



September 7, 2006 Meeting Time: 7:00PM

I. Call to Order and Roll Call – Marty called the meeting to order at 7:00PM.

Board Members Present: Marty Portner - President
Dan Dummett - Vice President
Herb Hill - Secretary
Bill Piper - Treasurer

II. Pledge of Allegiance

III. **Motion to Approve Agenda** – Herb motioned to modify the agenda to add 2. *N. Beach Tree Removal* and 3. *Campground under VI. Old Business, A. Herb Hill*. Marty seconded the motion. The board approved the motion unanimously by roll-call vote. [09-06-01]

IV. **Motion to Approve July 27, 2006 and August 3, 2006 Minutes** – Dan motioned to approve the July 27, 2006 and August 3, 2006 minutes. Bill seconded the motion. The board approved the motion unanimously by roll call vote. [09-06-02]

V. **Motion to Approve Treasurer's Report** – Bill read off the treasurer's report. The current assets in checking and savings as of August 31 were \$97, 990.59. The total expenditures for August were \$12,371.96. Bill asked Becky what the miscellaneous expense \$291.14 was for and she said that it covered the tuition for her schooling at \$270, Jerry Sellers taking Joe Rush to lunch for \$16.14, and a bank fee of \$5 for a check with no signature on it. The RCD paid out \$1,986.62 to JadEco for consulting fees and \$577.50 to Nye for legal services. Marty asked about the printing and reproduction costs and Becky said that it was the printing cost for posting the notices in the newspaper of the annual budget. Marty requested that they make a new line item entitled "Educational Expenses" since the RCD has committed to furthering her education with regard to her office duties. Herb asked how much interest was accrued annually on the dredge loan and Becky said about \$6,800 and that the loan payment of about \$22,000 principal and \$6,800 interest was due in October. Bill closed the CD out at \$37,182.04 and deposited it into the checking account and opened two new CD's with staggered due dates of 3 months and 6 months in the amount of \$50,000, which he transferred from the checking account. Dan motioned to approve the treasurer's report and Herb seconded the motion. The board approved the motion unanimously by roll-call vote. [09-06-03]

VI. Old Business

A. Herb Hill

1. **Quotes for Unloading Area by LCC Kitchen** – Herb is waiting for a report from Ken Oltmanns, outlining what he plans to do. Table until October.

2. **North Beach Tree Removal** – Herb hired Roger Patterson to remove some trees from the North Beach; Roger did some trimming as well and in the process found some sick trees. Roger is doing some work with sick trees, and according to Roger some of them have Oak Wilt. He trimmed and treated them at no extra cost. The original bid was for \$1,350 and he agreed to do all the work for \$1,000 and did extra work on top of that. To keep the costs down, Herb allowed him to burn on site.

3. **Eyebolt and Lock Damaged at Campground** – Herb replaced the eyebolt and lock. Herb said that it appears that a couple of ATV's went through the ditch and ran over a couple of the new fire rings, damaging them - fortunately, he was able to bend them back into place. He suggested that they should put a chain across the ditch to keep the ATV's from going through there.

B. Dan Dummett

1. **Quotes for Boat Ramps** – Dan received one quote from Ken Oltmanns to

repair the boat ramps that have partially washed out, particularly on the Old East Beach boat ramp. One of the proposed solutions would be to pave them similar to what was done at the Park Side Park boat ramp (owned by the LNPOA), which is a 10'X15' protrusion into the water onto a ramp section about 5-6 feet. Dan had the boat ramp repaired where it was washed out and it is Dan's recommendation to hold off on doing the work until next season, when he will attempt to get more pricing.

2. Bids for Sampling Sediments for Dredging Program – Based on the recommendation of the LMC, and JadEco, Dan said that it is appropriate that the RCD authorize the expenditure of up to \$12,550 for the Sedimentation Survey, which would allow the RCD to establish a benchmark on which to base all future dredging operations. Because it qualifies as a Professional Service, it would be exempt from the bid process. Dan motioned to Authorize the expenditure of no more than \$12,500 for the purpose of conducting a Sedimentation Survey of Lost Lake by the most qualified professional firm as determined by the LMC, with work to be performed before the freezing of the Lake in the 2006 winter season. Bill seconded the motion. Bill asked when they would pay for it and Dan said that they would pay for it upon the completion of the survey with the timeframe to conduct the survey being over a 5-7 day period, with Dan recommending that it be performed before the water freezes so it would be sometime before the end of the year if it is approved. Herb asked if there is a company that they have in mind to do the work and Dan said yes, and although there were a number of firms contacted, only one expressed interest in performing the work, Integrated Lakes Management, who is recommended by JadEco. If the other two firms that were contacted should come back with a better price for comparable work, then he will direct the LMC to consider them as well. Herb asked if there would need to be an approval from the RCD once the LMC found someone to perform the work and Dan said that if the RCD approves the work tonight, they would be authorizing the LMC to make the decision so there would be no need for any other approval from the RCD. Herb asked if this would be coming out of the \$15,000 budgeted for professional aquatic services and Dan said no – that \$15,000 was budgeted for the services of JadEco. Herb estimated that they would be spending about \$31,650 on Lake Management related items this year. Marty said that this is the first step on the long road to getting a handle on what is going on with the lake, which will have many upfront costs. Marty said he is cautious about where the money is going as well and he looks at it as an investment and Bill agreed, saying that they weren't giving the LMC a blank checkbook, rather they are trying to handle the needs of the lake. The board approved the motion unanimously by roll-call vote. [09-06-04] Becky asked Bill where the money should come out of once the survey is done and Bill said that he'd go over that with Becky. Dan discussed the August 11th LMC meeting that he attended - he felt that it was very forward thinking meeting. Jerry Sellers hosted it and Frank Durkin was there as well as Bill Kleiman from the Nature Conservancy District. Bill Kleiman suggested partnering with the RCD to hold a Lake Festival for all the watershed residents to become involved in knowing what is going on and how they affect our lake. Dave Dornbusch, with Natural Department of Agriculture, Dixon office, was also there and had some interesting ideas for preserving our lake.

C. Marty Portner

1. Approve Watershed as Official RCD Publication – Marty went to both POA's and got approval to have the "Watershed" inserted in the newsletter that is distributed to property owners every two months. He got a quote from the newsletter committee that said that it would cost about \$90 an issue to have that printed and inserted in the newsletter. The Watershed would be a non-political, informational newsletter that would have status reports of the RCD's goings on. Marty requested that the board vote to make the "Watershed" the official RCD publication. Dan motioned to approve the "Watershed as the official RCD publication. Bill seconded the motion. Dan said that because the RCD's constituency reaches beyond the POA boundaries, he would like to see them eventually reach out to others in within the district, perhaps through a supplementary mailing. Bill agreed with Dan, added that it is good PR and very informative. Marty said that he would also like to make the publication available electronically online and, if they request it, Becky would print and mail a copy out to them. The board approved the motion unanimously by roll-call vote. [09-06-05] Marty requested that the RCD form a newsletter committee, headed by him, to allow a non-board member be the central point of contact for board members that what to put information in the newsletter. Marty motioned to form a Newsletter Committee to handle issues related to the content of the newsletter. Bill seconded the motion. Herb asked how many people would be on the committee and Marty said at the most three people. The board approved the motion unanimously by roll-call vote. [09-06-06]

2. Motion to Appropriate funds for Lake Court Center P.A. System Upgrade – Marty said that he estimates the cost for upgrading the P.A. system to be around \$2,000-3,000, which would involve more microphones, more electronics, a better amplifier, better speakers, and a podium w/ a microphone for audience members to use when speaking. Dan asked about the cost sharing between the RCD and the POA's and Marty said that he would table it until he could get the pricing and bring it before the board.

3. Motion to Appropriate Funds for Security – tabled until the POA's can put it to a vote and they can figure out a cost estimate (preliminary estimates were about \$800-850 a month each for both POA's and the RCD).

VII. New Business

A. Amendment of RCD Ordinance Chapter 5, Section A – While Attorney Nye was reviewing the 70ILCS 2105/16 statute and chapter V Section A of the LNNLRCD ordinance to give his opinion on professional service contracts, he noticed a discrepancy between the two regarding going out to bid for services other than professional. He recommended that the LNNLRCD ordinance, which has a \$10,000 starting point, be amended to read \$2,500, as the statute does. Dan motioned to amend the LNNLRCD ordinance from \$10,000 to \$2,500 (which will increase to \$5,000 starting January 1, 2007) to be in accordance with the state statute. Bill felt that it was too low and Dan said that it puts them in violation of the state statute. Bill said why can't they keep the starting point at \$10,000 and Marty said that the question is do they have the legal right to make it looser. Dan said that the attorney is recommending that they get in compliance with the state statute. Marty seconded the motion. The board approved the motion unanimously by roll-call vote. [09-06-07]

B. Tim Spelde – Dock/Shoreline Improvement – Tim showed the board pictures of a 4'X10' floating dock that he requests approval to install, which is in compliance with the RCD specifications. Bill motioned to approve Tim's dock and shoreline request. Dan seconded the motion. The board approved the motion unanimously by roll-call vote. [09-06-08] Becky said that she will need a signed copy of Tim's shoreline improvement request, with pictures, if possible.

C. Cantrell – Dock/Shoreline Improvement – Dennis Cantrell submitted plans and the application to install a 12'X10' dock on his shoreline to the RCD. Herb questioned whether it was too shallow where Mr. Cantrell wanted to install the dock and said that he would like to take a look at the area. Dan motioned to approve Mr. Cantrell's dock request subject to Herb's final inspection, to be completed by the end of the week. Bill seconded the motion. The board approved the motion unanimously by roll-call vote. [09-06-09]

D. Motion To Approve Startup Funds for Lost Lake Utility District – Joe Olliges, a LLUD chairman, sent a letter to the RCD requesting startup funds to cover their liability insurance costs. William Weronko spoke, saying that they do not yet have a source of income and are asking for \$3,000 from the RCD so that they can complete their due diligence in purchasing the utility. He is pretty confident that the deal will go through, however, he cannot give the RCD a timeframe of returning the money as it is an enormously complex project. Mr. Weronko said that they have a financial institution that is willing to loan them the money to purchase the utility and they are in negotiations with Armstrong right now, they just need to find out what the environmental agency and the engineering firm will say. The LLUD has also requested loans from the POA's, the County, and Taylor Township. Herb would rather that they not purchase the utility from Mr. Armstrong due to the fact that the liabilities cited in the engineering study that the RCD had done far outweighed the value of it, instead, he asked if they had looked into acquiring it from him. Mr. Weronko said that Gene Armstrong is not going to get a whole lot of money out of the deal because he has many fines to pay and it is in receivership so they don't necessarily have to deal directly with Mr. Armstrong. However, there are a lot of legal reasons that if they don't deal with him, they could spend the rest of their days in court with him. Dan asked if the LLUD had exhausted all other immediate sources to borrow from, like banks, and if that is why they are requesting money from the RCD. He added that the reason he asked is because the RCD is not a lending agency by nature. Mr. Weronko said that Dan was correct. Dan asked if the LLUD had read the survey of the utility that the RCD had done and Mr. Weronko said yes, they were using it, however they have to have to do an engineering survey that fits what the bank requires. Herb asked where the Utility District would be financially if they purchased the utility even though it is showing as a deficit to a bank in worth because of needed repairs like all the pipes needing replacement. Mr. Weronko replied that it would be a harder, longer-term process if they try to acquire it rather than purchase it from Mr. Armstrong. Mr. Armstrong says he has no money to fix the utility and right

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now it is in receivership and they are using the money coming in to run the utility. Nothing is getting fixed right now and it is the LLUD's belief that if they get it out of his hands, then they can float a bond and start solving some of the problems. Herb wanted to make sure that Mr. Armstrong would not get any of the money the RCD would loan to the LLUD and Mr. Weronko promised that Mr. Armstrong would not get any of it.

Marty said that the RCD's attorney advised that an intergovernmental loan was possible, however the type of arrangement that they would make would depend on how the LLUD is set up legally. He Marty said that he is in favor of loaning them the money, however, he would like to table the issue until the LLUD's attorney, Mr. Lowe can get into contact with Mr. Nye to work out the legal details and, since it is public money we are dealing with, what would happen if the LLUD were to default on the loan. Dan said that he was in favor of loaning the money as it affects the overlapping constituencies of both the RCD and the LLUD. Bill agreed, stating that as soon as it is approved, they could write them a check that day. Once the attorney's have worked out the legalities, Marty said that they can call a special meeting to vote on approving the loan.

VIII. Employee / Committee Report

A. Becky Breckenfelder –

1. Adding People to the E-mail List - Becky said that anyone who wants to be added to the list of people who are contacted about upcoming LNNLRCD meetings and agendas, please put their e-mail addresses on the signup sheet.

2. Open Board Position – Becky encouraged the property owners that were present to apply for the open board position – they can either pick up an application from Becky or from the Ogle County Clerk's office. Applications must be in by September 30, 2006.

B. LMC

1. Multi-meter and Probes Purchased – the equipment has been purchased.

2. LCC Lakeshore Stabilization Project Initiated – the plantings were put by in at the LCC by Clearview ponds in the middle of August. Jerry saw the work and approved it.

IX. Guests/Public Opinion

A. Tim Spelde – the IDNR will be surveying/shocking the lake this year for free, as they have done in the past, which will save the RCD \$2,500. He would like to get permission to use motors on the lake on that day. Approval from its members has been made for the fishing club to spend an extra \$300 to stock striped bass in the lake. Tim asked what the piles of dirt by the dam were for and Marty said that Gerry Skyles will be handling the disposal of that.

B. Crystal Pohlman – Crystal has a petition that she would like any New Landing or Lost Nation residents who have been affected by power outages to sign if they wish to do so.

C. Harold Stromberger – Harold would like to see the loan go through to the LLUD has soon as possible as they have done a lot of work without being insured. He asked if the board could take a vote to approve the loan upon the contingency of the lawyer okaying the loan. Marty said that he is not worried about the legal part of the loan going through, however, he wants to be able to deliberate the political part of it to understand the terms, particularly if the loan goes into default and he feels that that can only be done as a group.

D. Ron Berger – Ron requested a monthly treasurer's report and Marty gave him his copy.

X. Adjourn – Bill motioned to adjourn the meeting at 8:38PM. Herb seconded the motion. The board approved the motion unanimously by roll-call vote. [09-06-10] **Next Meeting: October 5, 2006**

September 7, 2006 Motion List

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