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 AUGUST 18, 2025.

The Regular Meeting was called to order by Trustee Wagner at 6:00 p.m.: Trustee Sullivan Called Role: Present: Trustees, Robert Wagner, Ann Marie Testa & William Sullivan. Also, present: General Manager Ray Hoving, Superintendent Steve Moore, Engineer Darryl Carstensen and Attorney John Wise.

FY 2024/2025 Audit Presentation: Mike Kram and Jessica Holzknecht from Selden Fox presented the 2024/2025 audit report. The presentation highlighted the major findings from the Auditors field work completed in June and the subsequent audit report that was completed in early August and submitted to the Illinois Comptroller's office. The report found that revenues increased due to increased billing rates and increased interest income. While revenues increased so did expenses due to personnel costs and increased commodities. Overall, the net position increased by $955,453 which marked the 5th straight year of increases in this gauge of financial health of the district. The auditors also highlighted changes this year such as GASB 101 which states that all accrued leave time should be recorded as an expense. At the conclusion of the presentation the auditors took questions from the board of trustees.

Public Participation: General Manager Hoving read and email from the resident at 446 S Summit Ave. The resident requested the board of trustees waive the "tag" fee that was charged to his account in May due to non-payment. Discussion ensued on the merits of the request including the claims that bills were not delivered to the customer. The board will take final action at the September meeting.

General Manger Hoving then read an email from the property manager of Ardmore Garden apartments. The customer requested to have their late fees totaling $580.12 be waived. According to the email the payments were mailed prior to the due date however the checks were not received until more than 10 days after the due date. Discussion ensued. The board will take final action at the September meeting.

Minutes Approved: Trustee Testa made a motion, seconded by Trustee Sullivan to approve the minutes of the Regular Meeting of July 21, 2025, as amended to correct scrivener's errors. Ayes: Sullivan, Testa & Wagner. Motion Carried.

Bill Listing: Review and discussion ensued. Trustee Testa made a motion, seconded by Trustee Sullivan to approve the bill listing dated August 18, 2025, in the amount of $224,841.12 and to pay when funds are available prior to their due date. Ayes: Sullivan, Testa & Wagner. Motion Carried.

Phase 6 Loan Disbursement #13: Mr. Hoving presented Loan Disbursement #13 for the Phase 6 UV and Belt filter Press project in the amount of $277,663.53. This disbursement includes work completed during the month of July. Trustee Testa made a motion to approve Loan Disbursement #13 in the amount of $138,064.37; seconded by Trustee Sullivan. Ayes: Sullivan, Testa & Wagner. Motion Carried.

Water Shut Off List: Manager Hoving presented a list of delinquent accounts dated August 18, 2025. The list represented a total amount due to the district of $10,682.67. Trustee Testa made a motion, seconded by Trustee Sullivan to approve the water shut off list dated August 18, 2025, as presented. Ayes: Sullivan, Testa & Wagner. Motion Carried.

Reconciliation Report – July 2025: Mr. Hoving presented the July Reconciliation report for review and discussion. Trustee Testa made a motion, seconded by Trustee Sullivan to approve the Reconciliation report for July 2025 as presented. Ayes: Sullivan, Testa & Wagner. Motion Carried.

FY 2024/2025 Audit: Trustee Testa made a motion; seconded by Trustee Sullivan to approve the FY 2024/2025 as presented by Selden Fox. Ayes: Sullivan, Testa & Wagner. Motion Carried.

FY 2025/2026 Quarterly Budget Update: General Manager presented to the board the year to date budget recap for the first quarter. Mr. Hoving stated that billable flow was slightly higher than the same time last year and therefore revenues were also up slightly. Expenses across all departments were in line with forecasts.

ACH Fraud: General Manager reported that the district received a check from Citibank in the amount of $43,152.37 which is approximately 30% of the total fraud case. He also reported that in his conversations with Providence Bank that he is still hopeful that a great majority of the funds will be retrieved.

Ordinance #576: Attorney John Wise presented Ordinance #576 – An ordinance declaring surplus property (1999 John Deere tractor) and authorizing the General Manager or his designee to place the equipment on the auction website govdeals.com. Trustee Testa made a motion; seconded by Trustee Sullivan to authorize the sale of the 1999 John Deere and put it on the auction website govdeals.com. Trustee Wagner inquired about how much money the district would receive from the sale. Superintendent Moore thought the equipment would result in a sale of $5-12 thousand dollars. Ayes: Sullivan, Testa & Wagner. Motion carried.

Engineers Report:

Construction Engineering Contract Amendment #2 – Engineer Darryl Carstensen presented an addendum to the engineering contract (#2) in the amount of $8,000 for resident engineering services for the phase 6 project. Trustee Testa made a motion; seconded by Trustee Sullivan to approve amendment #2 to the construction engineering contract in the amount of $8,000. Ayes: Sullivan, Testa & Wagner. Motion carried.

Phase 6 Change Order #2 – Mr. Carstensen then presented change order #2 for phase 6 construction which will decrease the contract by $63,392. The decrease is a result of not needing to dewater and remove sludge from the digesters during the belt filter press rebuild. Trustee Testa made a motion; seconded by Trustee Sullivan to approve change order # 2 decreasing the construction contract by $63,392. Ayes: Sullivan, Testa & Wagner. Motion carried.

Engineer Darryl Carstensen updated the board on the various projects at the district, including the Phase 6 construction project and Phase 7 design and possible funding sources for the streambank stabilization.

Superintendents Report – July 2025: Superintendent Moore presented his report for the month of July. Trustee Testa made a motion, seconded by Trustee Wagner to approve the Manager's Report for July 2025 and place it on file. Ayes: Sullivan, Testa & Wagner. Motion Carried.

Trustee Reports:

Trustee Testa: No report

Trustee Sullivan: No report

Trustee Wagner: Trustee Wagner reported that he was on-site when members of DuPage River/Salt Creek Workgroup came to pick up the Sonde located in Salt Creek near the plant. He was amazed by the amount of data collected. He also reported that he toured the Metropolitan Water Reclamation District Plant in Stickney and the Glenbard Water Reclamation Facility in Glen Ellyn. He also mentioned that the Sierra Club was hosting a tour of the Spring Brook Facility.

<u>Executive Session:</u> Trustee Testa made a motion; seconded by Trustee Sullivan to enter into executive session at 7:40 pm in accordance with 5 ILCS 120/2(c)(21) – *Discussion of minutes of meetings lawfullyclosed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.*

The board returned from executive session at 7:54 pm. Trustee Sullivan called Roll. Present: Trustees Wagner and Testa & Sullivan.

<u>Meeting Adjourned</u>

Trustee Testa made a motion; seconded by Trustee Wagner to adjourn the meeting at 7:55 p.m. Ayes: Sullivan, Testa & Wagner. Motion Carried

APPROVED Robert J Wagner
Robert J Wagner, President

ATTEST William J Sullivan
William J Sullivan, Clerk

Prepared by: Ray Hoving – General Manager

MINUTES OF THE SALT CREEK SANITARY DISTRICT
EXECUTIVE SESSION MEETING – July 21, 2025

Call to Order

The Executive Session was called to order by Trustee Wagner. Present were Trustee Wagner, and Trustee Testa. Also present were General Manager Hoving, Superintendent Steve Moore and Attorney Wise.

Executive Session – Discussion related to the appointment, employment, compensation, discipline, performance, or dismissal of specific employees - 5ILCS 120/2(c)(1)

Superintendent Steve Moore notified the Board that Malcolm Loebach and Dylan Moore successfully obtained wastewater operator certifications. In addition to the bonus the employees receive for an incentive currently, he seeks additional compensation for the employees and promotion for Loebach. He requests that Loebach be promoted to Chief Operator with a salary of $77,500, and Moore be given an adjustment in salary to $57,500. Trustee Wagner asked what the increases would be for the employees. The Superintendent and General Manager stated that Moore will see about a 3% increase or $1.13/hour. Loebach will receive about a 5% increase and go from $32.45/hour to $37.26/hour.

Trustee Wagner asked if with the change in status the employees will take on new duties. Superintendent indicated that Loebach would handle a lot of the process and be monitored from afar. He is looking to have the employees do more with the operations to take a lot of his plate. Trustee Wagner noted that with this status it makes them more marketable, and the District wants to keep them. In doing this it will show an appreciation for their efforts and maybe inspire others to get their certifications. Trustee Testa asked the amount of bonus received. General Manager Hoving stated that Moore received a $1,000 bonus and Loebach received a $2,000 bonus. He also stated that Loebach needs a cellular telephone so he can take on more responsibility and take some of the burden off the Superintendent by receiving calls. Trustee Wagner confirmed that they had a consensus to provide increased compensation to the employees and one promotion. The trustees discussed acting on employee matters in open session at the August meeting.

Adjournment

Trustee Testa motioned to adjourn closed session and return to open session, seconded by Trustee Wagner. Ayes: Testa and Wagner. Motion Carried.

Approved: Robert J Wagner Attest: Ann Marie Testa

Robert J Wagner, President Ann Marie Testa, Vice President

MINUTES OF THE SALT CREEK SANITARY DISTRICT
EXECUTIVE SESSION MEETING – August 18, 2025

Call to Order

The Executive Session was called to order by Trustee Wagner at 7:41 p.m.. Present were Trustee Wagner, Trustee Testa, and Trustee Sullivan. Also present were General Manager Hoving and Attorney Wise.

Executive Session – Discussion of minutes of meetings lawfully closed, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06

Attorney Wise stated that the closed session was called so the Board could review the minutes of the closed session meetings of March 6, 2025, and July 21, 2025. Trustee Wagner asked about the releasing of the minutes. Attorney Wise stated that at the next meeting the Board may approve the July and August closed session minutes, and a resolution would also be brought as to whether there is a need to maintain confidentiality or the minutes may be released. Trustee Testa noted that it is sensitive to discuss salaries openly. The trustees approved the minutes for March 6, 2025 and July 21, 2025 without any changes. The trustees discussed maintaining confidentiality of the closed session minutes since they involved discussions related to employees.

Adjournment

Trustee Testa motioned to adjourn closed session and return to open session, seconded by Trustee Sullivan. Ayes: Sullivan, Testa and Wagner. Motion Carried.

Approved: Robert J Wagner
Robert J Wagner, President

Attest: William J. Sullivan
William J. Sullivan, Clerk