

Indian Creek Water and Homeowners Association – 2021 Annual Meeting

Tuesday, June 29, 2021 – 7:00 p.m.

Towanda Community Center

President: Barb Leathers

VP/Secretary: Barbara Ulbrich, outgoing; Brittany Huber, incoming

Treasurer: Dave Schulthes

Water Chair: Jim Larson

Grounds Chair: Fred Walk

Newsletter: Kathy Dumler and Ron Metz

I. Call to Order - Welcome and introduction by Barb Leathers.

II. Minutes of 2020 Annual Meeting were recapped by Jim Larson (substituted for Brittany Huber). The last Board meeting was held telephonically on December 31, 2020 with the sole purpose of approving a resolution allowing Jim Larson to sign loan documents under the Illinois EPA loan program for the purpose of obtaining financing for refurbishing the water tower. Jim requested a motion not to read the minutes from the March 4, 2020 Annual Meeting since they have been published on the Indian Creek subdivision website. The motion was made, seconded and unanimously approved by voice vote.

III. Standing Reports

A. Insurance Report: Barbara Leathers, President

ICHWA carries liability insurance and the Board recently reviewed the coverage. Coverage has not been increased previously and as part of a risk assessment, the Board determined it was prudent to increase the coverage, which we were able to do for a relatively small cost. Related to risk mitigation, we plan to begin requiring signed waivers for use of the tractor and volunteering at workdays.

B. Covenants and Bylaws: Jim Larson substituted for Brittany Huber, Vice President/Secretary

Jim discussed changes to the ICHWA bylaws recommended by the Board. Red-lined copies of the bylaw changes were shared with attendees of the Annual Meeting. The recommended changes include improving consistency of terminology between the bylaws and covenants, clarifying and documenting responsibilities of Board members, and other minor editorial updates. There are no substantive changes being recommended.

C. Finance Report: Dave Schulthes, Treasurer

Dave provided a recap of financial results for 2020 and year to date through June 2021:

2020 Financial Review

Water Fund:

- Water Fund Revenue - \$58,202
- Water Fund Expense - \$61,247
- Recap of largest expenses
 - o \$31,491 - Farnsworth Group water tower
 - o \$11,200 - Water Tower Operator
 - o \$5,680 Water tower maintenance

- Water fund Net Income - (\$3,045)
- Water Fund ending Net Worth - \$160,936
- Invested in CD's at average rate of 0.8%

Annual Fund:

- Homeowners Association Revenue - \$6,135
- Homeowners Association Expense - \$5,744
 - o Largest expense, Mowing - \$2,340
- Homeowners Association Net Income and ending Net Worth - \$391

2021 Financial Review through June

Water Fund:

- Water Fund Revenue - \$37,726
- Water Fund Expense - \$32,944
- Recap of largest expenses
 - o Farnsworth Group water tower - \$18,990
 - o Water operator - \$4,800
 - o Water tower maintenance - \$2,411
- Water fund Net Income - \$4,782
- Water Fund Net Worth at June, 2021 - \$165,718
- Invested in CD's at average rate of 0.65%

Annual Fund:

- Homeowners Association Revenue - \$4,675
- Homeowners Association Expense - \$6,323
- Recap of largest expenses
 - o Mowing - \$2,925 (we pay for the entire year in the spring to gain a discount)
 - o Utility Locates - \$1,281
- Homeowners Association ytd Net Income (loss) – (\$1,647)
- Homeowners Association ending Net Worth – (\$1,257)

Dave also discussed the reason the Board of Directors is presenting a resolution to increase the annual fund (grounds fund) quarterly assessment from \$25 to \$35 effective October 1, 2021. The primary reason is a significant increase in fees charged by USIC utility locating services. ICHWA is required to pay utility locates resulting from JULIE locating requests. USIC is the company we have contracted with to perform the utility locates. The fund lacks revenues to meet the increased utility locating service expenses and other ongoing common ground expenses.

D. Water Report: Jim Larson, Water Chairperson

Jim provided a recap of the water tower refurbishing project. The Farnsworth Group (ICHWA's engineering firm) completed an engineering review of our water tower in the fall of 2019. Their analysis concluded that the exterior of the water tower needs to have the previously applied four layers of paint removed and then be repainted. The interior of the water tower also needs to be refurbished along with miscellaneous other maintenance items completed. The estimated cost of this work was \$300,000. Refer

to the minutes of the March 2020 Annual Homeowners meeting published on the Indian Creek subdivision website for additional details.

Since ICHWA does not have sufficient funds to complete the rehabilitation work, the Board investigated several potential financing options. A number of financial institutions were contacted, however, each institution declined to consider providing financing because ICHWA does not have acceptable collateral. Two governmental programs were investigated with the assistance of the Farnsworth Group; a federal program under the USDA and a state sponsored program under the Illinois EPA. Applying for a loan through the Illinois EPA was determined to be the most advantageous way to seek financing.

In March 2021, the Farnsworth Group filed a water tower refurbishing project plan on behalf of ICHWA with the Illinois EPA seeking financing. This was a very involved process requiring a considerable amount of engineering, financial and other regulatorily required information. The Illinois EPA has approved our project plan subject to further legal and financial reviews. Due to the Illinois EPA loan program funding cycle, it will likely be late 2021 before we find out if we are approved for financing for our planned 2022 water tower refurbishing. Loan rates are anticipated to be below 2% and the loan term can be up to 20 years. The Illinois EPA project manager assigned to assist in the application process has indicated optimism that funds will be available to ICHWA.

There were questions and a discussion about engineering expenses incurred to develop the project plan for the Illinois EPA. The majority of these expenses would have been required as part of the bid development process even if a loan was not required. There were also questions and a discussion about alternatives for funding if a loan is not available from the Illinois EPA. We may consider filing under the USDA program; however, this program is considerably more complicated and may not be feasible. A special assessment is another alternative.

Jim discussed continued efforts to determine if building a separate structure to handle chemical processing currently done in the water tower base is feasible. A building plan has been developed by the Farnsworth Group; however, county building code requirements have pushed the estimated price to over \$100,000, which the Board does not feel is economically feasible. We are attempting to determine if a less complex building plan would be accepted or how we can continue keeping the chemical processing within the tower, but reduce the resulting corrosion problems.

Illinois EPA backup water source regulation changes:

Jim discussed a notification received from the Illinois EPA in June 2020 regarding backup water sources for entities regulated by the EPA. The regulation places entities such as ICHWA without a secondary well to act as a backup water supply on their "Critical Review" list. The only restriction this regulation places on our water system is we cannot expand our system without first developing a backup water source. Since we have no plans to expand our water system, this does not result any current impact to our water system.

Jim recapped past discussions going back decades about drilling a second well. The Farnsworth Group has recommended drilling a second well for many years. Though there are no identified problems currently with our well and the water source is strong, having a backup is desirable. This was discussed at our March 2020 Annual Homeowners meeting and is documented in those minutes. In 2019 the Farnsworth Group estimated the cost of drilling a second well would be \$185,000.

Responding to questions and further discussion, Jim said as was discussed at the last homeowners meeting, once we are able to determine the cost and financing for the water tower refurbishing project the Board will develop a plan to address the need for a secondary well.

Importance of calling JULIE before digging and immediately reporting to a Board member, JULIE and the locating service (USIC) if any utilities are damaged:

Jim reminded residents about the importance of calling JULIE before any digging takes place and that contact and other information is contained in the Indian Creek subdivision website in the Information/Water section. Jim also stressed the importance of notifying a Board member, JULIE and the locating service (USIC) if any utilities are damaged following the marking of utilities. The contract between ICHWA and USIC does not provide for any liability on the behalf of USIC if utilities are damaged. If we notify USIC within 24 hours of damage being done to utilities which have been marked, USIC will investigate the damage to determine if the diggers were liable.

E. Grounds Report: Fred Walk, Grounds Chairperson

Fred recapped Indian Creek has 54.3 acres that are maintained by volunteers expending much time and effort throughout the year. Fred announced our Spring Workday was April 22nd - 20 residents worked many hours to remove the invasive honeysuckle species. The chemical Tordon was applied after cutting the bush to prevent the plant from growing back. A tremendous amount of honeysuckle was removed through the efforts of all the volunteers.

Trail Restoration - The January ice storm and the June flood caused much damage to the trails. Many large trees and branches had fallen across the trails and were removed and washed-out areas were filled in with dirt. Wood chips that were donated by local tree services were spread over large sections of the trails.

Brush Pile - The brush pile is for tree branches and not large logs. Do not bring grass clippings, leaves and other lawn waste to the pile. When bringing brush throw it up on the pile. Leaves and grass clipping can be spread out into wooded areas. Do not dump leaves and grasses on the trails.

Recycling Update - Our recycled items are picked up by Henson Disposal are taken to Midwest Fiber Recycling Center located in west Normal. Acceptable and unacceptable items were shown and discussed. Residents were encouraged to be responsible in their recycling practices and were informed that if they are unsure if an item is to be recycled it is best to **not** place it in the recycle bin. Additional information about acceptable and unacceptable recycled items will be placed in upcoming newsletters.

Tractor Update - Our tractor is a 1983 Ford 2910 loader that is in good working condition. The power steering fluid is leaking and will need to be repaired. Resident volunteers spend much time and effort to maintain the tractor and keep it running well. The tractor is designed for light duty use only. If using the tractor, please pay Fred Walk \$5 for diesel fuel for every half hour of usage.

Neighborhood Lighting - Several homeowners have contacted the Board expressing concern about neighbors having outside garage and other lights that shine onto their property and into their homes. Please be considerate of your neighbors when using outside lights. Neighbors with security concerns could consider using motion sensors to trigger lights to come on during the night.

Roaming Cats - There are numerous cats roaming around the subdivision. Unfortunately, these cats catch and kill birds, turkey chicks, and other wildlife. Please don't feed the cats and let them run loose around the neighborhood. McLean County Animal Control will take stray cats (and dogs) and place them for adoption. They will not be euthanized unless they suffer from serious injuries or have a serious illness. Animal Control can be contacted at 309-888-5060.

F. Newsletter Report: Kathy Dumler, Ron Metz, Co-Editors

The newsletters prior to 2004 are paper copies only and will be scanned and placed on the website in an electronic format along with the other newsletters. The annual meeting minutes prior to 2004 will also be scanned and cataloged on the website.

IV. Action Items (exhibits for a, c and d are attached)

- a. Revision of Bylaws – passed by unanimous vote of the Board members after opening for discussion with meeting attendees.
- b. Voice Vote Election of Vice President/Secretary – passed by unanimous voice vote by the Board and meeting attendees.
- c. Resolution to Increase the Annual Fund Assessment from \$25 to \$35 per quarter effective October 1, 2021 – passed by unanimous vote of the Board after opening for discussion with meeting attendees.
- d. Resolution to Authorize Incurring Debt to Maintain and Refurbish the Water Tower - passed by unanimous vote of the Board after opening for discussion with meeting attendees.

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

Indian Creek Bylaws – **proposed revisions**

Adopted ~~March 15, 1990~~ **June 29, 2021**

Purpose of the Association:

1. ~~Insure~~ **Ensure** proper maintenance of the water system and the quality of water delivered to the homeowners.
2. To efficiently manage and account for the collection of ~~homeowner fees~~ annual assessments and water bills, ~~and the~~ payments to all vendors **and investment/bank accounts**.
3. To preserve the natural woodlands and wildlife, and make the common areas accessible to all Association members for recreation.

Association Membership and Voting:

1. Owners of all lots, improved or unimproved, are members upon transfer of title.
2. Each homeowner may have one vote, in accordance with Covenant provisions.
3. Ten members will constitute a quorum.
4. An annual meeting will be held each ~~March~~ year for the election of new officers and to present the Association's current financial status.
5. Board meetings will be held quarterly, or as needed. All interested members are invited to attend~~l~~.

Officers:

1. Officers will serve three year terms, elected on staggered years so as to elect no more than two in any given year.
2. As only homeowners may vote, board members must be homeowners. If board member moves from the subdivision, they must give up their post.
3. In cases of vacancies, the remaining board will appoint a replacement to fill out the unexpired term.

4. Board members may succeed themselves if they wish to continue to serve and are successfully re-elected.
5. An existing board member may seek a different office if he wishes. If that member is elected to the new post, the board will appoint another homeowner to fill the vacancy created.

Duties of the officers:

Board President:

- Represent Indian Creek to various outside groups, i.e., state, county, township, developers, and future homeowners and their builders. Organize and conduct quarterly board and Association meetings.
- Be accountable to all members for the board's activities, decisions, and expenditures.
- Coordinate activities of other board members

Vice President/Secretary.

- Maintain minutes of all board meetings.
- Distribute meeting minutes and other necessary information to all Association members.
- Organize development social events as needed.
- Conduct board and annual meetings in the absence of the president.

Water Chairman

- Have a good working knowledge of the entire water system, including tap-ons and delivery capacity.
- Have a good working knowledge of applicable EPA and clean water regulations, and cooperate with necessary federal, state, and local water organizations.

- Work closely with ICHWA's licensed water operator and engineering firm ~~contracted maintenance vendor~~ to ~~insure~~ ensure continued proper and safe water system operation and compliance with EPA and other governmental regulations.
- Coordinate an inspection of the water tower by ICHWA's engineering firm at least every five years. This is a requirement from an EPA audit performed in 2019/2020.
- Investigate homeowner water problems in a timely manner.

Homeowner Chairman (Grounds Chairman):

- Be responsible for coordinating the maintenance and development of the 50 acres of common area.
- Review new home plans to ~~insure~~ ensure they meet the Covenants and county code minimums.
- Have a good working knowledge of local, county, and state regulations pertaining to rural subdivisions' building and septic permits, set backs, ditch requirements, road maintenance, mail delivery, police and fire protection, etc.

- **Treasurer:**

- ~~Prepare and mail~~ Preparation and mailing of quarterly homeowner water and annual assessment billings ~~and annual lot owner Association billings~~.
- Payment of all approved invoices in a timely manner.
- ~~Maintain~~ Maintenance records of all accounts payable records and homeowner receipts documentation.
- ~~Submit records for, and assist in,~~ Assist and provide records for the completion of an annual audit.
- ~~Prepare and submit~~ Preparation and submission of all tax forms necessary.

- ~~Prepare a~~ Preparation of a complete annual summary of expenses and income for presentation at each annual meeting.

Fees:

- A Tap-on fee will be assessed the owner(s) of each new home in the amount of \$250. 2. Monthly water and homeowner fees will commence during the first month of occupancy.
- A yearly homeowners fee of \$40 will be charged owners of unimproved lots. *Do we have any unimproved lots we are charging \$40/year?*
- ~~Monthly charges~~ Annual assessments and water bills may be adjusted by the board as necessary, with at least a 30 day notification to all homeowners **in compliance with the Covenants.**
- Collected funds will be used for ~~typical~~ maintenance, repair, and improvements to the water system and common areas, and other expenses as needed **in accordance with Covenant provisions.**
- Special assessments or major expenditures issues will be presented to the Association for majority vote, in accordance with Covenant provisions.
- Any unpaid balance of 90 days will be subject to ~~11/2~~ 9% interest penalty per month and a lien may be filed against the property if necessary.

Water system:

- ~~It has been certified that o~~Our ~~present~~ water system meets the minimum codes as established by the State of Illinois.
- The water system is to be maintained by a licensed ~~contractor~~ water operator, with regular inspection by the state EPA **according to their regulations.**
- Damage to the water mains during construction or leaks detected after the tap-on is completed, must be repaired at the homeowner's expense.

Bylaws will be in force when ratified by a majority of members present at the annual meeting. Amendments to the bylaws may be introduced and voted on only during annual meetings or special sessions that may be called for such purposes.

ICHWA Resolution to Increase the Annual Assessment from \$25 per quarter to \$35 per quarter effective October 1, 2021

Whereas the Indian Creek Homeowners and Water Association (Association) Board of Directors believe that it is in the best interests of the Association to increase the Annual Assessment from \$25 per quarter to \$35 per quarter effective October 1, 2021 because of increasing expenses;

Now, therefore,

Be it resolved,

The ICHWA Board authorizes increasing the Annual Assessment from \$25 per quarter to \$35 per quarter effective October 1, 2021.

Resolved, this 29th day of June, 2021.

Name: _____

Barb Leathers

President

Name: _____

Brittany Huber

Vice President/Secretary

Name: _____

David Schulthes

Treasurer

Name: _____

Fred Walk

Grounds Chair

Name: _____

James Larson

Water Chair

ICHWA Resolution to Authorize Incurring Debt to Maintain and Refurbish the Water Tower

Whereas the Indian Creek Homeowners and Water Association (Association) Board of Directors believe that it is in the best interests of the Association to obtain a loan for the purposes of maintaining and refurbishing the water tower; and

Whereas application provisions for loans from the State of Illinois Public Water Supply Program for construction of public water supply facilities, require that the Association authorize obtaining a loan;

Now, therefore,

Be it resolved,

The ICHWA Board authorizes obtaining a loan for maintaining and refurbishing the water tower in the amount of the cost to perform the maintenance and refurbishing work currently estimated at \$300,000.

Resolved, this 29th day of June, 2021.

Name: _____

Barb Leathers

President

Name: _____

Brittany Huber

Vice President/Secretary

Name: _____

David Schulthes

Treasurer

Name: _____

Fred Walk

Grounds Chair

Name: _____

James Larson

Water Chair