

South Sangamon Water Commission  
Minutes of Regular Meeting of the Board of Commissioners  
April 17, 2018; 3:00 p.m.  
Water Plant, 9199 Buckhart Road, Rochester, Illinois

**Commissioners:**

Present: Lee Bloome, Craig Hall, Cindy Morris

Absent: none

Quorum: Yes

**Others Present:**

Dan Held, Marc Thomas & Greg Frieden (Woodard & Curran), Randy Segatto, (Barber, Segatto, et al), Max Middendorf (MECO Engineering), Laura VanProyen (SSWC), Bill Brown (CM&T), Patrick McCarthy (Chatham), Mike Krall (New Berlin)

Darlene Judd, Beckie Ethell

**Proceedings:**

- The meeting was called to order at 3:00 p.m. by Chairman, Lee Bloome, and roll was taken.

- The representative from GEM Energy Solar was not yet present.

MOTION by Bloome, second by Hall to move her follow-up report to the end of the agenda

Voice vote: Motion carried.

**Management Report:**

- Dan Held presented the management report for March with these notes:
- The CCR was in process and would be provided to the Commissioners prior to its distribution.
- The CCR must be delivered to all customers prior to July 1.
- Budget estimates included well #2 rehab.

**Engineering Report:**

- Max Middendorf presented Payment Request #1 for Petersburg Plumbing & Excavating for the majority of the mechanical work on the Wesley Chapel/Mansion Road main break.
- Water testing was being done with plans to be pumping water to all customers in about a week.
- Chloramine conversion permit approval was awaiting a final signature by the supervisor at IEPA and expected to be received around April 20.

MOTION by Hall, second by Morris to approve payment of Payment Authorization #1 for Petersburg Plumbing & Excavating in the amount \$46,168.20.

Roll call vote: Hall – yes Morris – yes Bloome – yes Motion carried.

**Public Comments:**

Commissioners heard questions regarding:

- Status of possible claim regarding Wesley Chapel/Mansion Road main break – being pursued through our attorney – not covered by our insurance.
- Details of short-term borrowing – being discussed later in the agenda – restatement of list of items being funded
- Status of bond set asides – as of March 31, half (3 of 6) of the monthly transfers had been made into each set aside account toward payments due July 1, 2018

**Approval of Minutes:**

MOTION by Hall, second by Bloome to approve the minutes of the March 20, 2018 regular meeting as presented.

Voice vote: Motion carried.

**Treasurer's Report:**

- Laura VanProyen distributed unaudited draft March 31, 2018 financial information and historical water usage report for Commissioners' review.
- Commissioner Morris expressed concern with the amount of expenses and suggested we look for possible areas of savings.

**Approval of Invoices for Payment:**

- Treasurer presented a list of payable items totaling \$97,379.33 to be approved for payment

MOTION by Hall, second by Bloome to pay all invoices as presented.

Roll call vote: Hall – yes Morris – yes Bloome – yes Motion carried.

**Ordinance Approving Insurance Renewal:**

- Attorney Segatto explained that only a couple of insurance companies provide the type of insurance we require; they are Cincinnati and West Bend. Troxell would have quoted the same Cincinnati Insurance we currently have through AJ Gallagher (formerly Nicoud Insurance). Corkill did not provide a quote, perhaps for the same reason.
- The only reasons to change insurance agents, then, would be based on customer service rather than pricing; there had been no problems with the current agency's service.
- The renewal amount for Commercial Insurance and Workers' Compensation Insurance was \$21,433.00.
- Cincinnati Insurance requested a new application, to update their files, with this renewal; AJ Gallagher recommended we review the building valuations to ensure sufficient levels of coverage. Chairman Bloome will have someone to follow up with Ryan Hillestad.

MOTION by Bloome, second by Morris to approve Ordinance 18-05, an Ordinance Approving the Purchase of Commercial Insurance Coverage from Arthur J. Gallagher & Company

Roll call vote: Hall – yes Morris – yes Morris – yes

**Ordinance Regarding Short Term Borrowing:**

- Chairman Bloome reviewed the proposals received from Hickory Point Bank & Trust and Town & Country Bank.
- Hickory Point Bank & Trust rates were lower. A rate increase of \$0.46 per 1,000 gallons would be needed to cover debt service plus 5% on either of their options.
- Commissioner Morris felt the difference between the options was not worth moving funds from Illinois Funds to Hickory Point Bank & Trust and recommended moving forward with Option A at 4.29% for 5 years.

MOTION by Morris, second by Hall to approve Ordinance 18-04, an Ordinance Authorizing the South Sangamon Water Commission, Sangamon County, Illinois to Borrow Funds from Hickory Point Bank & Trust in a Maximum Principal Amount Not to Exceed \$750,000, as outlined in their proposal as Option A.

Roll call vote: Hall – yes Morris – yes Bloome – yes Motion carried.

**Ordinance Regarding Wholesale Rate Increase:**

- Segatto explained this increase adds the \$0.46 for new debt service to the current wholesale rates; 60-day notice to all wholesale customers is required.
- Commissioner Morris asked what would happen to the rates at the end of the 5-years. Segatto stated that decision would be made by the board at that time based on current circumstances; rates should be reviewed annually.
- Clerk will e-mail copies of the approved and signed ordinance to all wholesale customers.

MOTION by Bloome, second by Hall to approve Ordinance 18-03, an Ordinance Establishing Wholesale Water Rates, setting wholesale rates effective July 1, 2018 at \$9.14 per 1,000 gallons and effective June 1, 2019 at \$9.28 per 1,000 gallons.

Roll call vote: Hall – yes Morris – yes Bloome – yes Motion carried.

**Discuss FY2019 Budget:**

- Chairman Bloome distributed a working draft budget for FY2019.
- He suggested a special meeting to discuss this once all Commissioners had a chance to review it. Special meeting was scheduled for Wednesday, April 25 at 5:30 p.m. at the water plant.

**Old Business:**

**Bulk Water Sales:**

- Max Middendorf reported an estimated cost of \$25,000 to \$30,000 to repair and correct the existing equipment to allow for accurate sale of bulk water. Based on previous sales experience, it would take 2 to 3 years to make that back in sales.
- This item was tabled indefinitely.

**New Business:**

**Rescheduled Regular Meetings:**

- Attorney Segatto reported, in response to inquiries about changing future meeting times, that any regular meeting can be changed from the original date approved by resolution as long as it is posted as a Rescheduled Regular Meeting at least 48 hours prior to the newly set time and must include the agenda with the posting.
- The next meeting was rescheduled for 5:30 p.m.

**Retail Rate Increase:**

- There was discussion regarding how to structure the retail increase based on the new wholesale rates and debt service increase.
- Segatto will draft an ordinance for approval in May.

The representative from GEM Energy Solar had not arrived.

**Adjournment:**

- The next regular meeting of the South Sangamon Water Commission will be May 15, 2018 at 5:30 p.m. at the water plant, 9199 Buckhart Road, Rochester, Illinois.

MOTION by Hall, second by Morris to adjourn.

Voice vote: Motion carried.

- The meeting adjourned at 4:10 p.m.

Respectfully submitted,

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Clerk