

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE SALT CREEK SANITARY DISTRICT HELD AT 201 S. ROUTE 83, VILLA PARK, IL ON FEBRUARY 25, 2023.

The meeting was called to order by President Taglia at 10:00 a.m. Present: Trustees: Robert Taglia - President, Mary Agrusa – Vice President and Robert Wagner – Clerk. Also present: Manager Jim Listwan and Business Administrator Ray Hoving.

Public Participation: No one from the public was present.

Ordinance 561 and Ordinance Repealing Ordinance 560 passed February 20, 2023:

Business Administrator Hoving presented Ordinance 561. The ordinance was necessary to correct typographical errors contained in Ordinance 560 – which was passed at the regular meeting on February 20, 2023. Trustee Wagner made a motion; seconded by Trustee Agrusa to approve Ordinance 561. Ayes Taglia, Agrusa and Wagner. Motion Carried.

Ordinance 562 – An ordinance to Authorize the Use of State Revolving Loan Program Funds for Phase 6 Improvement Project:

Business Administrator Hoving presented 562 and stated that the ordinance replaces Ordinance 560 originally passed on February 20, 2023. Trustee Wagner made a motion; seconded by Trustee Agrusa to approve Ordinance 562 - An ordinance to Authorize the Use of State Revolving Loan Program Funds for Phase 6 Improvement Project. Ayes: Taglia, Agrusa and Wagner. Motion Carried.

2022– 2023 Budget Update:

Business Administrator Hoving presented the current fiscal year budget progress. The presentation began with challenges facing the district including aging plant equipment, inflationary pressure especially related to utility costs and succession planning. Mr. Hoving then touched on the amount of water treated each year in comparison to how much the district bills for which he said was 2 to 3 times. He went on to say that billable flow was approximately 81% of the projection through 10 months of billing which would put the district on target at the end of the year for user fee revenues. Business administrator Hoving then said that revenues are projected to be approximately \$100,000 above budget and expenses were projected to be down across all departments totaling nearly \$170,000 below budget. Mr. Hoving pointed to the areas where the greatest amount of savings occurred including wages, fringe benefits and unspent contingencies.

2023 – 2024 Proposed Budget

Billable Flow: Business Administrator Hoving projected that billable flow or the water consumed by the residents of Villa Park will be projected to remain steady for the next fiscal year and is estimated at 490 million gallons.

Wastewater Rates: Business Administrator Hoving and Manager Listwan recommended a \$0.60 increase (from \$6.40 per 1000 gallons of water to \$7.00 per 1000 gallons of water usage) to the user charge for 2023 – 2024. The \$0.60 represents a 9.0% increase from FY 2022/2023. The increased user charge is needed to fund upcoming construction projects to modernize and increase efficiency

at the plant. Mr. Hoving also recommended a \$3.00 per quarter increase to the fixed charge for the capital improvement fund.

A draft of Revenue and Expenses for Fiscal Year 2023 – 2024 were presented to the board. Business Administrator Hoving explained line item by line item the proposed budget. He said that overall there is a projected budget deficit of \$613,867. The deficit is due to a one-time transfer from the district's corporate reserves of \$650,000 to the debt service account.

Revenues: Revenue will increase by \$460,000 due to increases to the user fee, capital improvement fixed fee and increases in personal property replacement tax and interest income.

Expenses: Mr. Hoving stated that O, M & L expenses are projected to be approximately \$1.2 million higher than FY 22-23 budget amount. The increase in the operating department is due to the costs associated with design engineering for the future upgrades at the plant. The admin, maintenance and lab department costs were modestly lower and higher compared to last year.

Improvement, Replacement & Debt Service Fund: The majority of the FY 23/24 improvement fund and replacement fund appropriation will be for emergency repairs and contingencies. \$1.31 million is to be appropriated once again for the repayment of the IEPA loans.

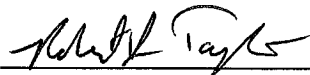
Wages & Fringe Benefits: Manager Listwan presented his FY 2023 – 2024 wage recommendations to the board. Discussion ensued. Mr. Hoving then presented a wage survey that was conducted by the Illinois Association of Wastewater Agencies which showed a large discrepancy in pay rates for district staff compared to their peers at other similar agencies. Trustee Taglia remarked that the wages would be approved as part of the regular budget approval process at future meetings to which trustees Wagner and Agrusa concurred.

Succession Planning:

The meeting concluded with a brief discussion on succession planning at the district. Manager Listwan reiterated his intent to retire in 2024. He also stated that the chief operator communicated his intent to retire in October of this year. Mr. Listwan said that upon the retirement of the chief operator the district could hire and train the new manager which would give time to ensure a smooth transition.

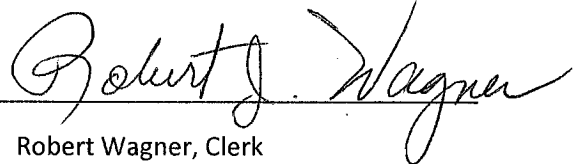
Meeting Adjourned: Trustee Wagner moved, seconded by Trustee Agrusa to adjourn the meeting at 12:46 p.m. Ayes: Taglia, Agrusa, Wagner. Motion carried.

APPROVED



Robert Taglia, President

ATTEST



Robert Wagner, Clerk

Prepared by Ray Hoving, Business Administrator