

**MEETING MINUTES
SANGAMON VALLEY PUBLIC WATER DISTRICT
REGULAR BOARD MEETING
FEBRUARY 28TH, 2022
3:30PM**

Held at the remotely via GoToMeeting

MEMBERS PRESENT: Bob Buchanan, Monte Cherry, Michelle Grindley, Meghan Hennesy, Mike Larson, Mike Melton, Colleen Schultz, Kerry Gifford, & Lindsey Wallen. A Quorum was present.

MEMBERS ABSENT: None

GUESTS PRESENT: Kelly Pfeifer, Chris Huhn, Mona Seamans

1. CALL TO ORDER: Chairman Hennesy called the meeting to order at 3:32pm. Roll call attendance as follows:

Roll Call Attendance:

Hennesy: Present	Melton: Present	Schultz: Present	Grindley: Present
Buchanan: Present	Larson: Present	Cherry: Present	

2. APPROVE AGENDA: Chairman Hennesy stated everyone has had a chance to review the agenda.

MOTION by Schultz to approve the agenda as presented, 2nd by Hennesy.

Discussion: Larson proposed to additions to the New Business section. First off, a discussion of developing a board governance policy and/or by laws and he would also like to talk to the board about a vote to returning in person for meetings. Chairman Hennesy stated that one of those he had asked for previously in email and because of the length of the agenda, she made the suggestion that they add that to March’s meeting and she thinks it’s more appropriate to have the discussion on board policies and procedures when they can adequately prepare the board members by including something in the packet. Larson stated he told her he needed 5 minutes to just talk about it. He said this is not to discuss a lengthy policy, it is much like her agenda item last meeting, to just talk about, which now is a resolution. He requested the courtesy of having 3 minutes to talk to the board. Melton said he would like to vote that this meeting be held in person at the District’s office.

MOTION to amend the agenda to add two items, 1) discussion on board governance policy and/or bylaws and 2) entertain a vote meeting in person by Larson and 2nd by Melton.

Chairman Hennesy noted that there can be discussion but it is important to note that procedurally that the meeting being done remote vs. in-person is really a decision of the Chairman. Larson asked what that is based on. Chairman Hennesy stated it is based on the Executive Order. Melton stated that he disagrees. Chairman Hennesy said okay. Buchanan stated that he disagrees. Melton said that the Governor said today we can go without a mask and he thinks the meetings can be held at the District office from now on.

Chairman Hennesy stated they have a 1st and a 2nd on the motion. She asked if anyone had any additional comments.

Roll call vote as follows to amend the agenda as Larson proposed:

Roll Call Vote:

Hennesy: No	Melton: Yes	Schultz: Yes	Grindley: Yes
Buchanan: Yes	Larson: Yes	Cherry: Yes	

With a vote of 6 Yes and 1 No, motion carries.

Additional Discussion was held. Chairman Hennesy asked for Larson to clarify the two additional agenda items to add. Larson stated that he would like to discuss 1) Board Governance Policy and/or By-laws and 2) discussion and a vote to return to meeting to in-person, with a remote option. Schultz stated that you can discussion but you can't vote on something that's not on the agenda. Larson stated that his understanding, which may not be completely correct, was that the agendas as presented, per the open meeting act, but be on there if it's a resolution or an ordinance and this is not either of those. Schultz stated that actually the open meetings act precludes any action by the board, so you can't take any votes, unless they are on the agenda. Larson stated that then he proposes a discussion and then if we need to have a special meeting to have a vote we can talk about that as well. Melton asked if they could meet tomorrow. Schultz said no, meeting have to be posted 48 hours in advance. Melton said, okay let's do it this Wednesday then. Chairman Hennesy stated that she'd like to wait until the agenda item to have further discussion on this so that they can organize the meeting. Melton stated that it's organized enough. Chairman Hennesy asked if he would like to discuss this agenda item first then. Melton said yes. Chairman Hennesy stated they would move this discussion to the first item on the agenda.

Larson stated he is just requesting that the board members have the opportunity to weigh in on this. He has requested the option to return to an in-person meeting for quite a while now. He understands that Chairman Hennesy has held the position that it is her prerogative and he would like to hear from the rest of the board. He said that change in the recent announcement about masking and meeting, that they have the ability to do that in within compliance. He said he would just like to hear from the rest of the board members their perspective too. He said that's all he needs to know and then if we need to have another meeting to vote on it then he would request we line that up. Buchanan stated that he is in favor in meeting at our regular meeting place at the water department, in the room that's been specially made for that, and that its okay for other people who can't make it in to join through the GoToMeeting. Chairman Hennesy stated that just so the board knows she has been watching the rates and it was her intention to have the March meeting in person, based on the rates and following the CDC guidelines. She said that was the intent, but if the board wants to continue to discuss it she has no problem with that either. Larson stated that if she is committing to meet in person next month then they obviously don't have to vote about it. She said that was her intent unless for some reason something very strange happens. Buchanan said sorry that he was unable to read her mind on that decision. She apologized that he couldn't read her mind. Buchanan said accepted. Larson said without a commitment, he would still like to ask that they get together and have a discussion and the board vote on this. Chairman Hennesy stated that she will commit to meeting in person if that is what he is asking her for, she said they can plan on meeting in person. The next meeting will be held in person at the board room per face-to-face, pre-covid meetings. Larson said, alright, if you commit to that then we don't have to have a special meeting. He thanked Chairman Hennesy.

Chairman Hennesy said that she'd like to circle back and go back through the agenda as listed unless Larson wanted to have his discussion on the board governance before the rest of the new business. She stated that he had made the request so he can decide. Larson stated that they can discuss it whenever it is most convenient. Schultz asked Chairman Hennesy if they had voted on the actual agenda yet. Chairman Hennesy stated no, they had not.

Roll call vote as follows to approve the amended agenda:

Roll Call Vote:

Hennesy: Yes	Melton: Yes	Schultz: No	Grindley: Yes
Buchanan: Yes	Larson: Yes	Cherry: Yes	

All present members voting yes, motion carries.

3. PUBLIC COMMENT: Chairman Hennesy noted that they received a request for public comment from Chris Huhn and asked for Wallen to un-mute him. Chairman Hennesy let Mr. Huhn know he has 5 minutes to address the board, if he'd like that amount of time.

Chris Huhn Public Comment Statement: He stated that the reason that he is listening in and requesting the comment was just based on some policies he heard that were happening that he can't really speak to without seeing the previous minutes or what they are going to talk about so he doesn't think he wants waste tons of time talking about something he's only read one viewpoint on, but there's a couple of topics he's concerned about. Chairman Hennesy asked if those topics are listed on the agenda specifically. He said he believes so. She stated that if they get to that agenda item and he'd like to make a comment, she thinks it would probably be appropriate to let him do that after the board discusses it. She said if the other board members don't feel strongly about that, she thinks that they should offer him the opportunity to discuss after he's heard the board discussion on those topics.

Kelly Pfeifer Public Comment Statement: Kelly introduced herself and stated she is one of SVPWD's customers and lives in Thornewood and has for the past 8 years. She stated that she is fairly up on things and noted that they have a very challenging time to be engaging and running the District. She has come concerns about being unable to acquire the documentations and items of the previous minutes and things that they are looking to actually act on. She stated that she respects there is probably a lot of documentation that goes out to the board and its very much in a draft form, however it is rather unusual to not have things available for the public. She stated, though they weren't on the website, she specifically requested the two resolutions that are in Old Business, so she assumes they had been in draft form before for them when they were new business, for the annual rate increase as well as the board member size resolution. She was not given those documents and yet those two topics are something based on prior minutes that she had looked at and caused her some concern. She does respect that the District had to raise rates and she does not mean for that to come off this way. She stated the Village review every year and have made a point to tell their community they will have to raise water rates every year, so raising rates is not of a significant concern except for the fact that there are tremendous initiatives to expand Northerly, coupled with significant salary increases, as well as seeking to look at IMRF, as well as to change the board member make-up, and then potentially to vote to have an automatic annual increase, are things that concern her. She would like to think that once she could see the documents, she would be less concerned and simply a conversation that SVPWD is having with the resolution, without seeing the words of the resolution, she thinks is a problem. She stated that it is in every

single word of a resolution that becomes important to how that actually acts. While she supports the board consider the rates annually when doing the budget, she doesn't think that SVPWD should have one to be automatic. As well as the board members, she has heard that there is a push to make the number of board members less, and she thinks that would do a disservice because SVPWD is also a committee structure, so she is not sure how that would actually work given SVPWD's intention to get bigger and to grow. She will, unfortunately have to probably get off of the call while they are talking about these things but she appreciates the time to speak and she hopes that they can consider making documents more readily available, at least the day of the board meeting.

Mona Seamans Public Comment: She received information on the bottom of the card that the district sends out, indicating that there was going to be rate increase. At that time, she did send an email to the members of the SVPWD board. She did, unfortunately, only hear back from one regarding that rate increase. That aside, she said she understands the rate increase is there, she's not sure why they put a rate increase in place. She tried to look within the minutes and everything and there's a lot of loopholes and stuff that leave a bit to be desired, but that aside, an annual resolution to annually increase their water rates when there is not a budget that's been out there that she can see or find, she doesn't agree with that and she doesn't think they are doing a service to the customers when they are actually going to just automatically increase their rates. She asked the board what percentage will they plan on increasing the rate. She said there are a lot of things that she is not seeing that should be out there that are not out there. She did look to see information as far as who does the audits and that information seems like that is all on par. She also doesn't agree with the fact that they want to reduce the amount of board members. She thinks there is a lot of experience on the board. She also would like to see the by-laws published for people to look at. She asked if all of the members of this board appointed by the county. She is presuming so, but what are the requirements by the county. She asked if they have to live in the district and if they have to be a customer of SVPWD. There's a lot of things that are going on that she doesn't agree with. The rate increase is already something that has been a done deal, but the next two things that they have on the agenda she does not agree with. She thanked the board.

Chairman Hennesy called for any additional public comment. There was none.

4. NEW BUSINESS:

A. Capital Assets Policy Discussion - Chairman Hennesy noted that this policy is in the board packet for a first read. She asked the board for any questions with respect this this policy and noted that this policy will come back next month for a vote. She said there will be opportunity for more discussion next month, but this was to serve as a first read and see if anyone had any questions. Melton stated that he would like to have the car/truck updated to take the car off of that, since they don't have any cars. He stated that he doesn't see in the future that they need any cars since they have trucks available. He stated that he thinks they should be garaged on premises. Also, he

doesn't think they need a credit card for every single employee even though there are only six employees. He thinks they can have a credit card in the office through Lindsey or Kerry, but everybody doesn't need a credit card and he doesn't think that that is necessary, it is just possible to create problems and he thinks it's a bad situation to have. Larson asked if the accountant has reviewed this, and he is assuming everything in this is consistent with the accountant's depreciation schedules. Gifford noted that some things are a little bit different, but they have looked at this and gave their input. He said some of the stuff that is different is the water mains, they had 40 years and we have 80 years. Gifford stated 80 is an industry standard and he believes that is the correct number. He said for the most part it is okay with the auditors. Larson said that was fine, he just wanted to make sure it's consistent with the financial reporting they do. Larson confirmed that going forward, the auditors will use 80 years for water mains instead of 30. Gifford said, yes, instead of 40. Cherry stated that there is a statement after the categories listed that basically says the board or general manager can waive the requirements to publicly bid and he didn't understand because he thought the public bidding requirement is pretty well cast in stone in the state regulations. He stated that he's not sure they can waive it in certain circumstances and he also isn't sure that's what it meant. Gifford noted that Cherry is referring to the Procurement Policy and they would discuss that when on that agenda topic.

Melton stated that the Lincoln National that they had for a while, the deferred compensation, was cancelled without board approval or knowledge, by Gifford. Melton stated that he thinks many times Gifford thinks that he can do anything that he wants financially and that's going to be okay, and he doesn't think that that should be. Melton stated that if he wants to cancel it, it should come before the board and he can exercise his right to do that. Melton also stated the vacation rate on water/sewer was just done because they wanted to, it was not board approved, or brought up before a board that he can recall. He stated he just does one thing or another without board approval or board knowledge and he wanted to express that. Wallen stated that she can speak to the vacation rate policy and said that was approved during the adoption of the Ordinances. Schultz stated that she didn't hear what Melton initially said, she didn't hear the topic of what he said was changed without board approval. Melton stated the Lincoln National Deferred Comp plan. Schultz asked who the deferred comp was for. Melton stated employees and board members. Grindley stated that this wasn't listed in the capital assets policy. Melton said he doesn't know where it is. Chairman Hennesy asked Gifford to clarify. Gifford stated, first of all that Melton is out of order with the agenda, but he will go to the point to state that the employees deferred comp plan has not been changed. Gifford stated that Melton still has his retirement plan from the water district, it is just no longer being managed by him (Gifford). He stated he never volunteered to manage that plan; he was put in charge of that plan. Gifford stated that the reason why he didn't go to the board is because the authority is his, because the board gave him that authority when he was hired. Gifford stated there is no one else has a built-in retirement plan that is a board member here now. He stated that Melton stated drawing his money, and he still has the ability to put money in and to use it as a saving plan, the only thing that's changing is that Gifford is not personally going to manage it. Chairman Hennesy suggested tabling this discussion because it seems to her that perhaps it is not in line with the agenda item that they have in front of them and perhaps needs to be discussed in executive session if they're going to start having specific employee discussions. Melton stated that the only reason he brought it up at this time was because it was in the capital assets topic. Chairman Hennesy stated that

further discussion of this needs to be moved to a different agenda item. Melton stated that certain things need to be at least notified to the board, not just do them because you are the general manager. Chairman Hennesy asked Melton if they could connect after the meeting and then put the appropriate agenda item on next month's agenda, so that she can understand what it is that he would like to discuss and where that discussion needs to take place. She asked Melton if that was okay. Melton said he assumed, yes.

B. Investment Policy Discussion – Chairman Hennesy asked Gifford to provide a brief summary of this policy. Gifford stated that this investment policy has been in place for a considerable amount of time, even before him. He stated that he went back and looked at what they should have in there and added a standards of care, and ethics and conflict of interest paragraphs to this to make it more in line, legally, with what they should have. He stated it has been there, and it's been reviewed by the auditors, this is just some updates to language for improvements. Chairman Hennesy clarified that this is an existing policy, that just adds some additional language that just adds two sections that our auditors suggest that we add. Gifford confirmed. No additional comments were made.

C. Procurement Policy Discussion – Cherry stated that there is a statement after all of the categories that says “The District Board of Trustees, General Manager or his/her designee may waive the formal bidding process when it is deemed in the best interest of the District”. He said that he is not sure if that statement applies to all public bidding. Gifford stated that he may just need change the language a little bit, stating it can be waived when it is deemed an “emergency”, and in the best interest of the District. He said he may take the “best interest” out. Gifford stated in an emergency situation, there is that \$25,000 threshold, and we have a process already in place. Anything over the \$7,500 threshold (currently), he has to get permission from the Chairman of the Board. Cherry stated that yes, that would fall under provisions for “emergency”. Larson stated that there is a section 5 that covers that, he thinks. Gifford said he may just want to remove it then. Cherry suggested that he removes it. Cherry stated that the other thing he may want to add in this section is that there is an IT exemption for public bidding, and he didn't see a discussion of that in here. Larson suggested adding another section. He said the best place he thinks it goes would be maybe between section 10 and 11. Larson said he can forward the language to whoever, but he is calling it “Professional Services”, stating the services of an engineer, attorney, auditor, and all other professionals must be approved by a majority vote of the board of trustees. Request for approval must include a scope of work, relation, and cost. He stated that there is some language in the public water act for this so he thinks it would be good to have that. He said as far as his experience goes, that pretty well reflects how they've always done it. Gifford asked Larson to send the language over to look at. Cherry stated, on that same topic, on professional service, he asked Gifford if they were required to follow the quality-based selection process. Gifford said yes. Cherry recommended including language about that particular process in that section. Larson stated that for clarity for everybody else that just applies for Engineers. Cherry confirmed. Cherry said that he questioned some terminology regarding the section about Request for Information. He stated there is language in there that basically says once we advertise the project for bidding, that bidders cannot contact anybody at the District, or ask anybody any questions and he doesn't think that is a good idea because a lot of times, in his experience, they will

have bidders ask questions that actually generate an addendum to the bid document so there is a benefit to allowing bidders to have contact with the District and Engineers to make sure that if they find an inconsistency in the bid document that it gets put into an addendum to the bid. Cherry said he thinks this language might actually preclude that. Gifford stated that yes, that was the intent. He said he does know that they reference the pre-construction meetings where they try to clean all of that stuff up before the bid is published, but yes, that was the intent. Cherry stated that he doesn't think that is a good idea, he thinks they should allow them to ask questions and have contact and then to document that. He also stated that there is a whole different way of looking at RFI (request for information). He stated that he's always used it in the bidding process, if a bidder has a question, he submits a RFI, and RFIs are always responded to, but they are not only responded to the person that made the request, but also to the other bidders. He stated that the terminology of RFI is different. Gifford stated that it is, and in the RFP they talk about pre-construction meetings. Cherry stated that he can get with Gifford, if he wants, and discuss it further. Gifford agreed to that. Chairman Hennesy recapped that Cherry and Gifford will connect to revise some language and they've had other good suggestions from Larson, so they can expect to see some of that incorporated into what comes before the board next month. She asked if anyone had any further suggestions or questions before they move on. They did not.

D. Cash Reserve Policy Discussion – Gifford explained that this is an example of what he's recommending for each individual account. He provided to the Capital Projects and Finance Committee, a copy of the AWWA's (American Water Works Association) cash reserve policy recommendations to see what and why we should do this, from others in the industry. He stated at the very bottom of the chart, in red, lists what are "musts". He recommended having a minimum of 3 months' worth of operating reserves, and they must have 1.25 x of annual coupon payments for the current bonds, and lastly, he would recommend a minimum of \$40,000 reserved for emergencies such as a natural disaster like an ice storm or tornado. In addition, he is recommending being six months ahead of the annual IEPA loan payment reserved (which is paid twice a year). He also listed several other recommended minimums for the capital projects account, and water/sewer/buildings & ground replacement accounts. He stated this all really comes down to the boards decision on if they want to do this at all and if they do, how much money do they want to restrict and that's really what the board has to decide, if they want to do it at all. Larson suggested that a detailed review of this be assigned to the Capital Committee, and he stated that anybody that wants to participate in that would be fine, but if Cherry is okay with that, and review it in detail, and bring back to the board with more firm recommendations. Chairman Hennesy agreed with that suggestion. Cherry agreed as well. No further discussion was held.

E. Champaign County IGA – ARPA Funds Discussion – Chairman Hennesy stated that she understands this as something that they need to do. Melton asked what the IGA is because he is unaware of it. Gifford explained that this is with the county, regional planning, and he asked Wallen to explain further as she has been working on this. Wallen that Darlene Klooppel, the Executive from Champaign County reached out to the office and asked for information on customers that have had hardships, and let us know that they were going to propose to the County Board to send funds to us to assist these customers. The proposal is what the Board was given in the packet. Wallen wasn't sure if the County Board had met and approved this on their end yet,

but the proposal is to issue \$12,000 in two payments of \$6,000 each for assistance. Wallen stated that this was exciting news for our customers that are having some difficulties through the covid time period. Larson stated that on a semi-related note, they had made a plea to the County for ARPA funds to help with the stuff on the North end, and he asked if they talk about any of that by chance. Wallen said she did not. Gifford stated that he has been working Jim Goss, Darlene and some other County Members on this. He stated there is up to \$500,000 potentially available for them. He said he doesn't know the county's process on this so he isn't able to answer anything on this yet. He stated that this money would cover the design the engineering to provide water north and that would get them to shovel ready. Larson thanked Gifford. Cherry asked if the board needs to develop a policy on how this money gets distributed, adding that he knows there are a lot of requirements listed in the IGA already. Wallen said it is set by the county and there is a limit of \$500 per customer, so they would not be able to exceed that amount. Wallen also stated that the language notes the funds have to go to customers with hardships that are covid related but there isn't any requirement for proof of that so she would have to talk to Darlene more about that. Cherry asked if it was a flat \$500 or up to \$500. Wallen confirmed it is up to \$500. Cherry stated that leads him to believe they would have to develop some sort of internal rules for who qualifies and how they qualify, otherwise they could have a lot of problems. Wallen agreed. Chairman Hennesy stated that they should put this before the policy committee to review and really understand the language and start to develop a preliminary policy that can come before the board. Cherry agreed. No further discussion was held.

F. Discussion on Developing Board Governance Policy and/or By-Laws – Larson stated that all he wanted to know was if the board as a whole agrees that they should have policies and/or by-laws that provide some guidance on how the board governance works. He stated that over the course of the last couple weeks he's realized they didn't have this, and the only thing that governs anything they do is the public water act. He said all he wanted to do was find out if people agree and if they did, either volunteer to serve on a committee to get started on the development of those so that the board can consider them. Chairman Hennesy stated that she thinks that is a great suggestions and she thinks that is something that the policy committee did talk about and can certainly expand upon and put some more detail to that if the board is interested in that level of governance policy, that is outside of what the public water act provides. Gifford asked if she meant the personnel policy committee. She said yes. Larson stated that when that gets scheduled if they could let him know, he has some ideas and has done some research on this and has some items to share that he thinks will be helpful. Grindley also noted that she is interested in that as well. Melton stated that he would like to be on that committee also. Chairman Hennesy stated that they will take some steps to schedule some meetings and they will send out information to see who is interested in serving on that committee and if it is enough of them, then they will probably have to schedule a special meeting, and they will move forward in that respect. No further discussion was held.

5. OLD BUSINESS:

A. \$1,000,000 Revenue Bond Discussion - Gifford said right now they are in the process of trying to get all of the approvals through the Illinois EPA and haven't had a whole lot of luck, but he was told by Bernadi's Securities that they should have this

ready by the April or May meeting. Gifford noted they are going to go through the standard revenue bond process. Once he does know the EPA has approved it, he's going to have Kevin Wills from Bernardi's come speak to the board and get everybody updated on how this process will work. He also added that they will be using the money for sludge removal, a lift station and wastewater plant upgrades. He noted this is to help keep the cash flow strong and they are able to do this without raising the rates and the minimum use bill, since the minimum helps pay for debt. He noted they just paid off a bond that was \$150,000 annual pay back and that bond is gone, so that is how they can go ahead and pick this one up without affecting rates and use the money to keep them cash strong. When they get into the big part of the project, the epa loan, is will be somewhere between 5 – 5.5 million. He said at that point they are going to run into all kinds of things, so its nice to be able to fix things when you need to fix them or change things when you need to change them. He said they are in a good position to do all of this and there is no rate increases. He stated that he looks for a rep to be here for the April meeting to educate the board and update on how this process will work and to get this process moving. Chairman Hennesy asked the board if they had any questions. There were no questions.

B. Briarcliff Sewer Lining Project – Pay Request #2 - \$40,176.00 – Gifford asked the board to approve the pay request #2 in the amount of \$40,176.00.

MOTION by Hennesy to approve pay request #2 for Briarcliff Sewer Lining, in the amount of \$40,176.00, 2nd by Grindley.

Roll call vote as follows:

Roll Call Vote:

Hennesy: Yes	Melton: Yes	Schultz: Yes	Grindley: Yes
Buchanan: Yes	Larson: Yes	Cherry: Yes	

All present members voting yes, motion carries.

C. Annual Rate Increase Resolution Approval – Schultz stated that this item doesn't have anything automatic in it, this item is a proposal that creates a process for annual review of the rate and fee schedule by the board. She said if you read it, it says the proposal directs that “the rate and fee schedules of the district shall be adjusted at the start of each fiscal year beginning January 1st, 2023 according to the latest consumer pricing index percentage change, annual growth and 3 years of historical financial data”. She stated that it further directs that any changes in rate, either up or down, is made available to the district's customers on the district website prior to the start of the fiscal year. She stated that proposal is actually just a process that doesn't have any pre-prescribed outcomes. This would direct the board to make yearly decisions that are appropriate for the district with the data that's available. She said, as member of the finance committee, she recommends to the board that they take this action because it formalizes a procedure that ensures the fiduciary action on part of the board every year. Schultz added this is clearly a policy that does not prescribe an automatic increase of any kind. It just says that every year the board should look at this so that they can figure out, do the rates need to go up to provide for the district, can the rates go down because they are doing better, should they stay the same. They have gone 8 years without changing the universal rate, and then when they change it people get upset, so it seems to her that an incremental, small increase or decrease, each year, that considering that would be way in the better interest of their customers.

She wholeheartedly supports the idea of them being responsible and looking at rates every year.

MOTION by Schultz and 2nd by Grindley to Approval the Annual Rate Review Ordinance with two grammatical changes for clarity. One in the paragraph beginning “Now, therefore” to insert a period to replace the comma after the word “data” and capitalize the following word “the”, and also to correct the spelling of “hereby”.

Discussion: Melton stated that he is going by Gifford’s projection of 2026 budget. Melton noted that he had increase in rates of 5% each year, he had increase in salaries, he had increase in budget, had an increase of board, that is what he is going by. Schultz stated that that is not what’s on the table right now. She said what’s on the table is the motion that’s in the board packet which simply says the board should look at the rates every year that’s all this motion says. Melton said that he doesn’t have a problem with that, he doesn’t think anybody has a problem with that, but with Gifford’s projection, everybody has a problem with that. Schultz said we’re not talking about that, its not on the table. Cherry said when he got the emails from the concerned citizens about this particular issue, it was obvious that when somebody read the term adjustment they immediately went to increase. He stated, in fact, and adjustment is an adjustment, up or down, and if you read the details in this, it does talk about a procedure which is very logical and a normal procedure for setting your annual rates.

PUBLIC COMMENT:

- 1) Chris Huhn – He said having first read this document just now, it was an area of concern for him. He would say, the way that he reads it, it would say rate and fees shall be adjusted, so its automatically tied to the things you have listed here and he guesses his concern here would be, are those items what really drive the cost of what it takes to manage the public water. He does have some concern about that and that was what he wanted to state.
- 2) Kelli Pfeifer – She stated that she has already spoken and she reflected that she stated she hadn’t seen these documents and been privy to them. She said while there is some interpretation, the fact that Colleen has indicated some changes such as punctuation and wording, to her leads her to believe that the public should be able to look at this in depth before a vote is in fact taken on this. She would request, as a member of the public and a customer of theirs, that she would like time to see if she agrees with her assessment that this does not obligate, because there is a word such as shall, that is troublesome. She thanked the board for allowing her to speak again.

Additional Board Discussion: Larson stated that he is not opposed to having rates that support their operation. He thinks they have a process in place that does that and his concern about this process is, and he will respectfully disagree, because this linked to the CPI and a consumer price index is reflective of a portion of their budget but is not reflective of all of their budget. He added, if they want to establish a process and commit to reviewing the rates and make that and ordinance, he has no problem, he just doesn’t want it linked to any one specific thing because any given year who knows what’s going to happen. He said we might have a huge capital project come along and they have to do something else. He said if they want to take any language out of this that suggests anything linked to anything he doesn’t have a problem with committing to reviewing rates, and added that he agrees they need to review them. He said they have it, that has been part of their budgeting process every year, they looked at it. Larson stated, Gifford correct him if he’s wrong, but every year they have had a balanced budget, so they have had rates that have supported the operation. He added that he doesn’t know why adopting a formal ordinance is required. Chairman Hennesy stated that as a reminder, this was a recommendation of the audit they had by IRWA, that their suggestion was that they implement something like this because that is typically what water districts do. They modified it to the give board more flexibility with decision making than the suggestion that they had for us. Their suggestion was an automatic increase and this is actually a process and procedure that simply ensures that the board is going to

take a look at this process and make recommendations and decisions each year. Larson added that this is not urgent, they are in February. In his mind, they should pause, they have plenty of time, and consider this before they vote. Grindley made a suggestion that they make the changes that Schultz proposed and unlink it from the CPI and then put it out for the public to review and vote after that. Gifford stated that the Village of Mahomet uses CPI to calculate the wages they get every year, and he totally disagrees with that. He thinks the CPI is critical in this whole thing. He said he looks at that, through the department of labor statistics when he looks at what he recommends for wages for employees, so to him he thinks it is vitally important to have. Larson asked Gifford how much of their budget is paying back bonds. Gifford said its not much, about \$183,000 this year, on a \$1.8 million dollar budget, it's not a lot. Larson said that the numbers he looked at were quite a bit more than that, and if they are going to have a sewer project come along, the bonds aren't impacted by the CPI at all, so again, all he is asking it to take a pause. He said they don't need this right now, and they should all just take a pause and revisit it and then vote. He said if they have enough information they can vote in the next meeting. Gifford noted that the bonds are paid on the base rate, the annual increases would be on the universal rate, the one that they haven't adjusted in a long time. Schultz added to what Gifford said, that this doesn't say we'll take the CPI and use that number and give it a formula for how they will increase their rates. It doesn't tell them how to use the CPI, just that they will look at that as one of the things they look at when they change the rates. She said, certainly, looking at the CPI is not an unreasonable thing to consider when considering what their rates should be. She added, that its not the only factor and its not that they are going to raise the rates by an amount equal to the CPI, but it does let them know about how things are going. Larson stated that the language says "we have determined that the CPI provides an appropriate basis". She said it provides an appropriate basis for the economy. Larson said all their asking is to revisit and discuss that language. Schultz stated that she didn't write it, she just agrees that they should look at rates every year, that they should try not to have what happened this past year happen again. Grindley stated that she agrees with that. Schultz stated that this would create a process that the board uses, and to what Melton was saying earlier, this takes the process of looking at the rates and makes it the responsibility of the board. Gifford said that is the key. Schultz stated it's a process that says the board, once a year, be sure they consider the data and decide what they think is right. She said everyone of them on the board is there to provide good, quality water at a good price for their customers, that is what they are in the business of doing. She said, in order to do that they need to be able to consider the rate each year so that they don't end up in a position where they haven't raised rates for 8 years and then they say, oh, let's have this big rate increase, or what's perceived as being really big. She stated, like has been said earlier, the Village raises the rates every year, or almost every year, and they need to be able to consider that, and she thinks that what this says. Larson stated that the public water act already requires them to do this, it's their responsibility to develop a balanced budget. He said they have been doing this every year already. He stated he doesn't even know why they need this ordinance, but if they think they do that's fine, all he's asking is to have some more conversation. He stated this is the only way that they are able to have conversation, so now that they have brought it up, and there are some questions and concerns, he thinks they should vet those before they vote on this. Chairman Hennesy stated that as it stands, they have a motion and a 2nd, she stated if someone would like to change that, that needs to happen procedurally. Chairman Hennesy heard no additional comment and asked for vote to be called. Grindley asked for clarification on the motion. Chairman Hennesy stated the motion on the floor is Schultz's motion to approve this ordinance with the grammatical changes she listed.

Roll call vote as follows:

Roll Call Vote:

Hennesy: Yes	Melton: No	Schultz: Yes	Grindley: No
Buchanan: No	Larson: No	Cherry: No	

With a vote of 5-No and 2-Yes, motion fails.

Chairman Hennesy noted that did not pass, so they will bring this back for review per the suggestion. She stated that any changes that need to be discussed can be discussed at that point in time and they can move forward in that manner.

D. Sick Time Policy Revision Approval – Chairman Hennesy noted that Wallen and Gifford had a few questions on some of the decisions and the discussion that they had last meeting with respect to calculating and tracking sick time and covid leave. She noted that her memory of the minutes she read earlier that day, was that they added 10 days that could be used as covid sick leave to the 6 that they already have in place, and those 10 days cannot be rolled over to the next year, and if you are sick, anything that would be deemed covid related allows you to pull from that 10-day sick bank first, and anything that is not covid related, you would use the 6 sick days that are standard first. Wallen stated that her biggest concern was tracking everything, because it essentially makes three separate sick leaves. She thinks it could become a tracking nightmare when she's trying to differentiate between these regular sick days that somebody has, but making sure if its covid related, that she's using the additional sick days first, instead of their existing accrued sick time. Her suggestion or recommendation was that if they are going to covid sick time, to separate that completely from any addition, or have the additional 10, but not put a covid restriction on it. She noted that she listed some examples that could potentially come up and cause some confusion. Larson stated that he believes their intent was to track it separately but it sounds like the only way to do that is with that special code option she was talking about. Wallen stated that she can create multiple codes to track everything in Quickbooks, but when they are putting stipulations on additional sick days to be used first if its covid related or not, that's where it becomes difficult to track it. Buchanan stated that he was trying to get to where the 6 sick days that are earned every year would be used first in all instances and if they needed more and they had covid, then they could use those 10 days. He stated maybe he was incorrect with what they were doing. HE stated if you have covid and start using that, you are still retaining all of the other sick days, and he doesn't know why it really matter, if a person is sick it doesn't matter, they should get paid if its justified, but they should use the sick days that have been there for years. He stated that he thinks its very generous that they are adding the 10 more in case of covid, and that is his opinion. Chairman Hennesy stated that she feels like this is a difficult situation because they are trying to think of all of the possible scenarios and she's wondering if a way to move forward with this would be to understand that with the policy they are trying to not penalize people for being sick with covid, and so perhaps they start tracking and if they decide that there's a problem or there's a situation that arises at the end of the year where they need to make some determinations about whether or not people have the ability to roll over leave, perhaps they can have those discussions at that time. She asked Wallen if that was a manageable way to track it, or if that makes it harder for her. Wallen said its just difficult to track in general because they are adding stipulations on a specific type of time, and its really just tracking and that's it, it just makes it hard. Wallen stated that she wouldn't want to accidentally use somebody's existing accrued time instead of these additional 10 days for something that's covid related and then not roll over something appropriately for them, that is her only concern is making that error. Chairman Henney stated that perhaps they could say that if the employee is calling in and they say its covid related that that's how we track that. Wallen said okay. Cherry

stated that he was the one who started this at the last meeting, but the whole idea behind it is that covid came with certain regulations and restrictions about quarantines and time, and the idea was that if you got covid you were supposed to follow these rules and basically stipulated how much time you had to take off. He added if you were actually in a household with another person and they had covid and you were taking care of them, then you had to quarantine for a certain amount of time. So he thinks the idea was to create this 10 day accrual of time that mirror these covid related restrictions, you didn't have to utilize the sick leave and see it go away and then later in the year not have any sick leave. He didn't think it was that big of a problem, but he would have to defer that to Wallen and he believe what she is telling him in this latest update, but he thought that creating a pool of 10 days that basically administration could decide if that time should come out of that pool or if it should come out of your regular sick leave, and you had to show that there were circumstances beyond your control that were covid related before you got to use anything out of the 10-day pool. Wallen stated that she thinks its great that the board has approved to do this and she's not saying that they should do away with the policy in any capacity, just on a tracking end would love it if they could separate covid time from any other time. Chairman Hennesy stated they should go ahead and do that for now. She added they are going to revisit this at the end of the year anyway, and if that is something that makes tracking it easier then they can certainly move forward with that and if they find before the end of the year that that's tripping them up, they can have another conversation. Wallen asked if they needed a vote since it was a policy update. Chairman Hennesy stated no, since the number of days isn't changing, just how they are tracking it, unless someone else feels strongly that it is different enough to vote, they can vote, but she sees it as just a tracking issue. Buchanan stated that he thinks they should use the sick leave that is given to them first and then they can go into the others, the ones that can be carried over have to be used first, that's just his opinion. Buchanan stated that if its not everybody else he can just vote that way. Chairman Hennesy asked Buchanan if he wants to make a motion and call for a vote or was that something he just wanted to say. Buchanan stated it was just something he wanted to say, if anybody else had another opinion, he is just of the opinion that they have given them sick days for many many years and if they are sick for any reason that they use that first, and if they have covid then covid if there for them to use, but there will be no sick days carried over, he thinks they are very generous in the way that they do it, they can accumulate for months and even file them up from year to year and in some instances people leave with 35-40 sick days and he doesn't think that's fair. Chairman Hennesy noted that no motion is on the floor, so unless someone would like to make a motion, they will move to the next agenda item. No additional comments were made.

E. Covid Updates – No Updates were Discussed

F. Board Member Size Resolution Approval – Chairman Hennesy noted that the resolution is in the packet. Melton stated that he thinks they should to extend this out six months or so and see how its going. He thinks there are a lot of problems that they haven't thought of with 5 board members and he thinks they should wait, even if they get some new board members. Buchanan stated that he has had several emails regarding the reduction of the board to 5 and saying that they don't think it's a good idea, the more that they have to talk about it and discuss the better the chance to come up with a good decision. Buchanan said it seems as though lesser members makes it pretty easy to get something passed through, its just easier, for some of the opinions to

be easily passed that not everybody would be in agreement with. Larson stated that he wanted to ask a couple of clarifying questions about this. He stated, from what he can tell this stemmed from the personnel committee and asked if that was correct. Chairman Hennesy said yes. Larson asked what meeting the personnel committee discussed this because when he went back and looked at the meeting minutes, he saw no conversation of this at all. Chairman Hennesy stated that it was something that was discussed, she doesn't know the answer to that. Larson asked, if this was a personnel committee action item, which he doesn't know when it was assigned to them either, was it the committee who developed this language, did this go back to the committee in the last month and did the committee put this language together. Chairman Hennesy stated that the language was developed by the attorneys. Larson questioned hiring an attorney to develop the language. Chairman Hennesy said yes. Larson asked when the board authorized spending money on attorneys to develop this resolution. He stated that they never even discussed this. Chairman Hennesy stated that they discussed at the last meeting that this resolution was going to be put forth and that they would see the resolution this meeting. Larson stated that she didn't tell the board that they were going to hire an attorney. He added that every time they have hired an attorney in the past that has come to the board for a vote. Larson asked what authority decided to contact an attorney to draft this. Chairman Hennesy stated that the attorney's are involved every time that they draft a resolution. She added that resolutions are drafted, ordinances, this is not a-typical. She stated that all of the resolutions that are drafted that are brought before the board are run through the attorney. Larson stated that in his tenure he does not ever remember engaging an attorney without talking to the board and getting the board's approval. He stated that he doesn't know anybody that's authorized to do that. He stated that this was brought up at the last meeting and they were going to have discussion about it, so he asked who made the decision to hire an attorney to draft this resolution. Chairman Hennesy stated that she indicated that a resolution would be brought to the board for discussion at the last meeting. Larson stated that Chairman Hennesy had said we would work on a resolution, and that she didn't state they were going to hire an attorney to work on a resolution. Chairman Hennesy stated that all of the resolutions that they bring forward to the board go through legal. Larson said that this is unprecedented to engage in attorney for any action. Chairman Hennesy stated that it actually is not unprecedented and all of the resolutions that come to the board go through legal first, every single resolution that is brought to the board has gone through the attorney. Larson stated that they didn't approve adopting the resolution, they haven't done that yet, they haven't officially approved moving forward with this, they didn't even vote about it. Chairman Hennesy stated that is what they are talking about right now. Larson stated this was dumped in our lap and told you're going to look at this. Larson stated that every other thing she has come back to the board with an outline of what to do so they as a board can collectively decide if they even want to do this. Chairman Hennesy stated that is what is before them. Larson stated if no one agrees with this, why would they hire an attorney to draft this, before they know that. Chairman Hennesy stated that the resolution was discussed at the last meeting. If it was a surprise that resolutions go before the attorneys, she isn't really sure what to say about that, but all of the resolutions that are brought to the board go through the legal department and this is the meeting where they said that they were going to see the specifics and have discussion. Buchanan stated that he doesn't recall any discussion. Melton stated that he asked Chairman Hennesy why they were going to do this, and she told him to save money. Chairman Hennesy stated that she did not say that. Melton stated that she is the

highest paid board member and Gifford's 2026 shows all the board members are raised but there were only 5 and they spent \$30,000 (inaudible). Melton stated that things like that just don't make sense, or make common sense. Gifford stated that what Melton is referring to is an email that Gifford sent out for discussion purposes only, and he is trying to get the board to start thinking about planning for these large projects in the future. Gifford noted that once the wastewater project is done, he is trying to get a vision of where they should be with rates and cost. Gifford said that everyone knows they're in (inaudible). Melton stated that everything that Gifford wants goes through Chairman Hennesy and she approves what he wants. Grindley asked if they could get back to the discussion at hand, about this resolution. Larson stated that he would like to clarify, that at the last meeting (being read directly from the minutes), "the primary reason for this reduction would be to lower the cost to the district". Larson proposed that this get tabled, he has a whole bunch of comments, which they can go to approval and he can provide his comments, but this resolution as drafted is not accurate and truthful, and again, he said it is beyond him how they would spend district money without any knowledge that there is any chance of this getting approved. Larson stated again, that is his proposal, is that this gets tabled and they discuss it further before they even consider a vote. Buchanan stated that he agrees and that he doesn't remember hearing anything about that they have all decided that this is the way they should go, to reduce the board from 7 to 5. He stated that they, in no way, stated that they need to get an attorney to draw it up to pass it, it was only 2 or 3 people that maybe wanted that to happen, but not the full board. Chairman Hennesy stated, as a point of clarification, the way that you do this procedurally is to have a resolution that comes before the board for a vote. That was discussed at the last meeting and the resolution is a result of preparing for this discussion with the details required for the board to have discussion and take a vote. She stated that this is not out of the ordinary and this is in-line with, procedurally, how these issues come before the board. She stated that she understands that people are not happy with the proposal but the process for the proposal is standardized and there is nothing nefarious about the process that they are going through. She added that in fact, today's discussion is for the purpose of having discussion and holding a vote on the specifics of this resolution. Larson stated that the way she does this is that an idea gets presented, and he said there was a claim that the personnel committee talked about this and there is no record of it, all she said was that they are considering this and they want to talk about it, so his expectation is they were going to come to the meeting today to talk about it, and they come to the meeting with a resolution prepared, ready to enact it. He stated that is not the process. Larson stated that to suggest otherwise is not true. Chairman Hennesy stated that in the last meeting she said at the next meeting they can expect a resolution for discussion. Buchanan stated that he doesn't recall hearing that, and asked if it is in the minutes that way. Chairman Hennesy stated she believes the word resolution is in the minutes. Schultz stated that she does recall her saying that there would be a resolution at this meeting. Buchanan stated that it seems to him she has the cart before the horse. He stated that before you go get a lawyer, he thinks they should get a discussion as to how the 7 people on the board feel about it, before you go and hire a lawyer at whatever the fee is, too much, if they are concerned about the money that is being saved by the district it seems to him like this was kind of a waste, putting it out there, that may not pass. Chairman Hennesy stated that there is no motion on the floor with respect to this resolution, and she asked if someone wanted to make a motion. Larson attempted to motion to table the discussion without taking a vote. Schultz stated that you can't motion to table, there is no motion. She stated if you don't want

to make a motion, just don't make a motion, but you don't have to table something unless there is a motion. Larson stated that he supposed he can wait for somebody to make a motion to vote on it then. Chairman Hennesy stated it doesn't appear anyone is going to make a motion so they will move this for future discussion.

6. SECRETARY'S REPORT:

A. Approval of Open Minutes from Regular Meeting held January 24th, 2022 - Chairman Hennesy noted a typo to correct. Melton stated that it was a technical thing he found, he thinks it was on page 13, the last word was trustees and it was misspelled, so its not any big item. Wallen noted that she only has 12 of 12 pages in the minutes. Melton stated that he thinks it was page 13. He stated that he thinks it was in the assets section. Wallen asked if he was referring to the capital asset policy, or the meeting minutes. Melton stated he thinks it was the capital asset policy. Wallen stated that the capital asset policy doesn't have the many pages, and suggested it was maybe the procurement policy. Melton stated that he thinks it was page 13. Wallen stated that she doesn't know what document he is referring to, if he would send her an email with the document once he finds it and she can make that correction.

MOTION by Hennesy to approve the minutes with the typo corrected, 2nd by Grindley.

Roll call vote as follows:

Roll Call Vote:

Hennesy: Yes	Melton: Yes	Schultz: Yes	Grindley: Yes
Buchanan: Yes	Larson: Yes	Cherry: Yes	

All present members voting yes, motion carries.

7. TREASURER'S REPORT:

Approval of Accounts Payable listing for February & March 2022 – Gifford reviewed the Income and Expense Report and all A/P listings over \$1,000.

AP Summary as of February 28th, 2022 - \$65,664.89 (Over \$1,000 below)

- Altorfer - \$2,294.35
- Ameren - \$9,843.85
- CMS - \$6,414.00
- Donohue - \$3,928.77
- Gasvoda - \$10,961.88
- Gunther Salt - \$4,670.82
- Hicks Gas - \$1,328.33
- Schulte Supply - \$4,340.00
- Cincinnati Life - \$2,434.00
- Securitas - \$1,646.13

MOTION by Hennesy to approve the Treasure’s Report as presented, 2nd by Grindley.

Roll call vote as follows:

Roll Call Vote:

Hennesy: Yes	Melton: Yes	Schultz: Yes	Grindley: Yes
Buchanan: Yes	Larson: Yes	Cherry: Yes	

All present members voting yes, motion carries.

8. GENERAL MANAGER’S REPORT: Gifford’s GM/Treasurer’s Report is below.

General Manager/Treasurer Report January 2022.

District Covid-19 Operation Level: The Water District is at normal level of operation. The district is open to the public with mask being optional per the Governors proclamation. The infection rate for Champaign County on 2/22/2022 was at 2.8%.

Treasurer report:

Income: January water sales were typical at \$147,938.27. Total operating revenue for the month was in line with budget expectations at \$159,545.12. Non-operating revenue started the year off very strong at \$33,284.49 for the month. The district issued 10 new housing permits in the month of January. Wow!

Expenses: Operating expenses for January started the year off below average for the month. Major expense items include the following: Security camera, several sewer manhole extensions at the wastewater plant and new velocity flow meter for the influent wastewater metering at the treatment plant. January total expenses are at \$120,179.75.

Billing: Total of 1,967 customer accounts were billed in January with 10 meters estimated. The average water usage per customer were as follows: homeowners 4,708 gallons, candlewood 3,000 gallons.

Water Accountability: The unaccounted-for water loss for the year is at 7.7%. The Water District typical unaccounted for water loss range is between 3% - 6%. The district discovered a water main leak in Cobble Creek subdivision in the month of February. We believe this leak is the reason for higher than normal unaccounted for water loss.

GM report:

Water Distribution System: Aqua Store (Cady Tanks) will be on site in the spring to reseal exterior of the above ground storage tanks. A water leak of 25,000 to 30,000 gallons per day were loss in the system in the month of January. This leak was difficult to find because it was a steady leak at approximately only 19 gallons per minute.

Wastewater Treatment Plant and Collection System:

Wastewater Plant: We plan to install a new washer/compactor at the headworks of the plant in order to make the Bar screen waste product more acceptable for the landfill.

Subdivision Updates:

6th addition to Thornwood Phase 1: The subdivision is now in the 1-year maintenance bond period several new housing permits have already been issued.

20 Year Capital Projects Plan: I submitted my proposed 20 plan via e-mail to the board members in January. I expect future meetings to discuss in depth planning.

9. ADJOURNMENT:

MOTION by Cherry, and 2nd by Grindley to adjourn at 5:40pm.

Roll call vote as follows:

Roll Call Vote:

Hennesy: Yes	Melton: Yes	Schultz: Yes	Grindley: Yes
Buchanan: Yes	Larson: Yes	Cherry: Yes	

All present members voting yes, motion carries.

Respectfully submitted,

Lindsey Wallen
Secretary, Board of Trustees