027.01	6,058.66	15,000.00
Computer and Support Services		-	-	2,000.00
Emergency Communications		4,695.17	18,749.04	54,000.00

Sludge Management	-	140,027.77	500,000.00
Professional Services	8,202.55	14,810.60	24,000.00
Residential Reimbursement	-	3,200.00	10,000.00
Compliance Requirements/Permits	2,500.00	20,000.00	28,500.00
GIS	-	2,495.00	10,000.00
	<u>61,138.58</u>	<u>495,080.21</u>	<u>1,583,500.00</u>

**Expenditures (continued)**

**CAPITAL IMPROVEMENTS**

New Construction	48,633.75	558,806.90	3,000,000.00
Plant Equipment	3,655.00	3,655.00	30,000.00
Collection System	-	-	370,000.00
Vehicles	-	-	130,000.00
Legal Expense	-	-	5,000.00
Engineering Expense	6,010.00	24,687.00	375,000.00
Bond, Finance Consulting Expense	-	-	1,000.00
	<u>58,298.75</u>	<u>587,148.90</u>	<u>3,911,000.00</u>

**BOND TRANSFERS**

2008 Debt Certificates, Principal	-	-	105,000.00
2008 Debt Certificates, Interest	-	-	53,000.00
Administration Fees - 2008 Debt Certs	-	-	3,500.00
	<u>-</u>	<u>-</u>	<u>161,500.00</u>

Series 2014 Bond, Principal	-	-	105,000.00
Series 2014 Bond, Interest	-	-	114,000.00
Administration Fees - 2014 Series Bond	-	-	3,500.00
	<u>-</u>	<u>-</u>	<u>222,500.00</u>

**CONTINGENT AND MISCELLANEOUS EXPENSES**

Not Otherwise Appropriated	-	-	3,000.00
	<u>-</u>	<u>-</u>	<u>3,000.00</u>

**TOTAL EXPENDITURES**

<u>195,205.67</u>	<u>1,372,643.17</u>	<u>6,837,700.00</u>
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**EXCESS OF REVENUES OVER (UNDER) EXPENDITURES**

<u>(77,279.06)</u>	<u>(220,624.44)</u>	<u>\$ (2,852,200.00)</u>
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**Ending Cash and Investments**

First National Bank - O & M Account	O&M	383,068.85	336,857.40
First National Bank - Certificate Fund	Bond & Int	81,476.47	42,430.29
First National Bank - Depreciation Account	Construction	1,962,143.61	1,930,087.43
First National Bank - Surplus Funds	Construction	57,337.24	23,567.65
First National Bank - Bond & Interest Fund	Bond & Int	668,678.60	593,893.57
First National Bank - Sinking Fund	Bond & Int	592,586.80	547,995.04
Algonquin Bank & Trust - Cash Mgr.	O&M	2,607,156.43	2,995,032.03
Algonquin Bank & Trust - Operating	O&M	86.00	14.00
Home State Bank - Now Account	O&M	50,599.72	46,651.01
Illinois State Bank	O&M	30,350.67	28,902.34
Credit Cards	O&M	(1,113.65)	(650.92)

**TOTAL ENDING CASH AND INVESTMENTS**

<u>6,432,370.74</u>	<u>6,544,779.84</u>
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**SEWERAGE FUNDS**

**LITH SANITARY DISTRICT**  
**Bills Paid Before Meeting**  
**September 13, 2018 Meeting Date**

Name	Memo	Amount
<b>General Fund</b>		
<b>TOTAL GEN FUND BILLS PAID BEFORE MEETING</b>		<b>\$ -</b>
<b>O &amp; M Fund</b>		
Alarm Detection Systems	Emerg Comm - QU Bill, Sept thru Nov	\$ 90.00
Ansercall 24	Emerg Comm	\$ 100.00
AT&T	Emerg Comm	\$ 360.15
AT&T	Emerg Comm	\$ 187.84
Comcast	Computer Support & Telephone	\$ 363.07
Flood Brothers Disposal	Building & Grounds - August 2018	\$ 318.00
Harvard Harmony	Building & Grounds Upkeep - Mums	\$ 120.00
Illinois EPA	Permits (for land application of sludge)	\$ 2,500.00
Verizon Wireless	Emerg Comm	\$ 307.30
<b>TOTAL O &amp; M BILLS PAID BEFORE MEETING</b>		<b>\$ 4,346.36</b>

**LITH SANITARY DISTRICT**  
**Recurring Bills**  
**September 13, 2018 Meeting Date**

Name	Memo	Amount
<b>General Fund</b>		
Illinois Municipal Retirement Fund	Employer Portion of IMRF - August 2018	\$ 11,953.53
United States Treasury	District Pd Payroll Taxes (SS & Med)	\$ 4,650.41
<b>TOTAL GENERAL FUND RECURRING BILLS</b>		<b>\$ 16,603.94</b>
<b>O &amp; M Fund</b>		
Humana	Health Insurance Premiums	\$ 19,079.01
Payment Services Network	Collections Expenses from July 2018	\$ 5,154.47
United States Postal Svs - CAPs Account	Postage - Past Due Notices	\$ 532.53
<b>TOTAL O &amp; M RECURRING BILLS</b>		<b>\$ 24,766.01</b>

Approved \_\_\_\_\_

\_\_\_\_\_  
**President Hansen**

**LITH SANITARY DISTRICT - Governmental Fund**  
**Bills Presented to Board for Approval**  
**September 13, 2018**

Name	Memo	Amount
<b>GENERAL CORP FUND BILLS</b>		
Dell Marketing L.P.	Computer Hardware	\$ 3,128.41
First National Bank of Omaha - Visa	Computer Support	\$ 99.95
First National Bank of Omaha - Visa	Comm Affairs	\$ 20.33
George Roach & Associates	Audit FYE 4/30/18	\$ 10,000.00
Illinois Public Risk Fund	Insurance - Workers Comp	\$ 4,199.00
Interstate Gas Supply	Utilities - Nat Gas, July 2018	\$ 3.11
Jones Insurance Services	NOA - Chg to Trustee Bonds to Add New Trustee	\$ 150.00
McHenry County Recorder	Computer Software - Laredo 4th QU	\$ 275.00
Nicor Gas	Utilities - Nat Gas	\$ 214.61
Storino Ramello & Durkin	Legal Svs - July 2018	\$ 3,132.50
Technology Masters, Inc.	Computer Support	\$ 62.50
TruGreen	Building & Grounds - Lawn Svs	\$ 801.55
TruGreen	Building & Grounds - Insect & Disease Control	\$ 459.20
<b>TOTAL GENERAL CORP FUND BILLS</b>		<b>\$ 22,546.16</b>

**LITH SANITARY DISTRICT - O&M/Sewerage Fund**  
**Bills Presented to Board for Approval**  
**September 13, 2018**

Name	Memo	Amount
<b>O &amp; M BILLS</b>		
Advance Electrical Supply Company LLC	Maint/Repair - Plant	\$ 20.27
Ansercall 24 LLC	Emerg Comm	\$ 100.00
AT&T-Alarms	Emerg Comm	\$ 3,619.18
Calco, Ltd. Inc.	Supplies - Lab	\$ 133.00
Cintas Corp	Supplies - Personnel	\$ 1,148.38
ComEd, Inc.	Utilities - Coll Sys Dam LS	\$ 395.39
ComEd, Inc.	Utilities - Coll Sys Beach LS	\$ 93.08
ComEd, Inc.	Utilities - Coll Sys Meadowbrook LS (7/6-8/6)	\$ 335.33
ComEd, Inc.	Utilities - Coll Sys Meadowbrook LS (8/6-9/5)	\$ 308.13
Controls Consulting	Engineering - SCADA	\$ 3,570.00
Controls Consulting	Engineering - Coll System	\$ 1,260.00
Dynegy Energy Services	Utilities - Plant, Concord, Decatur & Pyott LS	\$ 27,566.08



EJ Equipment	Maint/Repair - Vehicles, TV Truck	\$	163.90
Element Materials Tech Daleville LLC	Pro Svs - Lab	\$	404.10
First National Bank of Omaha - Visa	Maint/Repair - Plant, Grounds Upkeep	\$	529.93
First National Bank of Omaha - Visa	Pro Svs - Intuit Payroll Fees	\$	63.75
FLSmith USA Inc	Maint/Repair - Plant, Grit Washer	\$	2,748.95
Hach Company	Operating Supplies - Lab	\$	188.56
Hach Company	Operating Supplies - Lab	\$	157.17
Joseph D. Foreman & Company, Inc.	Maint/Repair - Coll Sys	\$	566.00
Joseph D. Foreman & Company, Inc.	Maint/Repair - Plant, wash water	\$	291.00
Kaman Industrial Technologies	Maint/Repair - Plant, Filters	\$	80.00
Kaman Industrial Technologies	Maint/Repair - Plant, Filters	\$	241.60
Kaman Industrial Technologies	Maint/Repair - Plant, Filters	\$	465.46
Logsdon Office Supply	Office Supplies	\$	201.02
Logsdon Office Supply	Office Supplies	\$	275.71
Logsdon Office Supply	Office Supplies	\$	557.38
Logsdon Office Supply	CREDIT - Returned Office Supplies	\$	(151.98)
Logsdon Office Supply	Office Supplies	\$	102.24
Lou's Gloves Inc	Supplies - Lab	\$	186.00
M&A Precision Truck Repair	Maint/Repair - Vehicles, Vector Truck	\$	333.78
Mac Painting	Grounds Upkeep - Interior Office Painting	\$	3,650.00
McHenry County Recorder	Collections - July 2018	\$	43.00
McHenry County Recorder	Collections - August 2018	\$	47.00
McMaster-Carr	Maint/Repair - Plant	\$	51.61
PetroChoice LLC	Gas/Fuel	\$	966.04
PetroChoice LLC	Gas/Fuel	\$	1,026.12
Phenova Inc	Operating Supplies - Lab	\$	183.40
Postl-Yore and Associates	Engineering - Phosphorus	\$	1,100.00
Ralph Helm Inc.	Maint/Repair - Plant	\$	268.99
Ryco Landscaping	Grounds Upkeep - August mowing	\$	2,304.00
Storino Ramello & Durkin	Collections - July 2018	\$	761.25
Storino Ramello & Durkin	Cap Impvmt Legal - Recovery of Earnest Money July 2018	\$	5,456.05
Suburban Laboratories, Inc.	Pro Svs - Lab	\$	132.00
Synagro-WWT, Inc.	Sludge Mgt - July 2018	\$	23,792.49
Synagro-WWT, Inc.	Sludge Mgt - August 2018	\$	30,822.53
Technology Masters Inc	Computer Support - Maint	\$	607.50
Technology Masters Inc	Computer Support - Setup New Computers	\$	795.00
The Home Depot	Maint/Repair - Plant	\$	519.97
The UPS Store 2361	Postage	\$	9.93
Third Millennium Associates	Collections - Past due bill rendering	\$	756.18
United Laboratories	Supplies - Maint	\$	453.78
USA BlueBook	Maint/Repair - Coll Sys	\$	391.81
USA BlueBook	Maint/Repair - Plant, Digester 910	\$	1,216.59
Village of Huntley	Collections - Water Shut Off Fees from 8/2/18	\$	100.00
Village of Lake In The Hills	Utilities - Water	\$	146.61
Warehouse Direct	Pro Svs	\$	38.19
Water One, Inc.	Supplies - Personnel, Equip Rental 9/1-11/30	\$	22.50
Water One, Inc.	Supplies - Personnel, Drinking Water	\$	70.00
Whispering Hills	Grounds Upkeep - Mulch	\$	106.50
Whispering Hills	Grounds Upkeep - Mulch	\$	71.00

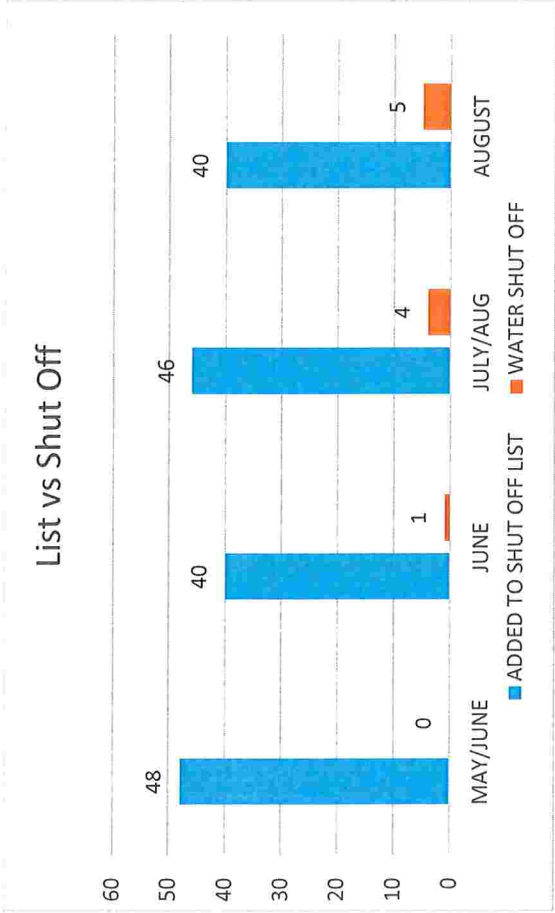
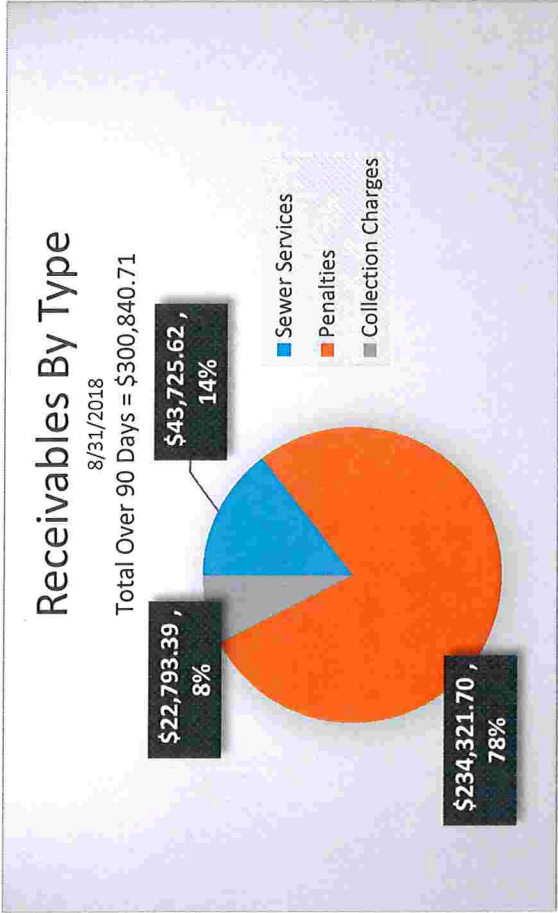
Ziegler's Ace Hardware	Supplies - Maint	\$	276.31
<hr/>			
<b>TOTAL O&amp;M FUND BILLS</b>		<b>\$</b>	<b>122,139.76</b>
<hr/>			
<b>CONSTRUCTION FUND BILLS</b>			
Controls Consulting	Engineering - Air Supply	\$	2,940.00
Controls Consulting	Engineering - Digester #4	\$	560.00
JCM Engineering & Associates Inc	Engineering - Air Supply	\$	700.00
Postl-Yore and Associates	Engineering - Air Supply	\$	7,565.00
Postl-Yore and Associates	Engineering - Digester #4	\$	32,105.00
<hr/>			
<b>TOTAL CONSTRUCTION FUND BILLS</b>		<b>\$</b>	<b>43,870.00</b>
<hr/>			
<b>BOND &amp; INTEREST FUND BILLS</b>			
The Bank of New York Mellon	Interest on 2018 Debt Certificates	\$	25,996.89
<hr/>			
<b>TOTAL BOND &amp; INTEREST FUND BILLS</b>		<b>\$</b>	<b>25,996.89</b>
<hr/>			

GRAND TOTAL OF ALL BILLS PRESENTED FOR APPROVAL IS \$ 260,269.12 OF WHICH \$ 39,150.10 IS FROM THE GENERAL CORPORATE FUND, \$ 151,252.13 IS FROM THE OPERATIONS AND MAINTENANCE FUND, \$ 43,870.00 IS FROM THE CONSTRUCTION FUND, AND \$ 25,996.89 IS FROM THE BOND AND INTEREST FUND.

Approved \_\_\_\_\_

\_\_\_\_\_  
President Hansen

# Accounts Receivable Analysis August 2018



Monthly Shut Off Summary

Lake in the Hills

- 5 shut off – 4 were pd in full post shut off and 1 remains unpaid.

Huntley

- NONE

Crystal Lake

- NONE

# MANAGER'S REPORT

## Month of August, 2018

### Customers:

	CURRENT	TOTAL for YEAR	DATA for August 2017
Total accounts thru August 2018:	11,696		11,682
New Customers:	0	7	1
Connections:	2	18	4
Permits Issued:	0	14	2
Permits Issued Past 13 Months:	23		14
Total Permits Issued to Date:			
<i>Residential:</i>	10,163		
<i>Commercial:</i>	121		
<i>Industrial:</i>	1		

### ILLINOIS E.P.A. SANITARY SEWER EXTENSION PERMITS ISSUED PAST 12 MONTHS

NAME	PE	DWELLINGS
None		

### COLLECTION SYSTEM EMERGENCY RESPONSES:

DATE	LOCATION	PROBLEM	DISTRICT PROBLEM
8/11/18	14 Hunters Path	Service Line/MH	Yes

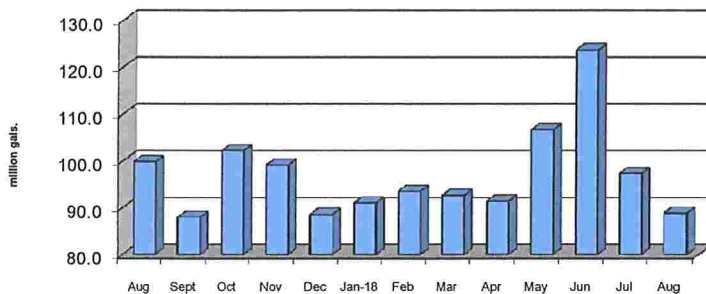
### COLLECTION SYSTEM ACTIVITIES:

District personnel televised 110 line segments of sanitary sewer totaling 17,120 lf.  
 District personnel cleaned and root cut 10 line segments of sanitary sewers totaling 2,445 lf.

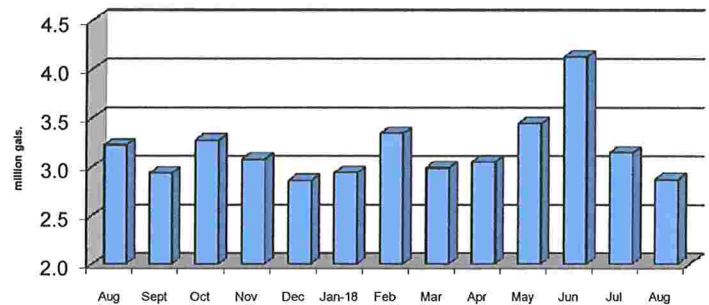
### FLOWS:

Total Flow for Month:	88.856	million gallons
Average Daily Flow:	2.868	mgd
Maximum Daily Flow:	3.603	mgd (8/29)
Precipitation Total:	3.50	inches
Historical Monthly Precipitation Avg.:	4.80	inches
Septage Accepted:	366,306	gallons

**Total Monthly Flows**



**Monthly Average Daily Flows**



## MANAGER'S MONTHLY REPORT

August, 2018

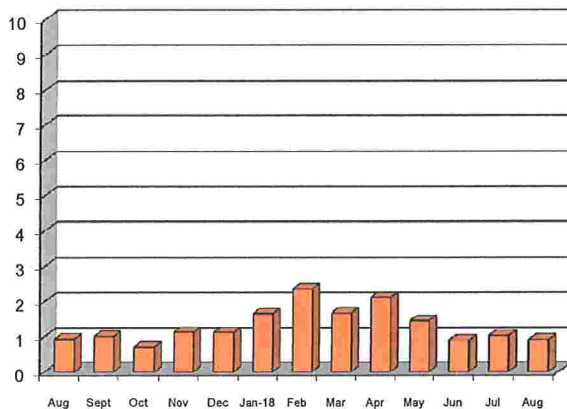
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### TREATMENT PLANT OPERATIONS:

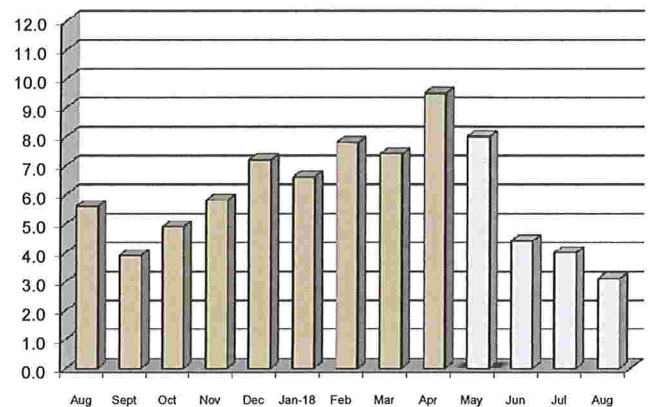
	<u>Average in</u>	<u>Average out</u>	<u>Average % reduction</u>
C.B.O.D:	166 mg/L	0.9 mg/L	99.5%
Total Suspended Solids:	289 mg/L	3.1 mg/L	98.9%
Ammonia Nitrogen:	19.9 mg/L	0.31 mg/L	98.4%
Phosphorus:		0.70 mg/L	
Fecal Coliform:		72 colonies (daily max.)	

This data represents the monthly averages taken from District records and not yet submitted to the Illinois E.P.A.

**Effluent Monthly Average -  
CBOD**



**Effluent Monthly Average -  
Total Suspended Solids**



*Shaded = Filters By-Passed Either Fully or Partially.*

### PLANT OPERATIONS SUMMARY:

Wasted:	3.840 million gallons
Decanted:	0.000 million gallons
Thickened	4.265 million gallons
To Digester	0.696 million gallons
Pressed	0.656 million gallons

### PERSONNEL ACTIVITIES:

None

Respectfully submitted,



Rick Forner, Manager





**ILLINOIS ASSOCIATION OF WATER POLLUTION CONTROL OPERATORS**  
**P.O. BOX 59 RANTOUL, ILLINOIS 61866**

CELL 815-303-3745 • EMAIL [exec@iawpco.org](mailto:exec@iawpco.org)

**received**  
**8/20/18**

Mr. Rick Forner, District Manager  
Lake in the Hills Sanitary District  
515 Plum Street  
Lake in the Hills, IL 60156

Dear Mr. Forner:

We are pleased to announce that the Lake in the Hills Wastewater facility has been nominated for an award for "Best Operated Wastewater Treatment Works" to be presented by the Illinois Association of Water Pollution Control Operators (IAWPCO) during their annual conference on February 11 - 13, 2019. This award is presented in each of five categories, with the categories being separated according to facility size and treatment process type. Your facility has been nominated in the Group 2 category. It was nominated for the award by the Illinois Environmental Protection Agency's (IEPA) Division of Water Pollution Control, Field Operations Section.

The purpose of the annual awards is to emphasize the relationship between adequate wastewater treatment and clean receiving waters and to give public recognition and encouragement to communities, their officials and the operating personnel who have operated their wastewater facilities in an especially effective manner.

You should consider this quite an honor, as your facility was one of only five (5) nominated from all the Group 2 facilities considered statewide. The nominees for the Group 2 "Best Operated Wastewater Treatment Works" are:

Lake in the Hills Sanitary District  
City of Robinson WWTF  
City of Pittsfield WWTP  
Stookey Township WWTP  
City of Murphysboro WWTP

Inspection teams made up of IAWPCO representatives will choose the winner. A member of an inspection team either has or will be contacting you in the near future to make arrangements for visiting your facility.

**"LET US MAKE IT PERFECTLY CLEAR"**



**ILLINOIS ASSOCIATION OF WATER POLLUTION CONTROL OPERATORS**  
**P.O. BOX 59 RANTOUL, ILLINOIS 61866**

CELL 815-303-3745 • EMAIL [exec@iawpco.org](mailto:exec@iawpco.org)

Lake in the Hills SD  
Page 2

Registration materials for the IWPC conference will be mailed in early December. Should you fail to receive the registration materials, please contact:

David L. Miller  
Illinois Association of Water Pollution Control Operators  
Post Office Box 59  
Rantoul, Illinois 61866  
Telephone: 815/303-3745

Congratulations on your nomination.

Sincerely,

David L. Miller  
Executive Director  
Illinois Association of Water Pollution Control Operators

Cc: Ross Nelson, Operator