

President Bartels calls the Committee of the Whole Meeting of the Village of East Dundee to order at 7:30 pm.

Roll: Michael Ruffulo, Paul VanOstenbridge, Frank Scarpelli, Jr., Daniel O'Leary, Robert Gorman, James Carlini, Jerald Bartels

Discussion of water and well improvements.

Scott Trotter is here to discuss his memo and address the board regarding the updated cost estimates for well #5. He states that the drilling and development for the shallow well is the same as previous estimates. The shift in dollars takes place depending where the actual pump control is placed.

Trustee Carlini addresses the following points for ongoing costs:

- 1) Recurring Costs
- 2) Ongoing Maintenance Costs
- 3) Hidden Add-on Costs
- 4) Five Rear Incremental Costs
 - 0 – 5 years
 - 5 – 10 years
 - 10 – 15 years

Recurring Costs:

Mr. Trotter suggests that we build our rate structure up to the break even. It will be a new facility so it shouldn't need maintenance for 5 – 6 years. Mr. Moore states if well #5 replaced well #2 the actual cost to operate well #5 would be a wash. We will do iron removal first and then down the road we can soften the water. This is an additional cost but not required. Mr. Trotter points out that the ion exchange for the shallow well is for aesthetics. The ion exchange for the deep well is for regulatory issues. Ion exchange does soften the water because it replaces the calcium ion for a sodium ion.

Trustee Ruffulo asks if this means we do not need our softeners. Mr. Trotter states that depends on how much the village softens it down but we would want to find a medium. Mr. Trotter notes that right now there would not be any recurring costs, but as the village grows, the village should budget for another employee to take care of the water systems (\$60,000 was already budgeted).

Ongoing Maintenance Costs:

The cost is minor for maintenance right now. The growth is more of a factor than the demand on the system. Mr. Trotter feels we are running thin now, especially if someone is on vacation. It's natural to have growth and we will need more hours spent with the water system when there are more people living in town. He states that there is maintenance, but they basically run on their own.

Hidden Add-on Costs:

Mr. Trotter feels that hidden costs don't exist with this type of facility. We are specifying equipment and manufacturer and are not designing an open-ended system. Mr. Moore states that there would be an issue if we added a new large (1500 homes) subdivision. Mr. Trotter states that Phase 1 will take us up to 9,000 PE. They already drilled a test well and have a water sample, so he feels that they are on pretty solid ground. Mr. Trotter states that there is a contingency to deal with unknown issues and the contingency is within the parameters.

Five Year Incremental Costs:

Mr. Trotter says that there is an O&M number, but we will have to replace things in time so we can't keep that number too low. The goal is to fully fund the replacement cost of the system. Mr. Moore states that if we break it out over time, it will be the same incremental costs that we have now; its function isn't going to change.

Mr. Trotter notes that well #5 could pump 1250 gallons per minutes, but it will be operating at 750 gallons per minute. After some discussion, Mr. Trotter suggests that when you soften at well #5 you may want to bring water over from well #4. Also, when we soften at well #5, there will be a plan to soften at well #3. If you soften at one location, you will want to soften at all locations. The cost of softening at well #3 is \$3.2 million, \$1.2 million for well #5 and \$500,000 for well #4. He states that the design that is provided is for well #5 to be a shallow well with filtration and ion exchange. Our goal would be to achieve the same water quality everywhere.

Mr. Moore asks Mr. Trotter if a deep well at Prairie Lakes site in the future and a shallow in the short term would produce enough water while the existing wells are used as back up and Mr. Trotter answers yes. He states that the existing wells don't require filtration; it is well #5 where the iron has to be treated. Mr. Trotter mentions that there is a savings with regionalization. You would have to build a building about 12,000 square feet at well #5 or at well #2 to service well #3. Therefore the construction cost doesn't really change.

Mr. Moore likes the idea of having a deep and shallow well at build out so we can provide water to the town out of one site with central softening. Mr. Trotter agrees with two wells, and a third running as a back up. However, well #3 won't be around for another 50 years, it will eventually fail. So do we want to invest a small amount of money to keep it going? The first phase should take care of the village's needs, but the water won't be soft yet. What we need now is to provide a source with a second well that is reliable. What Mr. Trotter is suggesting will be done in Phase 1.

Trustee Gorman would like to look at finances. Can we afford to do Phase 1? Do we have a water crisis and how do we pay for it? Mr. Moore states that in Phase 1 we will try to anticipate everything. Mr. Trotter says that all scenarios have been addressed. Trustee Gorman states there are three issues: source, softening, and financing. What is the chance of us running out of water within the next year? Mr. Moore states that is impossible to predict.

Trustee Gorman states there are two options: to save for it or take out a loan. President Bartels states if we save for it would take 18 months and he would rather build a well two years too early than two years too late. We found some things with well #3 that can't be maintained right now and we can't afford to have anything fail.

Sue Behrens states that after you determined that you needed a new well, including everything but softening it would be \$5.45 million. The water fund is not in a stable financial condition. There is an unrestricted cash balance of \$73,000. We don't have the balance in the fund that we should. An IEPA loan is best savings to the village as the approximate rate is 2.6%. This year we are anticipating 150,000 billable units – billable not pumped. In order to pay debt service we would have to add \$2.07 to our current \$3.29 for a total of \$5.36. We would go from \$3.29 to \$6.29 over five years in order to pay debt service. Building in inflation in the budget increases from \$558,000 to

\$720,000. Since the life of the well is 50 years, the well improvements could be paid over two or three generations.

Trustee O'Leary asks Sue Behrens if we are charging \$3.29 per 1,000 gallons of water are we supplementing the water fund in order to break even. Sue states that it is not breaking even. If we do not make a transfer, we will have a deficit of \$79,000. The CIP proposed \$400,000 to transfer in from Home Rule sales tax. We could get started on the design and engineering of well #5. We would have funding available now and the board would have a year to look for additional funding. Using ½ cent of Home Rule sales tax would cover the debt service as well another \$100,000.

It is stated that there is a 25% variance between what was billable and what was pumped. Approximately 20 million gallons are lost in the reservoir. Mr. Wilson states that we can time the drop in water and have meters testing what we are pumping in and pumping out. We have to replace reservoir pumping to the high side. It is also stated that we took Santa's Village revenue out of the last budget.

Mr. Moore would like to know if there is a direction the board would like to give to staff. Trustee Scarpelli suggests we do well the #3 rehab and everything in well the #2 improvements except the demolition of well house #2. The cost would be about \$700,000.

Trustee Gorman feels we would have to lose two wells to be in a crisis. How can we put this in a financial situation that works for our village to be able to pay for it? If we lose Walmart or a car dealership and our revenue goes down, we couldn't finance this.

President Bartels disagrees and states that the numbers show declining aquifers, that well #2 is using a temporary pump, well #4 is not far from a crisis and we don't want to burn another well. We don't have the money today, and we won't have the money tomorrow. He does not want to risk not having water.

Trustee O'Leary would like to have a Town Hall Meeting and present it to the village. Trustee Gorman would like to present a couple of options to the residents and state which one the board prefers over the other options and why. Trustee Carlini would like to look into generating revenue.

President Bartels would like to see staff proceed with getting finance information and design information for Phase 1. He would also like a consensus. Trustee Ruffulo states that we need to look for a financial source and doesn't want to be unprepared. Trustee VanOstenbridge feels we need it as soon as possible. Trustee Scarpelli doesn't believe we're in a crisis but concurs with President Bartels and would like to look into Phase 1 and funding. Trustee O'Leary would like comments from the residents via Town Hall Meeting and doesn't mind looking at Phase 1. Trustee Gorman is not convinced we are in a crisis. He would like a creative approach of how to finance it. When we know what we want then we should present it to the residents. Trustee Carlini would like to look at sources for revenue, and is also in favor of looking at Phase 1.

Discussion of signage along Route 72 as it relates to PAR Development's concept plan.

Tim is here on behalf of PAR Development for Ryan and Dan. He is here to give some technical information on the site plan and to answer questions regarding the signage issue. Tim discusses the municipal donation of 1.3 acres. Parr is looking for a \$250,000 credit towards fees for this donation.

The total acreage is 25.7 and the density meets the PUD requirement by two. Parr would put up a letter of credit for three years based on our share of intersection improvements. Trustee Scarpelli believes it is five years.

The original plan had two billboard signs. Mr. Plote along with Ryan and Dan want these signs. They realize that it may not be feasible so they would like two additional 12 x 30 billboards along Rock Road on Route 72 as a trade-off. President Bartels states they will still have to go through the P&Z process. During his discussion with PAR there were a number of issues. Tim states they are close on this site plan and the only sticking point is the signage. President Bartels states that nothing was negotiated on signage, however, there was mention of three locations for signage, an electric sign and the word billboard was used. President Bartels didn't see an issue with coming to resolution with some of the issues, but the signage seems to be a big stumbling block. Tim states that PAR is willing to work with the village.

President Bartels states that we should think about how we want to proceed with this as the signage we are talking about it permanent. PAR would like to submit the concept by February 25th so they can get on the agenda for the April P&Z meeting. He would like the board to come up with an alternative that would be acceptable to everyone. Trustee Gorman states that besides the sign issues this is an acceptable development.

Tim states that the plan includes 108 multi family homes starting at \$220,000 and 22 single-family homes starting at \$335,000.

A consensus is asked of the board of how they feel about the street connection for Wendt and Madison. President Bartels states that logically it should be connected but the residents will disagree. If it is not connected, PAR will grade it so the village can add the connection down the road. Trustee Ruffulo feels it should be open. Trustee VanOstenbridge is fine with the open space but feels the streets should be closed. Trustee Scarpelli feels they should be open as they were designed that way. Trustee O'Leary recommends making each street a one-way street. Trustee Gorman states they should be open and Trustee Carlini feels they should be closed.

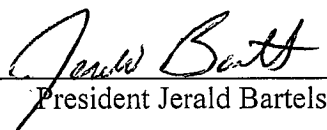
The topic of PAR Development will be put on the February 20th agenda.

Motion to adjourn the Committee of the Whole meeting by Gorman/VanOstenbridge at 10:30 pm.
Roll: 7 Ayes (Ruffulo, VanOstenbridge, Scarpelli, O'Leary, Gorman, Carlini, President Bartels), 0 Nays, Motion carries.

Respectfully Submitted,

Sue Norton

By: _____


President Jerald Bartels

Attest: _____



Village Clerk Pro Tem Sue Norton