



November 12, 2020 6:00 p.m.

LNNLRCD Meeting (Online Zoom Mtg)

- I. **Call to Order, Roll Call & Pledge of Allegiance – Welcome Hal Warren, the Newest RCD Board Member –**
Bill called the meeting to order at 6:00 p.m.
Board Members Present – Bill Winebaugh, President; Andy Warcaba VP; Jeff VanQuathem, Secretary; Hal Warren, Member at Large
Board Members Absent – Tyler Vankirk, Member at Large

- II. **Motion to Approve Agenda** – Andy motioned to approve the agenda and Hal seconded the motion. The board approved the motion unanimously by roll-call vote. [11-20-01]

- III. **Motion to Approve 10/15/2020 Minutes** – Bill motioned to approve the 10/15/2020 minutes and Andy seconded the motion. The board approved the motion unanimously by roll-call vote. [11-20-02]

- IV. **Motion to Approve Treasurer’s Report** – Bill motioned to approve the treasurer’s report and Jeff seconded the motion. The board approved the motion unanimously by roll-call vote. [11-20-03]

- V. **Board Member Reports**
 - A. **Bill Winebaugh – Info on Raising/Lowering Lake** – Ken Oltmanns, the contractor that removes and reinstalls the boards at the dam each year, doesn’t want to continue to remove the boards the way that they have done it in the past. Instead, he is willing to continue to do it if the RCD allows him to only take the center boards out rather than taking all of the boards of the top layer. Bill had Scott Brown from Wendler look at it and he doesn’t think that there will be a problem with run-off so the lake will still lower and come back up to pool when they put the boards back in. Bill is working on getting a definite price and once he gets that, he will get it in writing to bring to the board. Hal asked about a log that was jammed on the dam and Bill said that he is aware of it and he and Shawn are looking at it.

 - B. **Andy Warcaba – Dredging Planning** – Andy said wanted to ensure that they have a plan going forward and that they have accounted for all of the money they will need in terms of consultants. Andy said that he looked at the last proposal that Scott put in to the RCD and it looks like he has all of the activity incorporated into that including issuing the RFP for construction (*of the basin*). Scott said that there is an element that is not included in the agreement and it is the sampling of the sediment (Scott added that that was something that they had talked about as being separate from the agreement). They are taking plans through to contract letting on the construction of the dewatering basin. Andy asked when Scott could envision that the RFP could go out and Scott said their goal is next year, as soon as possible. He is working on permitting and has been in touch with the EPA to get the required sampling frequency – once he gets that he has a testing company that can do that sampling. As they get closer, they can discuss timeframes but right now they have the plans near final and they will put together a bidding package to go out. Andy asked when they can notify the public that they expect to begin construction on the basin and Scott said late spring to early summer.

Andy said the RCD has been paying Wendler’s fee out of a line item in their normal budget and they can proceed with that but he wanted confirmation from John Vezzetti that he wouldn’t begin selling the bonds until 2021 and John agreed adding that he’s looking at getting into the marketplace the middle part of January and the sell period will take 3-4 days at most. At that point they will know what the interest rate and annual cost will be to the RCD. John estimates that the RCD will have the funds available by mid-February. Andy asked if they can draw from that however they like and John said that the IRS likes to see that money dispersed within 3 years of the issuance date which would be February 2024 if they are issued in February 2021. John said that it looks like the RCD will have the money spent in the first 6-9 months, which is a good thing. Andy asked once the bonds are sold, how do they pay that back and John said it’s a semi-annual payment. Interest is paid twice a year (June and December) and principal once a year (in December). There will be 40 interest payments and 20 principal payments over 20 years. Becky asked John if she would need to file a separate tax levy for the

bond ordinance similar to the tax levy that she submits each year for their normal business expenditures and John said that the county clerk will be given a copy of the bond ordinance that the board is approving tonight (although they are not officially selling any bonds yet and so they don't know the interest rate or settlement date yet). This bond ordinance will be supplemented with a bond order that directs the Ogle county clerk to levy the exact amount that they tell them to for the next 20 years so that (Becky) won't have to.

Bill asked Scott to clarify the sediment sampling that they need to perform and Scott said that the EPA requires sampling of the sediment before it can be pulled out to dewater. EPA approves the frequency of the sampling and the RCD would need that sampling to get the permit from the EPA to build the basin. The sampling test would look for any contaminants and it also gives them parameters like density and water content as a basis for Joe's contract to move forward with the dredging. Scott said that they don't foresee any issues as far as contaminants in the sediment because their watershed has not changed usage and that don't have a heavy-metals contributor or dumps upstream. Bill asked if they wanted to get those samples soon and Scott said yes because if the lake ices over it makes it more difficult to obtain a sample. They have Midwest on board for doing that sampling, they are just waiting for clarification from the EPA on the number of samples required.

Andy asked Joe Rush, that if the silt basin could be built in spring/summer of next year, what would the steps be for the actual dredging. Joe said that he would work on the bid specs of the dredging and some of that will hinge on the samples that are coming back and the basin will have to be completed. Once they go out to bid then they will have to make some decisions based on whether the contractors that bid the jobs are available. They will also have to tailor the bid spec around the budgeted money that they have available; for example, if the silt basin costs more than they expected, they will have to adjust their volume to get the maximum effective volume based on the funds available.

Scott asked John that since the work is performed in phases and all the money won't be spent at once, what would the RCD be allowed to do with the remaining funds – are there are rules that allow the RCD to invest the remaining funds (in the interim). John said that they can put the funds in a local bank savings account and earn the current interest rate that the bank offers. The RCD is not allowed to invest it in accounts that earn more than they interest rate that they are borrowing it at until all of the money is spent as the IRS doesn't like when you borrow money tax exempt and then earn interest on that interest. The advantage of the RCD selling the bonds up to the full amount is that they will be borrowing the money on a much lesser interest rate than they would otherwise.

- C. **Jeff VanQuathem** – Jeff said that Bill already asked most of the questions that he had. He also had some questions about how the bond owners would be paid and how the money would be dispersed and John answered most of it already.
- D. **Tyler VanKirk** - absent
- E. **Hal Warren** – Private dock inspection – Hal and Andy went around the lake and looked at docks to identify docks that are in disrepair. Bill said that they have had a lot of discussion on whether a dock is in disrepair or is it a safety issue. Hal said that there is a little of both and said that he could show those pictures at another meeting if they wanted to. Bill said that Becky has pictures from the past two years of docks that are in disrepair. They have sent letters to the owners and some of them respond and some don't. Bill said that the RCD does not want to get into the dock-removal business as it would really be expensive. Bill said that they don't really have a way to force them to repair their dock. He asked Becky if there is any way that they can make them fix their dock or charge a fee. Becky said that they can enforce their ordinance and even levy a fine if they don't comply. It would then be up to the board as to whether they want to go through the expense of enforcing the fine, (*potentially involving legal proceedings*). Andy suggested that they could discuss putting emphasis on the lake and making a policy regarding maintaining private docks. Bill said that they already have a policy in place and they can discuss it at their next meeting.

- VI. Employee Reports – 1. Dumpster at the LCC –** Becky said that since we are not having the rentals like we usually do, she recommended suspending service on the LCC dumpster starting December 1 for the winter until such time that they need to reinstate the service. They currently pay \$78 a month for it. She kept the service active during the summer months as Shawn uses it for his RCD property clean-up projects.
- 2. LCC Phone/Internet Service -** Currently, the RCD pays about \$108 a month for phone and internet service. With the renewal of the CenturyLink contract due at the end of the month and an offer from the LLUD to piggy-back on their internet service through a customer of DC Computers located in an area with line of sight of the water tower, such as on Birch Lane, Becky looked into the option. If the homeowner agreed to allow the repeater equipment installed on his house, he would get a faster DSL service for the basic rate (initial hook-up fee of \$100 then a \$100 plan discounted for \$49). She contacted Hal Warren, who lives on Birch Lane and so has a line of sight, and he said he understands that they were proposing to put a repeater on his house to beam to the LCC. He looked at his CenturyLink bill and he is paying \$45 a month. He left a message with DC computers to find out what the speed is compared to what he is getting now - he will get back to the RCD once he finds out. Becky asked the board how they would feel about paying all or part of the initial hook-up fee and Bill said that that was not an unreasonable request. Bill said that what if somewhere down the road Hal decides not to be an RCD board member and doesn't want to use DC computers and allow the RCD to piggyback off of them. Becky said that worse-case scenario, if he wanted to cancel his service, they could either pay the \$49 a month for the service thru DC computers, which is cheaper than what they are paying now at CenturyLink, or just go back to CenturyLink.

Becky said that if Hal agreed to the terms and the RCD just needed phone service, the board could then decide whether they want to continue with CenturyLink for phone service or look at a cell phone service. Bill asked how soon they needed to make a decision as he didn't want to put Hal on the spot and Becky said that they can wait. Hal said he will wait to hear back from DC Computers as to the speed of the internet that they would provide. Jeff said that a couple people have DC Computers and they like it but it is limited to the line-of-site to the tower.

- VII. New Business – 1. Motion to approve an ordinance providing for the issue of not to exceed \$948,000 General Obligation Voted Bonds of the Lost Nation - New Landing River Conservancy District of Illinois, Ogle County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds. –** Andy had the RCD attorney, Tim Zollinger, review the ordinance and Tim said that everything looked good. Jeff said that at the end of page three he saw that the rate is capped at 5% and they are not allowed to pay more than \$100,000 on the principal in any year. Not that that's a concern, he just thought it was interesting that if they wanted to pay it off early, they would not be able to exceed \$100,000. John said that was a good observation. They are allowed to pay the bonds off in full after 8-10 years. Unlike a mortgage, where you could pay off at any time, a municipal bond is a very sleepy investment. Investors are giving you a very good interest rate to know that when they wake up the next day, money will be there. They tried to go as high as they could so that they won't come into play at all and are pretty comfortable with them. Bill read into the record the above ordinance 2020-11-12. Andy motioned to approve ordinance 2020-11-12 and as stated above and Bill seconded the motion. The board approve the motion unanimously by roll-call vote. [11-20-04]

2. Removal of Docks – Bill authorized payment to Chana Excavation for \$620 to help remove the rented docks.

- VIII. Old Business –** No old business.

- IX. Guest Comments – Norm Eckley –** Norm said that D.C. Computer's internet speed for \$49 is double what CenturyLink's is. *(I researched this and the RCD is paying for 10Mbps service through CenturyLink. The basic service through DC computers is 20Mbps for \$49 and the 35Mbps normally costs \$99 but would cost the homeowner only \$49 if they agree to use the repeater for the RCD – Becky).* Norm said that Verizon also has a hotspot service that you can purchase that costs \$13 a month – his wife uses it a lot and hasn't had any trouble with it.

Bill Winebaugh – Bill thanked Joe John, Scott, and the board members for their help in getting the dredging referendum passed.

- X. Motion to Adjourn** – Andy motioned to adjourn the meeting at 6:54 p.m. and Jeff seconded the motion. The board approved the motion unanimously by roll-call vote. [11-20-05]

November 12, 2020 Motion List

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