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*****DISCLAIMER*****

>>PRESIDENT SCAMAN: IT IS 6:02 PM, I WOULD LIKE TO CALL THIS FINANCE MEETING OF THE VILLAGE BOARD ON SEPTEMBER 9, 2025 TO ORDER, CLERK WATERS, PLEASE TAKE THE ROLE?

>>CLERK WATERS: TRUSTEE STRAW.
TRUSTEE TAGLIA, PRESIDENT SCAMAN?

>>PRESIDENT SCAMAN: HERE.

>>CLERK WATERS: TRUSTEE EDER?

>>TRUSTEE EDER: PRESENT.

>>CLERK WATERS: AND CITIZEN ADVISORY MEMBERS JOHN HEDGES, GREG KOHLER AND BRIDGET IS ABSENT.

>>PRESIDENT SCAMAN: CORRECT, THANK YOU.
OKAY, WE DO HAVE QUORUM AND I APPRECIATE THE ADVISORY GROUP.
AND - PUBLIC COMMENT, OKAY.

SO, DO WE HAVE NON-AGENDA PUBLIC COMMENT?

I BELIEVE I HAVE ONE WHO HAS SIGNED UP THIS EVENING.

WHETHER IT BE NON-AGENDA OR REGULAR AGENDA I THINK WE CAN TAKE BOTH AT THIS TIME.

CURTIS TODD?

WELCOME.

>>CURTIS TODD: COMMISSIONERS AND TRUSTEES, THANK YOU FOR THE OPPORTUNITY TO SPEAK HERE THIS EVENING.

I WANT TO ADDRESS THE PROPOSED WATER AND SEWER RATE INCREASE RECOMMENDED BY THE VILLAGE STAFF AND NEWGEN CONSULTING.

AFTER REVIEWING THE REPORT I AGREED THAT THE OVERALL METHODOLOGY AND CALCULATIONS ARE SOUND.

HOWEVER WITH THE UNDERLYING ASSUMPTIONS THE CONCLUSION IS STRONG.

THE REPORT HAS A RESERVE BALANCE OF 25% AND EVEN BUILDING THAT RESERVE FURTHER WHILE KEEPING A RESERVE IS PRUDENT, THE PROPOSED RATE INCREASES RAISES SEVERAL SERIOUS CONCERNS.

1ST, THE INCREASE WOULD COME ON TOP OF THE \$150,000 OF PROPOSED SERVICE RESTORATION FEES FOR 2025 AND 2026.

MANY RESIDENTS ARE ALREADY STRUGGLING WITH RISING WATER AND SEWER COSTS AND ADDITIONAL INCREASES PUSHING MORE HOUSEHOLDS INTO FINANCIAL HARDSHIP.

2ND, RESIDENTS ALREADY PAY PROPERTY TAX LEVIES TO COVER THE GENERAL OBLIGATION BONDS THAT FINANCE NOT ONLY WATER AND SEWER PROJECTS, BUT ALSO PARKING FACILITIES INCLUDING THOSE BOND OBLIGATIONS AS PART OF THE WATER AND SEWAGE EXPENSE INFLATING THE COST AND EFFECTIVELY CHARGES THE RESIDENCE TWICE FOR THE SAME BOND PAYMENTS.

ONCE TO THE PROPERTY TAX AND AGAIN THROUGH THE UTILITY RATES.

EVEN IF ONE EXCEPT THIS ACCOUNTING CHOICE, THE PROPOSED LAND EXCLUDES REVENUE GENERATED FROM PARKING.

3RD, THE CURRENT WATER AND SEWER RATES ARE ALREADY MORE THAN SUFFICIENT.

THEY GENERATE A RESERVE OF 31.7%, WELL ABOVE THE 25% MINIMUM TARGET WITH LARGELY FIXED EXPENSES IN 2025 AND 2026.

ALREADY REVENUES WILL CONTINUE TO GROW AND THE RESERVES WILL GROW WITHOUT THE NEED FOR THE RATE INCREASE.

IT IS ALSO WORTH NOTING THAT THE DEBT SERVICE FOR THE CLIENT SIGNIFICANTLY BETWEEN 2025 AND 2026.

EVEN WITH THE PLANNED \$10 MILLION IN CAPITAL PROJECTS, THE ABSENCE OF HIGHER DEBT SERVICE SUGGESTED THAT THE PROJECT WOULD BE PAID IN CASH AVOIDING LONG-TERM FINANCING BURDENS.

BY 2027, COSTS FOR THE CLIENT FURTHER WHILE REVENUES GROW LEAVING RESERVES EVEN STRONGER.

ON TOP OF THIS, THE PROPOSAL ITSELF PROJECTS \$100,000 IN NEW REVENUE FROM METER INSTALLATIONS.

REFLECTING BOTH A GROWTH IN CUSTOMER BASE AND ADDITIONAL INCOME FEES.

TAKEN TOGETHER, THESE FACTORS SHOW THAT THE PROPOSED RATE HIKE ARE UNNECESSARY AND WOULD IMPOSE A UNDUE BURDEN ON OUR COMMUNITY.

MOREOVER, THE SHIFT TO A FIXED CASH MODEL WOULD PENALIZE RESIDENTS TO CONSERVE WATER.

UNDERMINING THE VILLAGES CLINICALS AND DISPROPORTIONATELY IMPACTING LOW INCOME AND STRUGGLING HOUSEHOLDS.

FOR THESE REASONS I URGE THE COUNCIL TO REJECT THE MODEL AND INSTEAD MAINTAIN THE CURRENT WATER AND SEWER RATES.

THERE ARE OTHER MODELS AND I THINK IN THE PROPOSAL THERE WERE 4 OR 5 THAT SUGGESTED, BUT THEY ARE INCREMENTAL MODELS THAT CAN WORK EVEN BETTER THAN THE PROPOSAL.

THANK YOU.

>>PRESIDENT SCAMAN: CURTIS, IS IT POSSIBLE FOR YOU TO LEAVE YOUR PUBLIC COMMENT THERE WITH CHRISTINA?

THANK YOU SO MUCH.

I DO HAVE A NON-AGENDA PUBLIC COMMENT FROM A CANDIDATE.

IS THAT APPROPRIATE TO HEAR?

FELIX?

OKAY.

THANK YOU.

THAT IS FINE, THANK YOU.

OKAY, THEN WE'LL MOVE FORWARD TO THE REGULAR AGENDA.

AND WE ARE GOING TO GO STRAIGHT TO NEW BUSINESS AND I WILL TURN IT OVER TO DEPUTY VILLAGE MANAGER, LISA.

>>SPEAKER: GOOD EVENING, I WILL INTRODUCE AARON DUFFY, UPPITY DIRECTOR OF PUBLIC WORKS TO REVIEW THIS AGENDA ITEM.

THIS ITEM IS FOCUSED ON THE 2026 RECOMMENDED RATES AND THERE WILL BE SOME DISCUSSION ABOUT HOW THEY MODEL FOR THOSE FUTURE YEARS AT THAT TIME AND SO AT THIS POINT I WILL INTRODUCE ERIN.

>>ERIN DUFFY: GOOD EVENING, I AM DEPUTY PUB. WORKS DIRECTOR FOR THE VILLAGE OF OAK PARK.

I'M HERE TONIGHT AND JOINED WITH ERICA L FROM NEWGEN STRATEGIES AND I WILL GIVE BACKGROUND AND THEN ERICA WILL GO THROUGH HIS PRESENTATION.

SO, IN RECENT YEARS, REGULATORY MANDATES HAVE HEAVILY IMPACTED THE WATER AND SEWER INDUSTRY.

IN THE VILLAGE HAS CHOSEN TO DO WATER AND SEWER RATE STUDIES OUT EVERY 5 YEARS.

THE MOST RECENT STUDIES WERE COMPLETED IN 2014 AND 2019.

SO, THIS YEAR IN EARLY JANUARY THE PUBLIC WORKS DEPARTMENT WENT OUT FOR A REQUEST FOR QUALIFICATIONS FOR THE WATER AND SEWER RATE STUDY TO BEGIN THIS YEAR APPEARED WE RECEIVED 3 RESPONSES AND AFTER CAREFUL DELIBERATION WE CHOSE NEWGEN STRATEGIES AND SOLUTIONS FOR OUR WATER AND SEWER RATE STUDY.

ERIC K, A PARTNER WITH NEWGEN WILL DISCUSS THE INITIAL PHASE OF THE STUDY WHICH INCLUDES THE EVALUATION OF THE WATER AND SEWER FUNDS EXISTING FINANCIAL AND OPERATING EXPENSES AS WELL AS THE DEVELOPMENT OF GOALS FOR THE FUND.

INCLUDING SOME OF THE GOALS THAT WERE ALREADY DISCUSSED TONIGHT AS WELL AS A RECOMMENDATION FOR THE 2026 WATER AND SEWER RATES.

ERIC WILL ALSO FACILITATE A CONVERSATION TO DISCUSS FURTHER RATE METHODOLOGY AND RATE STRUCTURE TO BETTER INFORM THE 2ND PHASE OF THIS STUDY WHICH WILL THEN GIVE US SOME RECOMMENDATIONS FOR SEWER RATES THROUGH 2030.

SO, ERIC?

>>ERIC: THANK YOU, ERIN.

PRESIDENT, VILLAGE TRUSTEES, PLEASURE TO BE HERE.

ERIC K, WITH NEWGEN STRATEGIES.

I WILL GO THROUGH THIS QUICKLY AND THERE IS A LOT TO TALK ABOUT AND I WANT TO MAKE SURE WE HAVE TIME FOR QUESTIONS AND DISCUSSIONS.

I WILL TALK ABOUT A LITTLE BIT OF THE BACKGROUND AND SCOPE OF WORK TO TELL YOU HOW WE GOT HERE.

CURRENT FINANCIAL AND OPERATIONAL DATA FOR THE WATER AND SEWER UTILITIES AND I WILL SUMMARIZE OUR FISCAL YEAR 26 RATE RECOGNITION, THE THING EVERYBODY REALLY CARES ABOUT, HOW IS THAT GOING TO IMPACT YOUR TYPICAL CUSTOMERS.

WE WILL TALK A LITTLE BIT ABOUT RATE STRUCTURE ALTERNATIVES AND MOVING INTO THE FEES AND NEXT STEPS.

YOUR UTILITY FOR WATER AND SEWER IS TYPICAL OF THE AREA PAIRED YOU DO NOT PRODUCE YOUR OWN WATER, YOU DO NOT TREAT YOUR OWN WASTEWATER.

YOU ARE A WHOLESALE PURCHASER FROM THE CITY OF CHICAGO AND YOU HAVE A DISSIPATION NETWORK IN YOUR PALMS AND RESERVOIRS TO STORE THAT WATER AND THEN YOU DISTRIBUTE IT TO YOUR CUSTOMERS AND THEN YOU COLLECT THE WASTEWATER FROM THOSE CUSTOMERS AND YOU SEND IT OVER TO THE RECLAMATION DISTRICT FOR TREATMENT.

THAT IS A TYPICAL OPERATION SYSTEM IN THIS AREA.

AND I WILL NOT READ THROUGH THESE, BUT OUR 1ST 2 TASKS OF THE SCOPE OF WORK ARE YOU ESSENTIALLY TO EVALUATE YOUR CURRENT EXISTING INFORMATION AND BILLING FORMATS AND BASED ON THIS REPORT AND HAVING THIS DISCUSSION TO TALK ABOUT WHERE YOU ARE AND WHERE YOU COULD BE GOING GIVEN DIFFERENT RATE ALTERNATIVES AND DIFFERENT FINANCING STRATEGIES.

THIS SLIDE SUMMARIZES YOUR OPERATING COSTS FOR FISCAL YEAR 25 AND 26 BUDGET.

YOUR OPERATING COSTS ARE MOSTLY YOUR WATER PURCHASES FROM THE CITY AND AND A KEY ESTIMATION WE ARE MAKING IS THE CITY OF CHICAGO WATER.

WE HAVE VERY LITTLE VISIBILITY ON THAT, HOWEVER THAT 5% REPRESENTS THE HIGH RANGE OF THE TYPICAL INCREASES OVER THE PAST SEVERAL YEARS.

AGAIN, THAT IS EMBEDDED IN THIS MODEL, IT COULD BE HIGHER, COULD BE LOWER AND THAT IS ON THE YOU OBVIOUSLY WOULD HAVE TO PASS THROUGH TO YOUR CUSTOMERS.

THERE ARE CURRENTLY TWO DEBT OBLIGATIONS PAYABLE BY THE WATER AND SEWER FUND AND FOR FISCAL YEAR ONLY FIVE THE 2020 B SERIES WILL BE PAID OFF AND IN 2026 THE 2012A WILL BE PAID OFF.

AND YOU CAN SEE THERE ARE SAVINGS HERE.

THESE WILL BE PAID OFF AND PART OF OUR FEE IS TO DISCUSS FINANCING STRATEGIES IN THE FUTURE ABOUT HOW TO FINANCE FUTURE CAPITAL IMPROVEMENTS.

WE HAVE A DETAILED TABLE IN A REPORT OF SOME OF THE CAPITAL IMPROVEMENTS. THIS IS A TABLE THAT SUMMARIZES THEM FOR THE FISCAL YEAR 25 AND 26 BUDGET.

IT IS INCREASED TO ABOUT \$10 MILLION PER YEAR BETWEEN THE WATER AND THE SEWER SYSTEM.

IT IS DRIVEN BY YOUR DISTRIBUTION SYSTEM HEIGHTS.

THAT IS A MAJORITY OF THE ASSETS.

THAT IS WHERE A MAJORITY OF YOUR CAPITAL SPEND IS GOING TO IMPROVE AND REHABILITATE THOSE ASSETS.

A KEY ASSUMPTION HERE AGAIN IS THE FINANCING OF THESE PROJECTS WILL NOT BE THROUGH NEW DEBT SERVICE.

WE INCLUDE NO NEW DEBT SERVICE FOR THIS PROJECT, THIS IS CASH FUNDED MEANING THAT YOU WOULD HAVE TO GENERATE THESE REVENUES IN THE PARTICULAR YEAR IN WHICH YOU LAY OUT THESE CAPITAL PROJECTS.

AND ANOTHER KEY ITEM IS THE 2026 BUDGET DID NOT INCLUDE ANY FUNDING FOR THE LONG-TERM LED SERVICE LINE REPLACEMENT PROGRAM.

AND WE HAVE SOME DETAIL ON OUR REPORT ABOUT THAT.

THAT IS A PROBLEM FOR EVERYBODY.

AND IT WILL BE AN EXPENSE OF ONE AND WE'LL TALK ABOUT THAT IN A LITTLE BIT.

TO SUMMARIZE THE TOTAL REVENUE REQUIREMENT, THIS IS SOME OF ALL OF THE CASH AND CAPITAL EXPENSES OF THE SYSTEMS IN FISCAL YEAR 25 AND 26.

AND WE HAVE THE REVENUES FROM THE NEW METER CHARGES AND NOT RATE REVENUES AND NET NET AMOUNT IS WHAT YOU NEED TO RAISE FROM RATES TO KEEP THE SYSTEM SUSTAINABLE.

OUR KEY ASSUMPTION IS THAT THE SYSTEM, THE UTILITY IS OPERATING FINANCIALLY INDEPENDENT FROM OTHER VILLAGE REVENUES.

WE DO NOT ASSUME ANY TAX REVENUES ARE GOING TO THESE UTILITY SYSTEMS. THIS SLIDE SUMMARIZES YOUR CUSTOMER BASE.

SO, THAT NET REVENUE REQUIREMENT NEEDS TO BE SPREAD OVER THESE CUSTOMERS AND THE RATES YOU CHARGE THESE CUSTOMERS NEED TO GENERATE THAT REVENUE.

YOU SERVE ABOUT 1200 - 12,600 CUSTOMERS AND WE CALLED THEM BUILDING DETERMINANTS WITH THE VARIOUS METER SIZES AND A VAST MAJORITY OF THEM ARE 1 INCH OR LOWER, THESE ARE SMALL METERS AND YOUR VILLAGE CUSTOMERS AND RESIDENTIAL CUSTOMERS.

YOU BILL ABOUT 1.3 BILLION GALLONS AS YOUR VOLUMETRIC RATE.

ANOTHER STUDY ASSUMPTION HERE IS YOUR WATER LOSS.

YOU PURCHASE 100% OF YOUR WATER, BUT YOU SELL ABOUT 21% LESS WATER THAN YOU PURCHASED.

NOW, THE CAPITAL IMPROVEMENTS FOR WATER MAIN AND METER REPLACEMENT IS GOING TO ADDRESS SOME OF THAT ISSUE, BUT AGAIN WE WANT TO MAKE ASSUMPTIONS BASED ON HISTORICAL RESULTS AND THAT ALIGNS WITH YOUR HISTORICAL RESULTS IN THAT AREA.

ESSENTIALLY UP TO BUY 5 GALLONS TO SELL FOUR AND THAT HAS A IMPACT ON YOUR RATES AND FINANCIAL STABILITY.

ANOTHER KEY ASSUMPTION WE ARE ASSUMING NO GROWTH IN CUSTOMERS.

BASED ON THE DATA WE ARE PROVIDED TO THE MOST RECENT BILLING CYCLE WE ARE NOT INCREASING OR DECREASING THE AMOUNT OF CUSTOMERS AND SO THIS IS SORT OF A STATIC VIEW OF THE SYSTEM.

IF YOU WERE TO ADD CUSTOMERS IT WOULD BE FAVORABLE AND IF YOU WERE TO LOSE CUSTOMERS WHERE THEY WOULD USE LESS WATER BASED ON THESE NUMBERS, THEN THE REVENUES WOULD BE LESS FAVORABLE THAN OUR RESULTS.

GIVEN THE FINANCIAL AND CUSTOMER INFORMATION, WE DEVELOP A RECOMMENDATION FOR YOUR FISCAL YEAR WHEN THE SIX RATES.

PART OF THAT RECOMMENDATION IS MEETING AND EXCEEDING A MINIMUM AND TARGET FUND BALANCE.

THESE ARE BASED ON INDUSTRY STANDARDS AND THERE IS SOME DETAILS IN A REPORT OF HOW WE DEVELOP THESE NUMBERS AND AGAIN THIS IS RELATED TO FINANCIAL STABILITY AND FINANCIAL RESILIENCY, YOU ARE A CAPITAL-INTENSIVE SYSTEM.

YOU WANT TO MAKE SURE THAT FLUCTUATIONS IN YOUR VOLUMETRIC REVENUES DO NOT IMPACT YOUR ABILITY TO OPERATE AND MAINTAIN THE SYSTEMS.

THAT IS A KEY POINT OF THESE RESERVES.

WHAT WE LOOKED AT FIRST WAS A NO RATE INCREASE SCENARIO.

WE TAKE THE FINANCIAL INFORMATION AND EXISTING CUSTOMERS AT EXISTING RATES AND HOW MUCH REVENUE DO THEY GENERATE AND YOU CAN SEE THAT WE ARE FORECASTING A NET DECREASE IN YOUR FUND BALANCE OF ABOUT \$2 MILLION IN THAT SCENARIO.

IF YOU SOLD THE SAME AMOUNT OF SERVICE IN 26 AS YOU DID IN 27, HOWEVER THE FISCAL YEAR 26 EXPENSES WERE GREATER.

THAT WOULD RESULT IN A REDUCTION OF YOUR FUND BALANCE FROM ABOUT 7.3 MILLION TO ABOUT 6.2 MILLION - FROM ABOUT 9.3 MILLION TO ABOUT 7.3 MILLION. SORRY, I LOST MY NUMBERS HERE.

AND THAT WOULD STILL BE ABOUT \$1 MILLION OVER OUR RECOMMENDED TARGET. BUT, IT WOULD BE FALLING AND IT WOULD NOT BE SUSTAINABLE YEAR AFTER YEAR.

WHAT WE DEVELOPED WAS A CASH FLOW NEUTRAL INCREASE.

IF YOU DID ACROSS-THE-BOARD PERCENT INCREASE TO ALL OF YOUR RATES TO MEET THAT 26 REVENUE REQUIREMENT, IT IS 9.4%.

THAT STABILIZES YOUR REVENUES TO MEET EXPENSES AND STABILIZES YOUR FUND BALANCE.

WHAT WE ALSO DEVELOPED BASED ON OUR RECOMMENDATION TO BEGIN INCREASING FIXED CHARGE REVENUES CONSISTENT WITH INDUSTRY RECOMMENDATION, AGAIN, YOU ARE A CAPITAL INTENSIVE FIXED COST INTENSIVE SYSTEM PRODUCE THE BASED ON THIS ANALYSIS, YOUR CURRENT RATE STRUCTURE GENERATES ABOUT 5% OF YOUR REVENUES FROM YOUR FIXED CHARGES WHEREAS 60% OF HER COSTS ARE FIXED AND THAT IS ESSENTIALLY EVERYTHING THEY COST TO PURCHASE WATER.

AND THAT IS A PAST YOUR CUSTOMERS ESSENTIALLY AND SO THE DOLLARS YOU NEED TO SPEND EACH YEAR DO NOT VARY AND THEY WILL INCREASE GIVEN THE CURRENT FINANCIAL CLIMATE.

HOWEVER THE REVENUE THAT YOU GENERATE IS SUSCEPTIBLE TO VOLATILITY WHEN PEOPLE CONSERVE WATER.

AND THIS IS NOT JUST AN ISSUE WITH YOUR SYSTEM, THIS IS A ISSUE FOR EVERY WATER UTILITY IN THE COUNTRY.

SO, WHAT WE DEVELOPED WAS A RATE RECOMMENDATION FOR FISCAL YEAR 26 THAT INCREASES SERVICE CHARGE, FIXED REVENUE FEES BY 100% AND IT ALSO INCREASES YOUR USAGE RATES AGAIN TO KEEP PACE WITH YOUR CORE COST COMPONENTS WHICH IS PURCHASED WATER AND THE ADDITIONAL LABOR COSTS OF THE DISH OMISSION AND COLLECTION SYSTEMS.

THE OVERALL RATE INCREASE IN TERMS OF DOLLARS IS ABOUT \$2 MILLION AND IT IS ABOUT 9.6%, CONSISTENT WITH THE CASH FLOW NEUTRAL SCENARIO WHERE WE ARE JUST REBALANCING WHERE YOU ARE GETTING THAT REVENUE BETWEEN FIXED AND VARIABLE.

YOU CAN SEE THE CASH FLOW WE DEVELOPED EITHER, WE ARE INCREASING THAT FIXED REVENUE FROM ABOUT 5% TO JUST UNDER 9%.

THE INDUSTRY RECOMMENDATION FOR THAT IS 25%, EVEN INCREASING TO 50% FOR SOME SYSTEMS.

WHAT DOES THIS MEAN TO YOUR TYPICAL CUSTOMERS?

THE TABLE ON THE LEFT OF THE SLIDE SHOWS THE RESULTING RATES GIVEN THOSE ADOPTED RATE INCREASES AND THE TABLES ON THE RIGHT SHOW YOUR AVERAGE RESIDENTIAL CUSTOMER THAT USES ABOUT 14,000 GALLONS EVERY QUARTER AND THAT INCREASE ON A MONTHLY BASIS WOULD BE ABOUT \$9.41 AND ABOUT A 12% INCREASE.

FOR THE AVERAGE COMMERCIAL CUSTOMER WHO IS A HIGHER WATER USER, 72,000 GALLONS, THE MONTHLY COST WOULD BE 6%.

THIS IS A TYPICAL IMPACT OF INCREASING A FIXED COMPONENT OF THE FEE. BY A PER UNIT BASIS, YOUR LOW WATER USERS WILL PAY A HIGHER PERCENTAGE EVEN THOUGH THE DOLLAR AMOUNT IS LESS, IT IS A REBALANCING OF HOW YOU ARE COLLECTING REVENUE.

THIS IS WHAT WE CALL YOUR COMPETITIVE POSITION IF YOU WERE TO ADOPT THE RECOMMENDED RATES, THIS CHART SHOWS THE QUARTERLY RESIDENTIAL COSTS FOR THAT AVERAGE CUSTOMER 14,000 UNITS PER QUARTER COMPARED TO SURROUNDING UTILITIES.

THIS DOES NOT INFLUENCE OUR ANALYSIS AND WHERE YOU FELL ON THIS CHART IS INDEPENDENT.

WE ARE LOOKING AT THE SUSTAINABILITY OF YOUR SYSTEM, THIS IS FOR YOUR INFORMATION TO GET A SENSE OF WHERE YOU ARE AND WHERE YOU WOULD BE WITH THE FISCAL YEAR 26 RECOMMENDATION.

THE LAST BAR I WILL GO THROUGH VERY BRIEFLY, THERE IS A LOT OF DISCUSSION IN A REPORT ABOUT RATE STRUCTURE ALTERNATIVE.

THESE ARE GRAPHICAL REPRESENTATIONS OF SOME OF THE ALTERNATIVE WAYS TO HAVE VOLUMETRIC RATE STRUCTURES.

YOURS IS CURRENTLY IN THE TOP LEFT, UNIFORM FAIR FOR EVERY UNIT YOU CHARGE THE SAME AMOUNT FOR WATER AND SEWER SERVICE.

THAT IS A TYPICAL STRUCTURE AND IT IS A SIMPLE STRUCTURE.

THERE ARE OTHER METHODS TO CHARGE VARIABLE-RATE.

THE ONE ON THE TOP RIGHT IS CALLED INCLINING BLOCK AND THAT IS YOUR PER UNIT COST INCREASES AS YOUR USAGE INCREASES PAIRED SO, YOU CHARGE A DOLLAR FOR THE FIRST UNIT, YOU CHARGE TWO DOLLARS FOR THE SECOND UNIT AND THREE DOLLARS FOR THE THIRD UNIT AND SO NOT JUST THE TOTAL COST, BUT THE COST PER UNIT GOES UP.

THIS IN THE INDUSTRY IS ENCOURAGING CONSERVATION AND SENDING PRICE SIGNALS TO WATER WASTERS AND IT IMPACTS IRRIGATORS, PEOPLE WHO USE WATER ON A OUTDOOR BASIS, BUT IT IS A FAIRLY TYPICAL VOLUMETRIC STRUCTURE.

THE ONE ON THE BOTTOM LEFT IS YOUR TYPICAL VOLUME DISCOUNT.

IT IS YOUR WHOLESALE YOU KNOW BOSCO DISCOUNT, YOU PURCHASE MORE AND PAY LESS PER UNIT, THAT USED TO BE VERY POPULAR, PARTICULARLY IN INDUSTRIAL AREAS, CHICAGO AND CLEVELAND, THAT IS FALLING OUT OF FAVOR GIVEN THE ANTI-CONSERVATION ETHIC THAT IT SHOWS.

THE MORE YOU USE, THE LESS YOU PAY PER UNIT.

THE OTHER ONE HERE IS A REPRESENTATION OF SOME SORT OF SEASONAL RATE.

YOU CHARGE LESS IN THE WINTER DURING LOW USE AND YOU CHARGE MORE IN THE SUMMER DURING HIGH USE.

THIS ALIGNS YOUR COST STRUCTURE WITH YOUR REVENUE STRUCTURE.

IT IS AN ATTEMPT TO ACCOUNT FOR THE FACT THAT PEOPLE ARE PUTTING MORE STRESS ON YOUR SYSTEM WHEN THEY ARE USING MORE WATER IN THE SUMMER AND THE DIFFERENCE BETWEEN THESE RATES AND THE TIMING OF THESE RATES IS ALL A MATTER OF POLICY AND OF EVALUATION, BUT IT IS A TYPICAL WAY TO TARGET THOSE HIGHER USERS, PARTICULARLY IF YOUR SYSTEM IS BEING STRAINED BY THOSE REALLY HIGH SUMMER PEAKS.

THIS IS A SIMPLE USAGE OR AND WE LOOKED AT THE DIFFERENT TIERS TO BE ABLE TO CAPTURE THE APPROXIMATELY - HALF OF THEIR BILLS AND THAT RESIDENTIAL TEAR AND THIS IS JUST THE TIER CUT OFF AND SO THE FIRST 5000 UNITS COST LESS THEN THE NEXT 15,000 UP TO 20,000 AND THAT IS AN EXAMPLE OF HOW WE WOULD LOOK AT YOUR SYSTEM AND DIVIDE THOSE TIERS TO MAKE SURE WE ARE CAPTURING CERTAIN PEOPLE.

SO, 60% OF THE RESIDENTIAL CUSTOMERS NEVER GOT OUT OF TIER 1. IT WAS REALLY TARGETED TO THE SMALL GROUP OF HIGH USERS TO HIT THOSE TOP TWO TIERS IF YOU END UP ADOPTING THIS STRUCTURE.

I WILL NOT GO THROUGH THIS, THIS IS IN THE REPORT, THIS IS JUST A SUMMARY OF THE ADVANTAGES AND DISADVANTAGES.

IT IS A BALANCING ACT.

THE ENCOURAGING CONSERVATION BUT ENSURING REVENUE.

FIXED VS. VARIABLE, THEY ALL HAVE COMPETING OBJECTIVES AND IT IS A MATTER OF POLICY TO GET THE RIGHT ANSWER.

THE LAST SLIDE I HAVE HERE IS NEXT STEPS.

AND IT IS JUST THE TWO NEXT STEPS IN OUR SCOPE OF WORK, TASK THREE AND FOUR.

THIS IS WHEN WE START LOOKING FORWARD BEYOND FISCAL YEAR 26 AND WE ACTUALLY BUILD A TENURE MODEL AND WE WOULD LOOK FORWARD 10 YEARS AND IT WOULD INCLUDE FUNDING FOR LEAD SERVICE LINE REPLACEMENT PAIRED HOW ARE YOU GOING TO DO THAT?

IT WOULD INCLUDE A WATER LOSS ANALYSIS.

IF YOU PULL THAT WATER LOSS DOWN, WHAT DOES THAT MEAN FOR THE REVENUE DELTA AND HOW CAN YOU KEEP THE PRESSURE OFF OF REVENUE INCREASES?

IS 100% PAY GO THE RIGHT CHOICE FOR INFO STRUCTURE AND INVESTMENT?

IT MAY BE FOR YOUR COMMUNITY AND IT IS FOR A LOT OF COMMUNITIES PAIRED WE CAN DEMONSTRATE WHAT THE IMPACT WOULD BE IF YOU WERE TO DEBT FINANCE ADDITIONAL CAPITAL ON INVESTMENT AND BALANCE THOSE SHORT-TERM AND LONG-TERM IMPACTS AND OF COURSE AFFORDABILITY AND RATE DESIGN.

IF WE CHANGE YOUR RATES, HOW DOES IT IMPACT YOUR CUSTOMERS?

AN ACROSS-THE-BOARD 5% INCREASE IS EASY TO EXPLAIN.

YOU GO UP 5%, WE GOT 5%, BUT WHAT WE DO HERE IS YOU WILL CALL PERCENT, BUT YOU ONLY ABOUT 6% AND SO HOW DO YOU EXPLAIN THAT?

AND THEN THAT WOULD BE OVER A LONGER TERM AND SO CHANGING SOME OF THOSE RATE CHANGES POTENTIALLY.

AND THAT IS ALL.

AND I WELCOME ANY QUESTIONS.

>>PRESIDENT SCAMAN: WOULD YOU LIKE TO START US OFF?

>>SPEAKER: I WANT TO MAKE SURE I UNDERSTAND.

THE RECOMMENDATION IS FOR THE UNIFORM RATE INCREASE FOR 2026, BUT STEPS FOUR AND FIVE INVOLVE FURTHER ANALYSIS THAT COULD GO TO ONE OF THESE DIFFERENT RATE MODELS FOR FUTURE YEARS.

>>ERIC CALLOCCHIA: CORRECT.

>>SPEAKER: GIVEN THAT THE 2026 RATES NEED TO BE IMPLEMENTED IN THE NEAR TERM, I THINK THAT THAT MAKES SOME SENSE.

I WOULD SAY THAT I WOULD LIKE TO HEAR A LITTLE BIT MORE ABOUT THE SORT OF PROGRESSIVE INCLINING USAGE RATE DESIGN AND WHETHER THAT MAY BE SOMETHING THAT MAKES SENSE HERE.

TO MY MIND YOU KNOW WATER RATES ARE ONE OF THOSE THINGS THAT ARE SORT OF AN INHERENTLY REGRESSIVE FORM OF REVENUE GENERATION.

LIKE EVERYONE NEEDS TO DRINK WATER, TAKE SHOWERS, WASH THEIR DOG - WHATEVER.

AND SO CHARGING FOR THAT IS A LITTLE BIT REGRESSIVE, BUT THE HIGHER USAGE HOUSEHOLDS ARE LIKELY THE ONES WHO YOU KNOW THE LAWN LOOKS LIKE A PUTTING GREEN OR THE COMMERCIAL USERS OF WATER WHERE WE WOULD WANT TO INCENTIVIZE FINDING WAYS TO REDUCE WATER USAGE.

SO, I FIND IT APPEALING FROM THE OUTSET AND I WANT TO HEAR MORE AND HERE SORT OF WEATHER WE WOULD BE A GOOD CANDIDATE FOR THAT.

>>ERIC CALLOCCHIA: WHAT YOU'RE TALKING ABOUT IS TYPICALLY A LIFELINE READ OR ESSENTIAL USE RATE.

AND IT CAN LOOK LIKE THE INCLINING BLOCK OR THE SEASONAL WHERE THERE IS A SORT OF BASE THAT EVERYONE PAYS, BUT ONCE YOU GO ABOVE THAT, THE RATE KICKS UP, IT IS LIKE AT TWO TIER.

WE ALSO HAVE A SUBSIDIZED RATE AND IN CONSULTATION WITH OUR VILLAGE ATTORNEY, THEY ARE ABLE TO DO THAT.

IT IS A POLICY CHOICE IN THE RATE STRUCTURE THAT THEY ARE CHARGING A CERTAIN CLASS OF USERS LESS THAN WHAT IT COST TO SERVE THEM AND IN SOME PLACES YOU CANNOT DO THAT.

IT IS A CLASSIC SUBSIDY AND A VIOLATION OF STATUTE.

SOMETHING LIKE THAT IS EASY TO DEVELOP.

WE WOULD DO SOMETHING LIKE THIS TO LOOK AT WHERE IS THAT TIER ON A QUARTERLY OR MONTHLY BASIS IF YOU GO TO A MONTHLY BILLING, I KNOW THAT IS A WHOLE OTHER TOPIC.

WE WOULD LOOK AT WHERE THAT CUTOFF IS AND WHAT IS THAT USE?

TYPICALLY SOMETHING LIKE 30 GALLONS PER DAY PER PERSON FOR YOUR AVERAGE HOUSEHOLD SIZE.

IS THAT 3000 GALLONS A MONTH OR 4000 A MONTH?

WHERE IS THE CUTOFF?

AND YOU CAN PRICE THAT AGAIN, THE BOTTOM LINE IS SOMEBODY HAS TO PAY. YOUR REVENUE IS LARGELY NOT IMPACTED EXCEPT FOR YOUR WATER PURCHASE COSTS FOR THE AMOUNT OF WATER USE LP OR SO, WHERE DO THOSE DOLLARS AND UP IN THE ADDITIONAL RATE?

DID THEY END UP IN A HIGHER FIXED CHARGE OR A HIGHER NEXT ABOUT?

ABSOLUTELY IT IS SOMETHING WE HAVE DONE AND WE DISCUSSED AND WE WOULD BRING YOU THOSE IMPACTS.

WHO ARE WE TARGETING AND WHO IS GOING TO PAY MORE, BOTH SIDES.

>>SPEAKER: SO, I THINK - I FIND THAT APPEALING AS WE ARE LOOKING AT TWO FISCAL YEAR 27 AND BEYOND AND OBVIOUSLY I RECOGNIZED THE IMMEDIACY OF THE 26 RATE STRUCTURE.

AND I THINK THE RECOMMENDATION MAKES SOME SENSE, BECAUSE BY KEEPING IT REVENUE NEUTRAL, AS COST GO UP OVER TIME THE RECOMMENDED TARGET FUND BALANCE INCREASES PROPORTIONALLY OVER TIME TO MAINTAIN THAT 180 DAYS FUND BALANCE WHICH MEANS THAT A REVENUE NEUTRAL APPROACH GRADUALLY AND RESPONSIBLY BRINGS THE FUND BALANCE WHICH IS RIGHT NOW IN EXCESS OF THE TARGET FUND BALANCE TO WHERE THE TARGET FUND BALANCE OVER A PERIOD OF 5 TO 10 YEARS WHEREAS AN APPROACH WHERE WE DO NOT INCREASE THE RATES WOULD BRING IT DOWN TO QUICKLY AND IT WOULD MEAN THAT IT WOULD HAVE TO HAVE A LARGER RATE INCREASE IN THE FUTURE WHICH WOULD CAUSE MORE PAIN HOUSEHOLDS IN THE FUTURE.

SO, I THINK IT MAKES SENSE.

>>ERIC CALLOCCHIA: TO BE CLEAR, BASED ON THE EVALUATION, THE FUND BALANCE IS IMPORTANT FOR FINANCIAL STABILITY. THE KEY LONG-TERM ISSUE IS CAPITAL. THE CAPITAL INVESTMENT ON THE SYSTEMS AND HOW MUCH IT WILL COST, PARTICULARLY THE SERVICE LINE REPLACEMENT. GIVEN YOUR ESTIMATES AND THIS YEAR'S CIP, I BELIEVE IT WAS EIGHT OR \$9000 - IN OUR REPORT THERE IS A STATEWIDE SURVEY AND MOST COMMUNITIES ARE USING 10 TO 12,000 OR EVEN UP TO 15,000 TO DO BOTH THE PUBLIC AND PRIVATE SIDE AND THAT IS A WHOLE OTHER DISCUSSION. BUT, THAT IS NOWHERE IN THE FISCAL 26 DOLLAR. SO, YOU ARE BREAK-EVEN SHORT OF A MULTIMILLION DOLLAR CAPITAL PLAN AND THAT IS WHAT WE WOULD LOOK OUT LONG-TERM. HOW DO YOU FINANCE IT AND HOW DO YOU MANAGE IT AND WHAT IS THE TIMING. YOU HAVE A REGULATORY MANDATE AND SO YOU HAVE NO CHOICE BUT TO SPEND THOSE DOLLARS. WHAT DOES THAT LOOK LIKE? AND THAT WILL BE THE KEY DRIVER. THE RESERVE BALANCE IS IMPORTANT AND IT IS IMPORTANT FOR SUSTAINABILITY AND KEEPING THAT TREND AS YOU SAID AND NOT LOSING GROUND, BUT THAT IS NOT GOING TO BE A DRIVER.

>>PRESIDENT SCAMAN: THANK YOU.
JOHN?

>>JOHN HEDGES: PURCHASING WATER FROM CHICAGO, IS THERE ANY CONTROL OVER THAT? SUITE 21 IT IS NICE TO HEAR WHEN THEY INCREASED THEIR RATE AND WHEN THAT HAPPENS - BUT NO, YOU HAVE NO CONTROL OVER THAT. YOU DON'T HAVE ANY INDEPENDENT WATER SUPPLY. YOU PURCHASE 100% OF YOUR WATER SUPPLY FROM THE CITY. THEIR DEAL IS NOT A VERY GOOD ONE JUST IN THE WHOLE SYSTEM COMPARED TO PLACES LIKE EVANSTON OR THE WATER COMMISSION, ALL OF THOSE COMMISSIONS THAT SELL WHOLESALE WATER. AND THAT IS NOT TRUE FOR CLC - IF YOU ARE A BIG BUYER YOU HAVE TO PAY A BIG CAPITAL PORTION, BUT UNFORTUNATELY ESSENTIALLY 40% OF OUR COST STRUCTURE YOU HAVE NO CONTROL OVER THAT.

>>JOHN HEDGES: AND MAKE THE KIND OF DIFFICULT TO PLAN.

>>ERIC CALLOCCHIA: A 5% RATE INCREASE IS IN LINE WITH WHAT THEY HAVE BEEN DOING OVER THE PAST SEVERAL YEARS, IT IS ACTUALLY A LITTLE BIT HIGHER, BUT WE MAINTAIN THAT THROUGH OUR ENTIRE FORECAST AND IF WE LOOK AT THE NEXT EIGHT OR NINE YEARS OF THIS FORECAST WE WILL INCLUDE AT LEAST A 5%. AT LEAST.

>>JOHN HEDGES: AND ONE OTHER QUESTION REGARDING THE REGRESSIVE SMALL USER - HOW DOES THAT AFFECT OUR I THINK 40% OF OUR HOUSING UNITS THAT ARE IN MULTI FAMILY BUILDINGS WHICH TYPICALLY DO NOT HAVE INDIVIDUAL METERS?

HOW DO YOU WORK THAT IN?

>>ERIC CALLOCCHIA: THAT AGAIN IS A BILLING STRUCTURE ISSUE. WE HAVE COMMUNITIES THAT BILL ON A PER UNIT BASIS FOR MULTIFAMILY. THE QUESTION IS WHETHER THAT DATA IS AVAILABLE AND WHETHER YOUR SYSTEM CAN BILL IN THAT MANNER. WHETHER THAT IS THE RIGHT ANSWER OR THE WRONG ANSWER - IT IS A WAY OF TRYING TO NORMALIZE THE PER PERSON PER UNIT COST RATHER THAN STRICTLY A METER SIZE-BASED APPROACH. SO, THERE ARE ALTERNATIVE WAYS TO DO THAT AND IT IS SOMETHING THAT WE CAN POTENTIALLY LOOK AT AS A PHASE 2.

>>JOHN HEDGES: THANK YOU.

>>PRESIDENT SCAMAN: THANK YOU.

DEREK?

>>TRUSTEE EDER: THANK YOU FOR THE PRESENTATION. YES, A COUPLE QUESTIONS HERE AND COMMENTS. FIRST I WILL START WITH A COMMENT - I THINK I AM IN AGREEMENT WITH TRUSTEE STRAW THAT I AM INTERESTED IN LOOKING AT WHAT A INCLINING RATE INCREASE WOULD LOOK LIKE ESPECIALLY AS I WOULD IMAGINE IT ALIGNS WITH OUR CLIMATE ACTION PLAN AROUND CONSERVING WATER. SO, I THINK THAT THAT IS DEFINITELY WORTH LOOKING INTO. ON THE COMMENT AROUND CONSERVATION, YOU HAD MENTIONED IN YOUR SLIDES AND UP POPPED UP AS THE FIRST COMMENT I HAD ON THIS IS THE 21% LOSS AND I THINK YOU MENTIONED THAT THAT IS NOT - YOU ARE NOT ACCOUNTING FOR ANY REDUCTION IN THAT IN YOUR FORECASTING. BUT, MAY BE AND THIS IS A QUESTION FOR OUR STAFF LIKE DO WE HAVE A SENSE ABOUT WHAT THAT COULD LOOK LIKE AS WE MAKE THESE CAPITAL IMPROVEMENTS AND HOW CAN WE - WHAT IS A REASONABLE EXPECTATION OF REDUCING THAT LOSS?

>>ERIN DUFFY: I DON'T HAVE ANY SPECIFIC ESTIMATES, BUT WE ARE WORKING TO REDUCE THAT LOSS EVEN IN THE MOST RECENT YEARS, THE LAST TWO YEARS WE HAVE INCREASED OUR LOGGING NETWORK AND SO WE HAVE ACOUSTIC LOGGING THAT ARE OUT ABOUT EVERY 500 FEET IN OUR DISTRIBUTION SYSTEM THAT LISTEN FOR THE CORRECTED DECIBEL NOISE BETWEEN 2 AM AND 5 AM AND OTHER BACKGROUND NOISES, HOPEFULLY A LITTLE BIT QUIETER AND IT TRIES TO PINPOINT WHERE A LEAK IS IN THE SYSTEM. AND IN ORDER TO CHECK THE ACCURACY OF THAT SYSTEM WE ALSO DO A COMPREHENSIVE LEAK DETECTION SURVEY ANNUALLY THAT DOES A SNAPSHOT OF OUR SYSTEM AND DETERMINES IF THERE ARE ANY LARGER LEAKS OUT IN THE SYSTEM. SO, WE ARE WORKING TO REDUCE THAT ONE 1%, BUT I DON'T HAVE ANY ESTIMATES ON WHAT THAT WOULD BE MOVING FORWARD.

>>TRUSTEE EDER: DO WE KNOW WHAT OTHER MUNICIPALITIES HAVE DONE, WHAT IS A NUMBER THAT IS EVEN REASONABLE, THERE WILL ALWAYS BE SOME LOSS, DO WE HAVE ANY SENSE ABOUT WHAT IS IN THE REALM OF POSSIBILITY?

CAN IT BE 10 OR 52.

>>SPEAKER: IN A NEW SYSTEM, THE STANDARD IS AROUND 5% LOSS EVEN IN A BRAND-NEW SYSTEM WHICH IS TYPICAL.

20% IS PRETTY TYPICAL OF THE SYSTEM OF OUR AGE.

A LOT OF THE MAIN THAT WE ARE FOCUSING ON AND ARE PLACING NOW IS ORIGINAL TO THE COMMUNITY IN EXCESS OF 100 YEARS.

SO, WE HAVE BEEN WORKING REALLY HARD TO REDUCE THE NON- USE WATER LOSS, BUT IT IS A VERY TOUGH NUMBER TO MOVE THE NEEDLE ON AND SO I THINK WE ALWAYS NEED TO BE VERY CONSERVATIVE IN OUR ESTIMATES AND IF THERE IS SIGNIFICANT CHANGE, LONG-TERM OR SMALL CHANGES LONG-TERM THAT WE CAN MAKE ADJUSTMENTS IN THE FUTURE.

BUT, IT IS STOCK AND IT HAS BEEN THERE FOR A WHILE AND IT HAS BEEN A THORN. YES.

EVEN OUR ACOUSTIC DETECTION I MEAN AS WE LOOK TO ALL OF THESE LOGGERS AND EVERYTHING LIKE THAT, THERE WERE SOME GREAT EXPECTATIONS FOR AND WE TRIED TO TAKE A VERY CONSERVATIVE APPROACH AS WE PUT THAT NETWORK OUT BECAUSE WE HAD SOME CONCERNS AND LIKE ERIN WAS SAYING, OAK PARK IS JUST NOISY, IT IS A URBAN DENSE AREA AND I DON'T MEAN NOISILY PEOPLE ARE NOISY, BUT THERE IS A LOT OF AMBIENT NOISE IN THE GROUND FROM ALL OF THE PUBLIC TRANSPORTATION AND ALL OF THE BIG BUILDINGS THAT WE HAVE THAT HAVE BOOSTER PUMPS THAT ARE RUNNING AND ALL OF THIS STUFF AND EVEN THE ACOUSTIC SYSTEMS I THINK ARE HAVING A LITTLE BIT OF TROUBLE HEARING THOSE SMALLER LEAKS THAT ARE RUNNING ALMOST CONSISTENTLY THAT CAN ONLY BE ADDRESSED BY YOU KNOW SIGNIFICANT CAPITAL MAIN REPLACED IN OVERTIME. BUT, IT IS SOMETHING THAT IS RIGHT AT THE TOP OF OUR AGENDA EVERY YEAR.

>>TRUSTEE EDER: APPRECIATE THAT, I HAVE A COUPLE MORE QUESTIONS, BUT JIMMY, WOULD YOU LIKE TO PIGGYBACK ON THAT?

>>TRUSTEE TAGLIA: DO YOU HAVE A GOAL?

IS THERE A GOAL PERCENT THAT YOU ARE SHOOTING FOR?

>>SPEAKER: I THINK CONSERVATIVELY IF WE GOT DOWN TO 12 TO 15%, WE WOULD THINK THAT IS PRETTY SIGNIFICANT AS A FIRST STEP.

AS WE START TO LOOK AT LED LINE REPLACEMENT, YOU KNOW ONE OF THE OUTCOMES OF THE LEAD LENDER PLACEMENT PROGRAM IS PROBABLY GOING TO HAVE TO BE AND UNFORTUNATELY FROM A COST PERSPECTIVE A SIGNIFICANT AMOUNT OF MAIN REPLACEMENT.

THE ADDED BENEFIT OF THAT IS PULLING OUT A LOT OF THE OLDER MAIN WILL START TO REALLY HOPEFULLY EE INTO THAT NONREVENUE WATER LOSS.

>>TRUSTEE TAGLIA: AND HAVE YOU GOTTEN ANY BENEFIT?

IT SOUNDS LIKE THE BENEFIT HAS BEEN MINIMAL FROM ALL OF THIS APPEARED I MEAN OTHER COMMUNITIES AND I KNOW WHAT YOU ARE SAYING I HEAR YOU AND I UNDERSTAND THAT, BUT THERE HAVE BEEN COMMUNITIES THAT HAVE BEEN PUTTING IN THE DETECTORS WITH SIGNIFICANT REDUCTION.

>>SPEAKER: YOU KNOW I THINK WHEN WE HAD A COUPLE SIGNIFICANT BREAKS BEFORE WE GOT THE NETWORK IN PLACE WE WERE UPWARDS OF AROUND 24%.

SO - WE ARE OPTIMISTIC THAT WE ARE MAINTAINING AND I THINK MAINTAINING EVEN WITH A AGING SYSTEM IS A PRETTY GOOD GOAL, BECAUSE THE SYSTEM IS CONTINUING TO GET OLDER, BUT WE ARE NOT SEEING THAT NONREVENUE WATER LOSS GO UP.

AND SO WE ARE CAUTIOUSLY OR OPTIMISTIC THAT WE ARE STARTING TO MOVE IN THE RIGHT DIRECTION WITH THAT.

>>TRUSTEE EDER: OTHER QUESTIONS - I APPRECIATE THE CONVERSATION THAT TRUSTEE STRAW WAS ABLE TO LEAD AND THAT WAS THE PUBLIC COMMENT THAT RESONATED WITH ME AT MY FIRST READ OF THIS AS WELL LIKE WHY ARE WE INCREASING THIS WHEN WE ARE ALREADY WELL ABOVE THE REQUIREMENT. SO, THAT WAS JUST NOT CLEAR TO ME I GUESS THAT WE HAVE THESE CAPITAL EXPENDITURES THAT ARE COMING UP.

MAYBE I MISSED THAT IN THE REPORT, MAYBE IT WAS IN THE PRESENTATION, BUT IS THAT THE PROJECTION OUT FIVE OR 10 YEARS, DO WE KNOW WHAT THAT LOOKS LIKE AND I'M CURIOUS -

>>ERIC CALLOCCHIA: YOU ARE AT A TURNING POINT WHERE THE NEXT FISCAL YEAR IS NOT EFFECTIVE OF YOUR LONG-TERM COST STRUCTURE. DRIVEN BY CAPITAL WHETHER IT IS RELATED TO DISTRIBUTION SYSTEM IMPROVEMENTS TO REDUCE WATER LOSS OR LEAD SERVICE LINE REPLACEMENT. THOSE NUMBERS ARE 27 AND POST.

SO, THE REASON WE ARE RECOMMENDING TO MAINTAIN CASH FLOW NOW IS SO THAT YOU ARE NOT HIT WITH A 20 OR 30% INCREASE 20 OR 30 YEARS FROM NOW WHEN YOU REALIZE YOU HAVE TO SPEND \$5 MILLION A YEAR ON LED LINE REPLACEMENT FOR THE NEXT SEVEN YEARS.

IT IS A SUSTAINABILITY AND A STEP IN A DIRECTION TO MAINTAIN STABILITY NOW AND IF AND WHEN WE COME BACK WITH A FIVE-YEAR PLAN THAT INCLUDES FULL CASH FUNDING OF LEAD SERVICE LENDER PLACEMENT, YOU ARE POTENTIALLY GOING TO SEE DOUBLE DIGITS AND THAT IS JUST THE REALITY OF A LAYERING THREE TO \$5 MILLION OF CAPITAL ONTO A 12 MILLION OR \$13 MILLION SYSTEM.

>>TRUSTEE EDER: ARE FURTHER RATE INCREASES OVER THAT 10 YEAR ALSO IN THE PLAN OR IS IT JUST THIS ONE?

>>ERIC CALLOCCHIA: DEPENDING ON THE FINANCING STRUCTURE OF THE CAPITAL.

THERE ARE WAYS - RATE INCREASES, ALMOST CERTAINLY.

IT IS JUST A PROGRAM THAT COST MONEY.

BILL INCREASES FOR CERTAIN CUSTOMERS, POTENTIALLY NO, BECAUSE OF THOSE DIFFERENT RATE STRATEGIES.

AND AGAIN, THAT IS A MUCH LARGER DISCUSSION THAN JUST WHAT THOSE NUMBERS ARE.

THAT IS A POLICY DISCUSSION.

>>TRUSTEE EDER: OBVIOUSLY, OKAY, GREAT.

AND MY LAST QUESTION IS YOU MENTIONED I THINK THE RECOMMENDATION FOR THE REVENUE NEUTRAL AND THE RESIDENTIAL INCREASE OF 12.7% AND THEN COMMERCIAL IS 6.6 AND YOU WERE SAYING SOMETHING AROUND THAT BEING MORE

EQUITABLE AND I WAS LIKE WHY ARE WE DOING TWICE AS MUCH FOR OUR RESIDENTS OF AN INCREASE AS OPPOSED TO COMMERCIAL?

>>ERIN DUFFY: ONE THAT IS A NATURAL CONSUL BITS OF INCREASING FIXED CHARGE AT A HIGHER RATE THAN THE VOLLEY METRIC CHARGE.

BECAUSE A LARGER PROPORTION OF THAT AVERAGE BILL IS FIXED.

SO, IT IS JUST A REBALANCING.

SO, IN TERMS OF THE DOLLAR AMOUNT IT IS LOWER BUT IN TERMS OF THE PERCENTAGE GOING FROM AN INCREASE, THAT IS JUST A NATURAL CONSEQUENCE. AND AGAIN IT IS PHASING INTO A MORE SUSTAINABLE AND MORE BALANCED RATE STRUCTURE.

WE HAVE CLIENTS THAT HAVE 0% FIXED, THEY ARE 100% VOLUMETRIC AND WE DEVELOP PLANS TO GET THEM TO 10% OVER 10 YEARS.

?

PERCENT FIXED MORE PER YEAR AND EVEN THAT IS HARD TO SEE ON THE SMALLEST USERS ON A PER UNIT BASIS.

THERE IS A WAY TO MANAGE THAT OVER TIME GIVEN THAT YOU ARE AT 5% AND THIS IS NOW GETTING YOU TO 10, IT IS REALLY A INCA MENTAL STEP.

>>TRUSTEE EDER: AND IF WE DO A INCREMENTAL PRICE STRUCTURE, THAT IS A COMPLETELY SEPARATE CONVERSATION.

>>ERIC CALLOCCHIA: IT CAN BALANCE HOW THOSE IMPACTS, CORRECT.

>>TRUSTEE EDER: THAT IS IT FOR ME, THANK YOU.

>>PRESIDENT SCAMAN: GREAT.

>>SPEAKER: YOU JUST SHOW RESIDENTIAL AND COMMERCIAL, WHERE DOES LIKE THE SCHOOLS - ART DISTRICT, DOES NOT FALL UNDER COMMERCIAL BECAUSE OF THE SIZE OF THEIR THINGS?

ONLY BECAUSE I SEE THEIR BILLS LIKE BRIAN YOU TALK ABOUT THE INCLINE THAT IS SOMETHING YOU TALK ABOUT LIKELY INCLINING LIKE I HAVE SEEN THE PARK DISTRICT AND THE SCHOOL BILLS AND ESPECIALLY WHEN THEY FILL THE POOLS IN MAY, THAT WATER BILL IS NICE AND PRETTY.

>>ERIC CALLOCCHIA: SO, WE CAN DIG DEEPER INTO THIS AND OF COURSE WE HAVE THE INFORMATION, BUT WE HAVE 28 SERVICE CONNECTIONS OF 4 INCHES IN DIAMETER OR LARGER BUT AGAIN THEY ARE ONLY PAYING THREE TIMES WHAT THE 1 INCH AND UNDER IS PAYING.

WHEREAS THE CAPACITY OF THAT METER WHICH IS WHAT THE SYSTEM IS REALLY BASED ON IS EASILY 10 TIMES.

SO, THERE IS ALSO POTENTIAL TO BALANCE THIS STRUCTURE.

THE AMERICAN WATER WORKS ASSOCIATION PUBLISHES METER CAPACITY RATIOS AND YOU DOUBLE THE DIAMETER OF THE METER AND YOU MORE THAN QUADRUPLD THE FLOW CAPACITY OF THAT METER AND THAT'S WHAT SOME OF THESE FEES ARE BASED ON.

WE CAN LOOK AT THAT AS POTENTIALLY REBALANCING THE FIXED STRUCTURE AS WELL AS THE VOLUMETRIC.

BUT, YOU DO HAVE SOME LARGE METER HIGH USE CUSTOMERS AND WE CAN DO A TOP 10 USER REPORT OF WHAT THOSE IMPACTS ARE.

>>SPEAKER: AND THEN THE FUND BALANCE - THIS IS A YEAR-END FUND BALANCE. IF RESIDENTIAL LIKE IF THEY EVENTUALLY GET AROUND TO DOING MONTHLY BILLING WHICH I CAN TELL YOU FROM A BUDGETING STANDPOINT FOR RESIDENTS WOULD BE A HUGE - BECAUSE, QUARTERLY - I FORGET ABOUT IT AND IT IS ON AUTO RENEWAL AND SO I DON'T EVEN THINK ABOUT IT UNTIL I GOT THE EMAIL UNTIL GRANT -- THAT SAYS YOUR BILL HAS BEEN PAID.

AND CAN WE LOOK AT A LOWER FUND BALANCE?

>>ERIC CALLOCCHIA: WHAT IS TYPICALLY DONE IS CALLED A LEAD LINE STUDY AND AT ONE POINT YOU PROVIDE SERVICE AND AT WHAT POINT DO YOU COLLECT THE REVENUE?

WHAT IS THE LAG?

AND YOU HAVE A BIG LAG.

SO, THE WORKING CAPITAL THAT YOU NEED TO ACCOUNT FOR THAT IS PRETTY SIGNIFICANT.

IF YOU WERE TO GO TO MONTHLY BILLING, YOU COULD BE MORE COMFORTABLE WITH REDUCING THAT PORTION OF IT.

NOT THE ENTIRE RESERVE IS NOT NECESSARILY FOR THAT SORT OF RATE STABILIZATION OR REVENUE STABILIZATION, BUT A PORTION OF IT IS, YES.

>>SPEAKER: AND I'LL ADD AS WELL, OVER THE LAST COUPLE OF YEARS, WE HAVE BEEN TRANSITIONING OVER A LOT OF OUR OLDER RESIDENTIAL METERS TO NEW METERS THAT HAVE ANTENNAS THAT SPEAK TO AN ADVANCED METERING ENTER STRUCTURE THAT GOES THROUGHOUT THE COMMUNITY AND WE ARE CLOSE TO INSTALLING OUR LAST ANTENNA NEXT WEEK AND SO ONCE WE HAVE THAT DATA AND THAT DATA IS COMING IN ON A REGULAR BASIS WITHOUT THE NEED TO HAVE SOMEBODY GO OUT AND DRIVE THE VILLAGE, WE ARE LOOKING AT AND WE THINK THAT WE WILL PLAN TO WORK WITH FINANCE TO TRANSITION TO MONTHLY BILLING. AND THAT IS REALLY THE DRIVER FROM BEFORE, IT WAS JUST THE ANCIENT TECHNOLOGY THAT WAS IN PLACE AND FACILITATED A NEED TO MAINTAIN THAT QUARTERLY BILLING.

SO, WE ARE GETTING CLOSE AND GETTING REALLY CLOSE TO RELEASING OR OPENING UP A CUSTOMER PORTAL WHERE RESIDENTS WILL BE ABLE TO VIEW THAT DATA ON A DAILY ALMOST LIVE STREAM WHERE THEY CAN SEE THEIR USAGE ALMOST IN LIVE TIME AND THE SYSTEM IS ALSO ABLE TO TELL THEM IF THEY HAVE UNUSUAL USAGE AND TRIGGER THEM IN CASE THERE IS SOME SORT OF LEAK WITHIN THE SYSTEM AND TELL THEM THAT THEY HAVE MAY BE A PROBLEM AT HOME AND THEY NEED TO TAKE A LOOK AT THINGS.

SO, I THINK WE JUST SIGNED A CONTRACT FOR THAT AND WE JUST NEED TO BUILD IT OUT AND THEN WE'LL PROBABLY BE DOING A SOFFER ALLAH OVER THE LAST QUARTER OF THE YEAR.

PEOPLE WILL BE ABLE TO SIGN UP FOR THAT, TOO.

>>SPEAKER: OKAY, I WAS GOING TO ASK THAT QUESTION BECAUSE I HAVE THE SMART METER AND I'M LIKE I KNOW IT IS SUPPOSED TO FLASH AT YOU IF IT DETECTS LIKE UNUSUAL USAGE AND I AM LIKE WHERE IS MY EMAIL WHEN THAT HAPPENS?

>>SPEAKER: WE ARE REALLY CLOSE TO HAVING A PIECE IN PLACE.

>>PRESIDENT SCAMAN: JIM?

>>TRUSTEE TAGLIA: TO THAT POINT, IT IS INTERESTING THAT WE ARE CLOSE TO THE ANNUAL AND GREG MADE A GOOD POINT ABOUT THE CAPITAL REQUIREMENTS, IF WE ARE THAT CLOSE TO BILLING IN THE NEXT YEAR OR SO, MONTHLY BILLING WHICH IS VERY WELCOME.

HOW DOES THAT IMPACTED THE RECOMMENDATION?

BECAUSE THIS IS BASED UPON QUARTERLY AND THERE IS A BIG DIFFERENCE IN 90 DAYS, BILLING EVERY 90 DAYS VS. BILLING EVERY 30 DAYS, THE CAPITAL NEEDED IS MUCH DIFFERENT.

AND SO TO ME THAT SPEAKS TO WHAT AND HOW THAT WOULD IMPACT THE FUND BALANCE IN THE FUTURE, HAS THAT BEEN CALCULATED INTO THIS ASSUMPTION?

>>ERIC CALLOCCHIA: I DON'T ANTICIPATE ANY CAPITAL CHANGES FOR THE CAPITAL PROGRAM, THE METER PROGRAM IS BAKED INTO THESE NUMBERS AND IT IS DONE, BUT I THINK IN THE DETAIL OF OUR REPORT OF WHAT IS THE PLAN FOR 26 LIKE I SAID IT IS DRIVEN BY MAIN REPLACEMENTS AND THINGS LIKE THAT AND SO I DON'T ANTICIPATE A SIGNIFICANT CHANGE IN YOUR CAPITAL NEEDS BECAUSE YOU ARE ON MONTHLY BUILDING OR USING THE AMI STRUCTURE.

>>TRUSTEE TAGLIA: BUT, THE AMOUNT OF MONEY THAT YOU NEED -

>>ERIC CALLOCCHIA: THE RESERVE POLICY YES.

THE QUESTION YOU NEED TO ACCOUNT FOR DELAYS, THERE MAY BE SOME IMPACT ON THAT TO BE ABLE TO BE MORE FLEXIBLE IN KNOWING THAT YOU WILL GET A REVENUE REDUCTION, BUT YOU BILLING CYCLES NOW AND SO IT WILL JUST INCREASE THAT ACTIVITY.

>>TRUSTEE TAGLIA: CAN YOU TALK REALLY QUICKLY ABOUT THE BONDS, I KNOW WE ARE RUNNING OUT OF TIME, BUT THE BONDS, THEY ARE GOING AWAY AND WHY ARE WE TALKING ABOUT A BOND ISSUE?

IS THIS SOMETHING THAT WE CAN LOOK TOWARD?

>>ERIC CALLOCCHIA: THE MODEL THAT WE BUILD, YOU CAN INPUT ASSUME ON ISSUES FOR WHATEVER LEVEL OF CAPITAL AND WE BUILD AMORTIZATION'S ABOUT THIS.

AND SO IF YOU WERE TO FINANCE A PORTION OF YOUR CAPITAL PROGRAMS WITH THE DEBT, WE WOULD BUILD THAT INTO YOUR RATE AND WHAT THAT DOES IS REDUCE YOUR CASH NEED IN THE NEAR TERM AND INCREASES OVER THE LONG-TERM.

AND SO BECAUSE YOU'RE GOING TO BE 100% DEBT FREE THAT IS ONE OF THE REASONS WE CERTAINLY WANT TO LOOK AT AND DISCUSS AND AGAIN THAT IS A LARGER DISCUSSION ABOUT THE VILLAGES DEBT CAPACITY OVERALL AND OTHER PROGRAMS YOU HAVE PROGRAM BECAUSE WHILE IT IS A ENTERPRISE FUND, IT WOULD BE GEO-BONDED DEBT, IT WOULD NOT BE LIMITED TO THE CAPACITY OF THE UTILITY.

>>TRUSTEE TAGLIA: I MEAN WE CAN ISSUE SOME DEBT AND THEN WE CAN REDUCE THE AMOUNT OF CAPITAL THAT WE NEED IN OUR FUND BALANCE POLICY IN TERMS OF WHAT YOU ARE PROPOSING.

AND THEN WE CAN MINIMIZE THIS POTENTIAL APPEARED.

>>ERIC CALLOCCHIA: CORRECT, THE TIMING THERE -

>>TRUSTEE TAGLIA: THIS HAS BEEN DONE IN THE PAST AND THIS HAS BEEN DONE FOR HOW LONG, 100 YEARS, PROBABLY?

WE HAVE BEEN ISSUING DEBT LIKE THIS.

I REMEMBER IN 2020 HOURS ON THE BOARD THEN.

>>ERIC CALLOCCHIA: ONE OF THE THINGS WE DISCUSSED MOST WHEN WE TALK ABOUT LONG-TERM IS DEBT FINANCING.

WHAT IS THE PROPER MIXTURE OF CAPITAL FINANCING WHETHER IT IS ALL PAY GO OR ALL DEBT.

WE HAVE CLIENTS THAT ARE 100% DEBT EVERY SINGLE CAPITAL PROJECT IS A NEW BOND EACH YEAR.

NOT NECESSARILY THE MOST SUSTAINABLE, THERE IS A BALANCE THERE.

>>TRUSTEE TAGLIA: WE WON'T HAVE A BALANCE ONCE THIS GOES AWAY, RIGHT?

>>ERIC CALLOCCHIA: THERE IS A WAITING OF THE TIMING OF HOW MUCH HE SHOULD DO WITH TAKEOVERS OF DEBT.

>>TRUSTEE TAGLIA: I THINK THAT SHOULD BE CONSIDERED, BECAUSE IT HAS BEEN USED IN THE PAST AND IS THERE SOME RELUCTANCE ON THEIR PART TO CONSIDER THAT?

>>SPEAKER: I THINK THE IMPORTANT THING TO KEEP IN MIND IS THAT THIS IS A RECOMMENDATION FOR THE 2026.

THIS IS JUST A FIRST TYPE OF A LARGER FIVE YEAR PROPOSAL THAT WE WILL BE PUTTING TOGETHER OR 27 THROUGH 31 AND 32.

WE NEED TO GET A BETTER HANDLE AND UNDERSTANDING ON WHAT THE OBLIGATIONS OF THE VILLAGE ARE GOING TO BE AROUND THE LEAD LINE REPLACEMENT PROGRAM AND THE DEBT THAT IS GOING TO COME FROM THAT.

AND THAT IS WHERE WE WOULD START TO TAKE INTO CONSIDERATION DIFFERENT OPTIONS.

AND SO IT IS NOT THAT WE HAVE ANY RESISTANCE TO GENERALLY AS AN IDEA, BUT FOR THE RECOMMENDATION FOR NEXT YEAR IT IS NOT TO BOND NOW KNOWING THAT WE HAVE THESE OTHER LARGE OBLIGATIONS THAT ARE COMING UP IN THE NEAR FUTURE AND WE NEED TO GET AN UNDERSTANDING OF HOW TO APPROACH THEM.

AND TO DO IT WITH KIND OF AN OPEN NOTE KEEPING ALL OF OUR OPTIONS OPEN FOR THAT.

>>TRUSTEE TAGLIA: I CAN SEE.

OKAY.

JUST A COUPLE OTHER COMMENTS.

WE BUILD QUARTERLY AS MENTIONED AND SO THESE RATE NUMBERS THAT ARE MENTIONED HERE - THE RATE INCREASE IS PER MONTH AND SO WE CAN TRIPLE THOSE, CORRECT?

>>ERIC CALLOCCHIA: THIS TABLE RIGHT HERE SHOWS THE MONTHLY IMPACT, THE COMPARISON CHART SHOWS A QUARTERLY IMPACT.

>>TRUSTEE TAGLIA: THE COMPARISON CHART - SLIDE 19.

>>ERIC CALLOCCHIA: SO, YOU'RE RIGHT, JUST BECAUSE PEOPLE THINK ON A MONTHLY BASIS WITH THEIR TYPICAL PERSONAL FINANCES, WE TRANSLATE THIS INTO A MONTHLY AMOUNT.

>>TRUSTEE TAGLIA: OKAY, BUT THE CURRENT MONTHLY SERVICE CHARGE FOR ONE METER IS SIX DOLLARS AND YOUR PROPOSING 12. SO, THAT WOULD BE \$36, CORRECT? AM I WRONG?

>>ERIC CALLOCCHIA: IN THIS CHART IT IS SIX BECAUSE IT IS PER MONTH.

>>TRUSTEE TAGLIA: AND SO THE BILL IS GOING TO GO FROM \$18 WHAT, \$36? THAT IS A BIG CHANGE.

AND I JUST WANT TO CAUTION.

I THINK THAT IS A LOT AND I UNDERSTAND WHAT THE GOAL IS HERE IN TALKING THE SHORT TERM, BUT I THINK THAT IS A BIG SHOCK TO A LOT OF PEOPLE, BECAUSE PEOPLE ARE BURDEN IN OAK PARK WITH THE WATER COSTS BEING HIGH.

THEY ARE HIGH AND I TALKED TO EVERYBODY AND EVERYBODY HAS LEAKS IN THEIR SYSTEMS AND WE HAVE LEAKS IN OUR VILLAGES SYSTEM THAT WE ARE PAYING FOR AND I DO LIKE THE IDEA OF ANYTHING THAT PROMOTES CONSERVATION AND I THINK THAT IS A GOOD STEP THAT WE SHOULD ALWAYS ENCOURAGE THAT AND OUR BILLING DOES NOT DO THAT NOW IN OUR CURRENT POLICY AND I ALSO WOULD SAY THAT I AM NOT FOR SUBSIDIZING THE GENERAL POPULATION HERE IN OAK PARK. BY UNDERPRICING SOME AND OVERPRICING OTHERS.

I JUST THINK THAT IS NOT FAIR TO THE AVERAGE RESIDENT WHO IS ALREADY BURDEN AND THEN NOW THEY'RE GOING TO PAY MORE.

I DON'T UNDERSTAND WHERE THAT COMES FROM.

SO, PERSONALLY I DO WANT TO ENCOURAGE CONSERVATION.

SO, THOSE ARE MY THOUGHTS.

>>PRESIDENT SCAMAN: OKAY, SO WE HAVE HEARD FAIRLY CONSISTENTLY A DESIRE TO CONTINUE TO LOOK INTO THE CONSERVATION AND UNDERSTANDING THAT IMPACT ON OUR RESIDENTS AS RECESSIVE.

WE HAVE A MOTION TO RECOMMEND THIS STUDY AND DIRECT STAFF TO BRING FORWARD EVERYTHING THAT HAPPENS AT THIS FINANCE COMMITTEE AS ADVISORY TO THE VILLAGE BOARD AND AS YOU SAID THIS IS STEP ONE OF A LONGER PLAN.

ARE WE COMFORTABLE APPROVING THE RESOLUTION AS IT STANDS ON THE AGENDA THIS EVENING?

AND STAFF CONSIDER - AND I WOULD LIKE TO EXPRESS MY LARGELY AGREEMENT WITH MUCH OF WHAT WE HAVE HEARD TONIGHT.

ARE WE READY TO SEND THAT TO THE VILLAGE BOARD?

OKAY.

THEN I WOULD ENTERTAIN A MOTION TO CONCUR WITH THE INITIAL CONDITIONS OF THE 2025 WATER AND SEWER RATE STUDY AND DIRECT STAFF TO PREPARE WATER ORDINANCE FOR 2026 FOR CONSIDERATION BY THE VILLAGE BOARD.

TRUSTEES, MOTION PLEASE?

>>SPEAKER: MOVED.

>>SPEAKER: SECOND.

>>PRESIDENT SCAMAN: THANK YOU.
AND I DON'T THINK WE HAVE CHRISTINA REMOTELY BECAUSE SHE IS PREPARING FOR
THE NEXT MEETING.
SO, CAN WE DO A ALL IN FAVOR?
NO?
YES?
ALL IN FAVOR?

(MULTIPLE SPEAKERS)
AYE.

>>PRESIDENT SCAMAN: OKAY, AND ANY NAY?
OKAY, JUST MAKING SURE.
THEN I ENTERTAIN A MOTION TO - AND WE DO HAVE THE FINANCE COMMITTEE
CALENDAR FOR EVERYBODY TO REVIEW ANYTHING THAT YOU WOULD LIKE TO ADD
TO THAT, LISA?

>>SPEAKER: NOTHING, EXCEPT YOU DO HAVE ADDITIONAL DOCUMENTS FOR
YOUR CAPITAL AGENDA ITEMS OR YOUR FUTURE MEETINGS.
YOU HAVE ADDITIONAL DOCUMENTS THAT THEY DID PASS OUT AT YOUR PLACE FOR
YOUR FUTURE AGENDA PACKAGE.

>>PRESIDENT SCAMAN: OKAY, THEN WE'LL GET THESE ELECTRONICALLY?

>>SPEAKER: PART OF THE POSTING AND ANY ELECTRONIC POSTING.

>>PRESIDENT SCAMAN: AND BRIDGET IS NOT WITH US THIS EVENING AND WILL
MAKE SURE SHE GETS A COPY, AS WELL.
THANK YOU.

ENTERTAIN A MOTION TO ADJOURN?

>>SPEAKER: MOVED.

>>SPEAKER: SECOND.

>>PRESIDENT SCAMAN: ALL IN FAVOR?

(MULTIPLE SPEAKERS)
AYE.

>>PRESIDENT SCAMAN: THANK YOU VERY MUCH.
WE DO NEED TO TAKE 10 MINUTES BEFORE WE START THE 7 O'CLOCK MEETING SO
THAT THEY CAN START THE VIDEO AGAIN.
SO, THANK YOU FOR JOINING US, WE WILL BE A FEW MINUTES.