

Curran-Gardner Townships Public Water District
3384 Hazlett Road | Springfield, Illinois | 62707-2522 | 217.546.3981
Tuesday, May 4, 2021 – 6:00 p.m. - Special Board Meeting

Attendees: Chairman Mitchell, Vice Chair Mayes, Trustee Oschwald, Trustee Moss, Trustee Valois, Trustee Hammitt, Trustee Davis, Secretary Ryg, Treasurer Elsner, Operations Manager Aaron Smith and Business Manager Graff

Guests: Todd Folder and Wayne Benaniti

No audio.

I. Chairman Mitchell called **Special Board Meeting to order** at 6:00 p.m.

II. The **Pledge of Allegiance** was said.

III. Review of the proposed Fiscal Year 2021 – 2022 Budget

Chairman Mitchell opened the meeting by thanking Treasurer Elsner and Trustee Oschwald who worked diligently on the budget. Chairman Mitchell said he would like to go line by line and discuss each budgeted item (operating income, operating expenses, debt service obligations/reserve requirements, capital expenditures, assets, liabilities, equity, etc.).

The line item for salaries increased since this cost was negotiated as part of the employee's union contract.

Business Manager Graff said health insurance quotes are obtained each December, so Line Item 5060 Employee Health Plan increased from 76,986.29 to \$83,000.71 in expectation of increased rates in December of 2021.

Since the United States Post Office (USPS) could increase the price of stamps this year, the office budget line item was discussed. It was decided that the amount would stay the same as the previous fiscal year.

Both Chemical and Lab's line items were increased due to cost escalations each year. Thus, these line items were increased for the FY2021-22 budget.

The District's attorney fees are most likely to go up, so the Chairman asked for Trustee Oschwald to increase this line item.

The District is awaiting an engagement letter from the auditors, so that line item amount was left unchanged.

The Engineering Line Item (which encompasses the plant expansion, field work, etc.) was increased due to the new well, Well #7, and impending water main looping to Salisbury via Smith Road.

The lagoon clean-out (Line Item 5260) was budgeted at \$25,000 last year, but that cost was estimated too low. So, the new line item will be \$35,000 since more clean-outs continue to be needed.

Line Item 5390 – District Fuel amount was estimated at \$10,000 for the new fiscal year.

The Net Operating Income is approximately \$709,000.00.

The debt service obligations/reserve requirements (Line Items in the 8000s) reflect a slow-down in earning since the bonds are older.

At the current time, the District continues to operate in the black (again) this year.

Approximate costs for the Lenhart Road Main Extension, Pleasant Plains Emergency Interconnect, Salisbury Loop/Smith Road, Meter Replacement, dead-end loops and River Crossing (electrical and raw water main) were reviewed and expenses projected for the upcoming year.

A replacement trailer was budgeted for next year at approximately \$23,210.00.

A pipe locator (on Plant's Capitol Asset List) was added to General Operating costs.

Trustees opened a discussion on how much funds to put toward a possible loan on Well #7 (plus River Crossing with Electric) vs. fully paying for this project. Well #7 was projected at approximately \$587,738.00 by MECO. One of the possibilities debated was apply for a loan of \$350,000.00 and use \$237,738.00 of district funds. It was noted that the District still needs to paint the water tower. Trustees continued to converse about the pros/cons of borrowing funds or paying for this project fully.

Lenhart Road Water Main Extension was proposed at \$25,000.00.

IV. Guests: Wayne Benanti said he would like to see the District paint the water tower sooner rather than later.

(7:05 p.m.)

Plant Manager Aaron Smith will discuss the generator location with Engineer Middendorf after tonight's meeting, but before the regular May 11, 2021 monthly meeting.

The Board confirmed that the water tower will not be painted this year, but examined as a possible project for next year's budget.

V. Refinance the USDA 2009 Loan

Trustee Oswald said that Bernardi Securities, Inc. approached the District about refinancing the USDA 2009 loan. There is a possibility of reducing the rate to half, with a fixed rate, but then it would not be an official USDA loan. *Only a bank like Co-Bank guarantees that a new loan would fall under the Federal USDA guidelines for the loan process.* Trustee Oswald will reach out to Co-Bank. It was clarified that the District will not be out of the USDA loan system.

VI. Adjournment: Adjournment at 7:22 p.m.