

**Minutes of the Special Meeting
Of the Board of Trustees
Lakes Region Sanitary District
Wednesday, January 24, 2017**

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1. CALL TO ORDER AND ROLL CALL

Mr. Stimpson called the meeting to order at 5:33 p.m.

Roll Call: Present: Mr. Stimpson, Mr. Miller, and Mr. Gramhofer

Also Present: Mr. Hausherr, Mr. Bogolin, Mrs. McCutchan, Mrs. Voigt and Mr. Haque.

2. REVIEW RATE STUDY

Mrs. Sandy Voigt and Mrs. Marcia McCutchan presented two versions of the Rate Study and explained the process used to develop the study. The first version was included an analysis of just the user fees and the second version included both user fees and connection fees. There was discussion about both versions of the rate study. The following suggestions were made for inclusion on the next version.

- a. Additional time is needed to review the current version.
- b. We should begin to look at the replacement costs, or have reasonable expectations of reinvestment into our infrastructure on an annual basis to ensure all infrastructure is well maintained.
- c. A more comprehensive rehabilitation program for lift stations should be pursued.
- d. Commercial permit revenue appears to be understated. With the pickup in residential development and the number of rooftops, we should expect some commercial activity in the 5 year study window.
- e. Capital projects should be factored in to the rate study to ensure that the rate analysis includes those costs.
- f. Ensure that adequate reserves are maintained in the funds.
- g. Lump projects together so that IEPA loans can be pursued and so that there is savings by aggregating projects.

There was general consensus that permit fees for new construction should be adjusted by the Construction Cost Index (CCI) to ensure that we are charging based on current cost data.

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3. FY2018 BUDGET WORKSHOP

The Board discussed the preliminary budget for FY 2018 and reviewed various line items in the budget. Trustee Stimpson thanked staff for preparing the budget and commended them on a well laid out budget.

Finance Manager Bogolin explained that the revenue projections are conservative as has been our practice for many years. Some revenue items such as late fees and legal fees are not typically budgeted. He also explained that a large portion of the District's expenditures are non-discretionary, including debt service.

The board asked staff to include the revisions to the capital projects in the rate study as part of the budget revisions.

4. AUDIENCE COMMENTS

None

5. EXECUTIVE SESSION

The Board did not enter Executive Session.

Motion by Mr. Stimpson, seconded by Mr. Miller, to adjourn the Special Meeting at 7:44 p.m. Roll call to the motion: Ayes: Mr. Stimpson, Mr. Miller, Mr. Gramhofer. Nays: None. Motion carried.

Respectfully submitted,



Mohammed M. Haque, P.E.
District Manager

Accepted: Feb. 9, 2017
Corrected: