

ICWHA Annual Meeting Minutes

Indian Creek Water and Homeowners Association - Annual Meeting 2024

Thursday, March 7, 2024. 7 p.m. Towanda Community Center

President - Barb Leathers

VP/Secretary - Barbara Ulbrich (Interim)

Treasurer - Dave Schulthes

Water Chair - Jim Larson

Grounds Chair - Fred Walk (Interim)

Newsletter - Ron Metz/Kathy Dumler

- I. Welcome and Introduction - Barb Leathers. Before the business meeting, Barb introduced Brett Lueschen. He has served as Chief of the Towanda Fire Department for the past twelve years. The Department is a full service 24/7 fire department. It contracts with the Town of Normal for ambulance and paramedic services. The Department's fire engines were on display for residents to view. Brett explained that the equipment in the trucks included items such as extricating tools and much more. The trucks are large and carry over 1,000 gallons of water. The Towanda Fire Protection District ranges from the far west of Bloomington to Towanda; the county sets the boundaries of the district. As Bloomington/Normal grows, those cities annex the districts in to their fire districts. The Department is all-volunteer. Barb then thanked Brett for his presentation and opened the business meeting for the Association.
- II. Minutes of 2023 Annual Meeting - Read by Barbara Ulbrich. Motion made to adopt, it was seconded and approved.
- III. Standing Reports
 - A. Insurance Report - Barb Leathers, President. Barb shared that the Association carries liability insurance. Several items are covered under the policy including the Tower, our equipment including the tractor, and the new chemical building, among other things.

Barb indicated that the position of President is up for vote tonight. All board members are Volunteers. Fred Walk and Barbara Ulbrich are serving in an

interim capacity. If someone would like to serve, please let one of the Board members know.

B. Finance Report. Dave Schulthes, Treasurer. Dave shared that the Association began the year with \$221 thousand. Our operating revenue including interest was \$73 thousand. We received \$315,112 from the Illinois EPA. This money is half loan and half grant. The Water tower project expense in 2023 was \$338 thousand. The Chemical building expense in 2023 was \$81 thousand. The Association ended the year with \$157 thousand in cash in the bank. We ended the year with a loan from the Illinois EPA for \$157,112. The Association also owes \$30,649 to the water tower contractor for the final work performed on the landscaping in 2024.

Regarding the Illinois EPA Loan Program, the loan is at 0.93% for 20 years with semi-annual payments totaling \$8,641 per year.

In other matters, we are currently earning 4% on our investments in CDs. Indian Creek received tax exempt status in March 2023; we will no longer pay federal or state taxes.

The current year through February 2024 we've added about \$12 thousand to our cash reserve. As noted above, we still owe \$30,649 to the contractor that was held back pending completion of the landscaping around the water tower.

Dave mentioned the proposal to be considered for increasing water and homeowner fund assessment and then turned the floor over to Water Chair Jim Larson.

C. Water Report - Jim Larson, Chair

Exhibits titled "Water Fund Assessment Increase Recommendation" and "Proxy Vote" were distributed with the Annual Homeowners Meeting Agenda previously emailed to residents. Paper copies were available at the homeowners meeting. These exhibits will also be mailed to residents with the April 1st homeowners' quarterly assessment and are included in Annual Homeowners Meeting Minutes. Residents were provided with an

opportunity to ask questions and provide comments on all of the topics covered.

Chemical Building and Water Tower Refurbishing projects:

Jim reported on the construction of a chemical building to move the water chlorination process out of the water tower base and the completion of the water tower refurbishing project. Jim discussed the information provided in the “Water Fund Assessment Increase Recommendation” exhibit including the cost of the projects and the loan and grant obtained through the Illinois EPA.

Jim discussed structural repairs made to the water tower due to the deterioration of welds discovered during the refurbishing. Steel plates were welded inside and outside the water tower base to repair four major weld seams. These unanticipated repairs increased the cost of the refurbishing project by approximately \$85 thousand and delayed completion by over a month.

Following completion of the refurbishing project we had discussions with our engineering firm, the Farnsworth Group, about future water tower maintenance and eventual replacement. The water tower will be inspected and possibly require a flushing every five years. The water tower refurbishing should last about 20-25 years without needing major repairs. The water tower is currently about 60 years old. It is likely to be at the end of its useful life in 20-25 years. Options previously discussed include replacement, tying into the Bloomington or Towanda water supplies or utilizing a pressurized tank system using our current water supply. Recent experiences by other Farnsworth clients indicate a pressurized tank system may be the most economical alternative.

Jim recognized and thanked Dave Schulthes and Brett Lueschen for all of the time and effort they contributed to completing the chemical building and water tower refurbishing projects and obtaining the EPA loan and grant.

Water assessment increase recommendation and proxy vote:

Jim referred to information provided in the “Water Fund Assessment Increase Recommendation” exhibit in recommending increases to our quarterly water assessment of \$10 (5%), \$5 (2.5%) and \$5 (2.5%) to be implemented over the next three years as described in the “Proxy Vote” exhibit. The last rate increase was implemented in 2020. These rate increases are necessary to cover costs associated with the projects completed in 2023, fund our loan payments, build funds for a backup well and allow us to properly maintain our water system.

Jim stressed the importance of residents promptly returning “Yes” votes to our Board so the increases can be implemented. A majority of residents are required to approve the rate increases in writing before proceeding.

Other water system maintenance plans:

The water well pump is about 17 years old and the well has not been inspected since the last time the pump was replaced. Jim has contacted the company used in the past to service the well to have the pump replaced and well inspected. We will also ask for information which will help determine how soon we need to plan on drilling a backup well.

The electrical feed for the wellhead runs from the water tower, through the woods, under the creek and is 40+ years old. Following a recent problem with the electrical line, Corn Belt has agreed to run a new line from near the subdivision bridge along the service road to the wellhead.

Some additional maintenance/replacement work will be done on the water tower plumbing and electrical systems.

Importance of calling JULIE:

Please call JULIE before digging (1-800-892-0123) to have utility lines marked.

Immediately report to an ICHWA Board member and the utilities' location service company (USIC @ 1-800-778-9140) if any utilities are damaged.

Indian Creek covenants:

At last year's annual meeting we discussed pursuing a legal review and possible revisions to our homeowners covenants primarily due to questions related to obtaining the EPA loan. Consultations with our attorney and the completion of the EPA loan process did not identify any critical reasons to update the covenants. Changing homeowner association covenants is a complicated and expensive process so the Board has decided not to pursue this proposal.

Water assessment rate increase resolution:

Jim Larson made a motion for the Board to approve a resolution to request residents vote on the water assessment increase described in the "Proxy Vote" exhibit. Fred Walk seconded the motion and the Board unanimously approved the resolution.

Water Fund Assessment Increase Recommendation (Exhibit)

The ICHWA Board strongly recommends residents approve the water fund assessment increases listed in the Proxy Vote for the following reasons:

- **The water tower refurbishing project was completed in 2023 at a cost of \$408,622. This included major unanticipated structural repairs and long overdue plumbing and electrical upgrades. A flushing valve was also installed in the base of the water containment vessel so sediment can be removed on a regular basis without significant expense.**
- **A chemical processing building was constructed in 2023. This building was required before the refurbishing project could begin to move corrosive**

chlorination processing (which had caused significant structure and equipment deterioration) out of the water tower base. The design, permit process and construction costs were \$102,773.

- **The refurbishing and chemical building projects were partially funded by a \$315,112 loan (20 year, .93%) from the Illinois EPA. We received a \$157,556 grant from the EPA (50% of the loan) reducing the loan balance to \$157,556. The annual loan payment is \$8,641. The remaining projects' costs were paid by Indian Creek water fund assets. The loan grant resulted in a direct savings for each Indian Creek residence of \$1,790.**
- **Net water fund assets at the end of 2023 were a negative \$31,227 (Cash & CD's of \$156,978 less the EPA loan of \$157,556 and remaining refurbishing liabilities of \$30,649). We need to rebuild our financial assets and net worth to finance future maintenance requirements, capital projects and maintain an adequate emergency fund.**
- **ICHWA was notified in 2020 by the Illinois EPA of a "Critical Review Determination" of our water system because we do not have a backup water source. A backup well was estimated to cost \$185,000 at that time. The water fund needs to begin accumulating funds to drill a backup well. These assessment changes will contribute to building these funds.**

- **The last water fund assessment increase was in 2020. Since that time inflation has increased operating expenses significantly.**
- **Article VII, Section 6 of the Indian Creek Covenants requires “...rates to be charged...sufficient to provide for the continuous operation of the water supply purposes and any emergency that may arise and to insure that all the water wells, equipment, machinery, mains, pipes, or otherwise used for the providing of the distribution of water shall be at all times adequate.”**
- **The assessment increases are structured to provide adequate notice to residents and spread the increases over several years.**

The Board is committed to properly maintaining and managing the finances of our water system while recognizing the impact of the costs borne by all of us. The water tower refurbishing project, chemical building construction and EPA loan/grant financing required a great deal of work by Board members and our water operator during the past several years.

Proxy Vote (Exhibit)

I hereby designate the ICHWA’s President, Barbara Leathers, to vote my membership as follows:

I approve the following increases in the Quarterly Water Assessment: (one vote per residence)

Assessment from \$200 per quarter to \$210 per quarter effective October 1, 2024.

Assessment from \$210 per quarter to \$215 per quarter effective October 1, 2025.

Assessment from \$215 per quarter to \$220 per quarter effective October 1, 2026.

(These increases are 5%, 2.5% and 2.5% of the current assessment.)

Yes ____ **No** ____

Signature

Printed Name

Address:

Towanda, IL 61776

Please return this signed form by May 1, 2024 either with your quarterly assessment payment to Dave Schulthes or to the following ICHWA Board member. The Board must receive a majority of residence votes in order to act on the proxy.

Barbara Leathers, 31 Candle Ridge Road, Towanda IL 61776

D. Grounds Report - Fred Walk, Interim Grounds Chair

Fred gave an overview of the condition of the Indian Creek common grounds. The 54.3 acres of common grounds have been well maintained over the past year for the enjoyment of our residents. Keeping up the grounds requires constant monitoring and support from homeowners.

The following items were addressed during Fred's report:

This past fall and winter many trees were trimmed that were hanging north of the bridge over Eastwood Court. Additional trees were trimmed near the water tower and along the trails. Many large hackberry trees and ash trees have blown down this past year and several need to be removed from the trails. Over 300 saplings have been planted during the past two years with additional trees to be planted this spring to replace lost trees. A variety of oaks, hickory, pecan, sycamore, and Kentucky coffee trees have been planted, caged, staked, mulched and watered. A great deal of the invasive honeysuckle and multiflora rose species has been removed this past year and requires continuous monitoring.

The brush pile has been relocated and residents should only bring small branches to the pile. Any type of construction materials and yard waste are prohibited. Residents bringing brush to the pile are expected to help maintain and burn the pile.

A new gate and refurbished nature area sign were installed at the entrance of the well road located near the bridge. The posts of the sign entering the subdivision were painted and the sign was nicely decorated for the holidays. Flowers are planted annually around the sign throughout the year enhancing the south entrance to our community.

Many repairs were made to the tractor during the colder months. The entire wiring system was replaced with a new electrical harness. Other repairs included new headlights, replacing hydraulic hoses with snap on couplers, rebuilding cylinders, installing a safety starting switch, fixing the fuel gauge, repaired the housing holding the air filters, changing the transmission fluid and motor oil, replacing the fuel and air filters, and replacing the decals and painting the tractor hood and grill.

Fred has made arrangements with local tree services to bring wood chips to our common grounds and are available to residents. The wood chip piles are located just beyond the large open green space north of the bridge off of Eastwood Court. Firewood is also available for those willing to help with cutting up trees that need to be removed from the trails. Please contact Fred at fwalk@frontiernet.net if you are interested in the wood chips or firewood.

Fred presented a resolution to increase the Homeowners Association Fund (grounds fund) quarterly assessment from \$35 to \$40. The increase is needed to offset the cost increases of the various expenses associated with maintaining the common grounds. Fred gave an overview of those expenses and indicated that some of the work related to maintaining the grounds may need to be outsourced. Fred pointed out that thousands of dollars have been saved over the years for Indian Creek residents by dedicated and skillful fellow residents doing the grounds work and tractor repairs. The board voted unanimously to approve the resolution. The increase will be effective October 1, 2024. Meeting attendees expressed support for the resolution as well.

E. Newsletter Report - Kathy Dumler and Ron Metz

Ron reported on our contracts for website hosting and the web domain. He also shared news about the inbox for Indian creek news: Bots scan our website and this resulted in a significant amount of spam. Ron removed IC's email address on the website and put a "contact us" link on it instead. This has significantly helped to reduce the spam.

IV Action Items

A. Approval of Minutes - Board approved.

B. Election of Board Members - by voice vote, Barb Leathers was voted in and approved.

V. Other Items - Larry Meyers shared that if your water softener has not been working properly, you may have a build up of "gunk" on the pump end.

Doug Brawn asked about the power flashing on and off - another resident commented that Corn Belt may be doing maintenance on its lines.

Adjournment – a motion to adjourn was presented, seconded and unanimously approved.