

Curran-Gardner Townships Public Water District
3384 Hazlett Road | Springfield, Illinois | 62707-2522 | 217.546.3981
Tuesday, September 8, 2020 – 7:00 p.m. – Regular Board Meeting

Audio: <https://www.currangardner.com/Meetings/minutes-agendas/>

Members: Chairman Mitchell, Vice Chair Mayes, Trustee Oschwald, Trustee Moss, Trustee Valois, Trustee Hammitt, Trustee Davis, Operations Manager Nelson, Engineer Middendorf, Treasurer Elsner, Secretary Ryg and Business Manager Graff

Guests: Wayne Benanti, Todd Folder and Auditor Bill Castor of Eck, Shafer & Punke, LLP: 227 South 7th Street, Springfield, Illinois, 62701, 217-525-1111

I. Call to Order at 7:00 p.m. and the **Pledge of Allegiance** was said.

II. Secretary (Ryg)

Trustee Oschwald made a motion to accept the August 11, 2020 minutes with corrections. Trustee Hammit second the motion. The motion carried.

Audit (Auditor Bill Castor)

Chairman Mitchell stated it was the consensus of the CGTPWD Board to allow Auditor Bill Castor to present the CGTPWD Financial Statements and Independent Auditor's Report at the beginning of the meeting, rather than what the original agenda stated (later in the meeting). This included:

1. Statements of Net Position
2. Statements of Revenues, Expenses and Changes in Net Position
3. Statements of Cash Flows
4. Notes re: Financial Statements
5. Required Supplementary Information
6. Schedule of Changes in Net Pension Liability and Related Ratios
7. Schedule of Employer Pension Contributions
8. Schedule of Ordinance Required Information
9. Schedule of Insurance Coverage

Auditor Bill Castor presented his independent auditor's report to the Board. He said it addressed how the District would continue repaying the bonds each month. He provided the additional disclosures needed for the pension portion (pages 23 – 30) of the audit. Also, after year-end, he advised the Board that certain operational costs may rise due to the Covid19 pandemic, but there are no certainties. Auditor Castor added that there was certain required supplemental paperwork required for the bond ordinance. A "required communication letter" is within the report which indicated corrected statements (highlighting adjustments made throughout the audit). These adjustments were made for management to convert cash to accrual as required by financial reporting for year-end.

There was a discussion on which capital improvements could be added to future balance sheets and thus depreciated. Auditor Castor gave examples on what could/should be added. One

example could be to depreciate new water mains/extensions labor needed because the District's manpower could be calculated into the operational cost and thus depreciated.

The auditor suggested transitioning from a cash-based accounting to accrual accounting. The District uses the accrual method for year-end items. The four accrual items are: 1.) billed water that is receivable, 2.) unbilled water that is receivable based on an estimate, 3.) the number of days unbilled at the end of the month, 4.) benefits of vacation and sick pay.

The District's debt service is approximately 1.6.

Auditor Castor praised Treasurer Elsner and the District's record keeping. He added that the District had positive revenue from New Berlin this year.

He said that the District's next audit will show a better picture of how the Plant is producing water and costs associated with it. He concluded that the District's financial audit ended in accordance with accounting principles accepted with auditing standards set by the Governmental Accounting Standards Board.

Chairman Mitchell thanked Treasurer Elsner and CGTPWD office team for their due diligence and follow up with paperwork that was sought after to complete the audit.

A motion was made by Trustee Oswald to accept the April 30, 2020, audit as presented. Vice Chairman Mayes second the motion. Chairman Mitchell took a roll call vote:

Trustee Davis: Yes
 Trustee Valois: Yes
 Trustee Hammitt: Yes
 Chairman Mitchell: Yes
 Vice Chair Mayes: Yes
 Trustee Oswald: Yes

With six yes votes, the motion carried.

Chairman Mitchell thanked Auditor Castor and wished him a safe travels home that evening.

III. Treasurer (Elsner)

The CGTPWD Budget Report reflects 4.5 months or 38% of FY'21 activity. Treasurer Elsner gave the following Income and Expenses Report for August 12, 2020 through September 8, 2020, which included the Profit and Loss Budget Performance Report.

Income:

Month End District Water Income: \$142,103
 Fiscal YTD Water Income: \$670,793

Month End District Income (including other income): \$158,952
 Fiscal YTD for all income: \$753,857 = 39% of Budget

Expenses:

Month End Operating Expenses: \$98,045

Fiscal YTD Expenses: \$418,608 = 35% of Operating Budget

Net Operating Income (Loss):

The YTD FY21 Unaudited Net Operating Income: \$335,249

Budgeted Debt Service for this period: \$46,977

Capital Expenses for the period: \$1,933

Net Unaudited LOSS for period: \$17,503

Bills – Total Payments to Vendors (August 12, 2020 – September 8, 2020):

\$114,391.50

Vice Chair Mayes made a motion to approve the Treasurer's Profit and Loss Budget Report pending audit. Trustee Valois second the motion. The motion carried.

Vice Chair Mayes made a motion to pay the bills. Trustee Oschwald second the motion. The motion carried.

IV. Operations Managers Report (Nelson)

Water Report for July 15, 2020 through August 15, 2020:

- Amount of Treated Water Sent to Distribution System: 12,800,300 gallons (Noted: This was a 30-day billing cycle.)
- Amount of Water Billed to Customers: 11,280,351 gallons (includes bulk water sales)
- Total Amount of Water Sold to Customers (Produced at Water Treatment Plant): 11,280,351 gallons
- Amount of Water Loss (Percentage): 11.87%
- Amount of Water Loss (Gallons): 1,519,949 gallons
- Amount of Water Loss by Minutes: *35.2 gallons/minute

*A part of this figure is attributed to the filling and flushing of the Prairie Creek Road Water Main.

Disclaimer: No water from CWLP or the South Sangamon Water Commission or customer billings served by them had any bearing on the determinations made.

Well #7 Progress: Brotcke Pump provided a proposal to perform work on this well. Operations Manager Nelson agreed with their assessment and Engineer Middendorf will discuss it later in the meeting.

After extensive rounds of jar testing, Operations Manager Nelson and team concluded that polymer will stabilize the water best during the treatment process. Engineer Middendorf will apply for a Illinois Environmental Protection Agency permit.

Illinois Meter has the replacement valves needed at the Plant. Assembly and installment will take place in September.

The new bulk water station at Farmingdale is under construction. It will be the same type that has been in use at the Bradfordton location which is out-of-service due to vandalism.

Several meter pits were relocated in customer's yards instead of near Pajim Lane last week. This was due to the township road district digging its ditches wider and deeper causing the pits to be exposed.

The District advertised for lime sludge removal bids through the South County newspapers. The ad informs potential bidders to go to the website to review the full specification requirements. Bids will be accepted until 1:00 p.m. on Tuesday, October 13, 2020. The bids will be opened at the Regular Board Monthly Meeting that starts at 7:00 p.m. that night.

The lagoons were cleaned July 14 -17, 2020. A total of 380,990 gallons of slurry were removed at the cost of \$18,478.02 (\$0.0485). While the Plant could originally store a total of 525,000 gallons of slurry, due to the new configuration of the lagoons, the Plant is now only able to store a maximum of 400,000 gallons of slurry. This change, coupled with the treatment plant using more lime, is the reason that the District must now clean the lagoons twice per year.

The new Ford pickup truck is awaiting shipment to the dealership.

The Illinois Department of Transportation issued a check on August 27, 2020, in the amount of \$10,321.90 due to the District's costs incurred of materials, equipment and labor during the relocation of the water main on Illinois Route 125 highway project.

The Wagon Ford Road water project is complete. Operations Manager Nelson gave a customer a materials and installation quote for a fire hydrant installation in front of the residence.

The Prairie Creek Road water project is nearing completion with only the bacteriological testing to be done. That test should be done this week. The water mains, valves, hydrants have been installed as well as the meter pits to six stakeholders. The pits were installed to have adequate number of sample taps for the sampling of the main to obtain the operating permit from the agency. Once samples are satisfactory, the operating permit is received from IEPA, the stakeholders will be notified that they can connect to the meter pit. Operations Manager Nelson noted that the IEPA is running behind on processing items due to Covid19. Also, a Prairie Creek Road water project stakeholder delivered a check to the office to have an extra fire hydrant installed near his residence and two others.

A letter dated August 25, 2020, was sent to CWLP regarding the District's proposed changes to the Intergovernmental Agreement. The CGTPWD Board awaits a response from CWLP.

V. Office Manager (Graff)

Two customers asked for meter abandonments. The office explained to each customer that when a meter pit is pulled, and if he/she changes his or her mind in the future, then that customer is responsible for a tap-on fee. A customer can qualify for meter abandonment if he/she does not

owe the District any funds, among other rules for this request. It was noted that the District does not charge the customer to remove the water service.

The Badger meters were ordered. The field staff has been trained to program the meters.

VI. District Engineer's Report (Middendorf)

Water Treatment Plant: The leaking and air migration will be remedied with the new valve installation.

There is meeting at 1:30 p.m. on Thursday, September 10, 2020, with Tim Kelly of Brotcke, Well and Pump. It was noted that it could cost approximately \$17,585 for a production well site's test boring, mobilization of a rig, 2' test well and obtaining water quality samples. With the lower river levels, conditions are good to find optimal soil quality and sand, etc. near the 7A site.

USDA Phase I WTP Improvements: Leander is still addressing the warranty punch list. The Roberts senior manager continues to be involved and assessing the backwash air distribution (filters). A new pulley was installed on the air scour blower. The backwash was reprogrammed by Andre of Roberts (filters). A permit application was submitted to IEMA for an additional chemical that the Fife Chemical representative suggested after much jar testing. Loeke and O'Shea are preparing quotes for the new floor and drains in the Chemical Feed rooms.

Well #7 Study/Design: Brotcke will begin final exploration drilling.

VII. Guests – n/a

VIII. Chairman, Vice Chairman and Committee Reports

a. Chairman (Mitchell): Chairman Mitchell explained where the District stands with the letter sent to CWLP regarding the intergovernmental agreement. He expressed his thanks to Plant Manager Nelson for his assistance with this.

b. Vice Chair (Mayes): n/a

c. Finance (Valois, Oswald): n/a

d. Planning (Valois, Oswald): n/a

e. Personnel (Mitchel, Valois): n/a

f. Systems Oversight (Mayes, Davis): n/a

g. Policy and Procedure Committee (Valois): n/a

h. Ordinance Committee (Mayes): n/a

IX. Ongoing Business

a. CGTPWD/CWLP Updated Intergovernmental Agreement (Mitchell): This was discussed earlier in the meeting.

b. Discussion: Open Topic

X. New Business

a. Reinvest Matured CD from Fully Funded Bond Reserve (Elsner): One of the District's CDs matured at Illinois National Bank. INB presented a CD opportunity to lock in another two-year term at a fixed rate. Treasurer Elsner addressed the Board about it. Treasurer Elsner reported that the matured proceeds were placed in the unrestricted funds account where they will earn interest. She requested these funds to be separated into their own account before the end of the fiscal year in the same matter as USDA bond reserves. Trustee Oswald suggested a hold on the 2016 US Bank Bond (fully funded bond reserve) for \$169,433.00 until after the presidential election as interest rates may change.

b. Review of FY 20 Audit Findings (Castor) – Auditor Castor presented his findings at the beginning of the meeting.

c. CILCOMM (meeting room audio estimate) (Mitchell): Chairman Mitchell expressed concern about the acoustics in the meeting room. When guests and trustees wear masks due to the Governor's mandate/Covid19 pandemic, it is difficult to hear people speak. He met with Scott Brown of LRS, Central Illinois Communication Services (CILCOMM), Secretary Ryg and Tonna (office/technology) to discuss a possible Wireless Upgrade and Network Upgrade. The current network switch (located in the closet) only has one port left open on it. The upgraded, larger port would offer twenty-four open ports at approximately \$800.00. Also, to stop the meeting room screen from freezing during power point presentations, it was suggested to add access points (to transfer the Wifi into the room). These points would make the wireless/cloud technology already at the office run faster and stronger. To install three wireless access points plus mounted hardware would cost approximately \$1,260.00. An UniFi Cloud Key Generation 2 is also needed. It costs \$190.00.

The CILCOMM owner (500 Cedar Street, Greenfield, Illinois, 62044, 217-368-2894) who works directly with LRS to upgrade/install meeting room audio) assessed the Board's meeting room. He proposed microphone stations (wireless to prevent trip hazards), a base unit for conference system, and a USB media storage, which would record and store meeting audio, for a total of \$6,166.00. This price includes delivery, wiring and installation of system components.

The CGTPWD engaged in a thoughtful discussion about the prices of both LRS and CILCOMM.

Vice Chair Mayes made a motion to engage in the CILCOMM estimate of \$4,716.60 plus \$1450.00 for hardware. Trustee Hammitt second the motion. Trustee Oswald expressed concern on spending customer's money on the CILCOMM purchase when CGTPWD Regular Meetings are held monthly. Chairman Mitchell took a roll call vote:

Trustee Davis: Yes
 Trustee Valois: Yes
 Trustee Hammitt: Yes
 Chairman Mitchell: yes
 Vice Chair Mayes: Yes
 Trustee Oswald: No
 Trustee Moss: Yes

With seven yes votes, and one no vote, the motion passed.

Vice Chair Mayes made a motion to pay LRS for a Port upgrade and installation due to the growing technological needs of the operation. Trustee Valois second the motion. Chairman Mitchell took a roll call vote:

Trustee Davis: Yes
Trustee Valois: Yes
Trustee Hammitt: Yes
Chairman Mitchell: yes
Vice Chair Mayes: Yes
Trustee Oschwald: No
Trustee Moss: Yes

With seven yes votes, the motion passed.

Having no further business before the board, they adjourned at 8:48 p.m.

Chairman Mitchell – Signed and Dated

Secretary Ryg – Signed and Dated