



Department Policy

TRANSFER OF FORMER LAKES REGION SANITARY DISTRICT ASSETS AND RESPONSIBILITIES

Effective Date: TBD

Purpose and Intent

The purpose of this policy is to outline the process for transferring assets and responsibilities, which the County assumed as a result of the dissolution of the former Lakes Region Sanitary District ("District"), to a Northwest FPA community.

Background

In June 2019, Lake County Public Works ("LCPW") assumed the maintenance and operation of the Lakes Region Sanitary District's assets. In December 2019, more than 6,000 District customers were transferred to a new relationship with LCPW, and some sanitary system assets were transferred as well. The former District's boundaries overlap with portions of Fox Lake, Lake Villa, Round Lake, Round Lake Beach, Volo, and several unincorporated areas near those communities. In June 2023, the final dissolution of the District was completed, and the District's remaining property was transferred to Lake County, which now allows for a review of how to most effectively operate the systems in these overlapping areas.

Scope

This policy applies to any municipality in the Northwest FPA that seeks to assume ownership and operation of sanitary sewer assets of the former District, and where the municipality's boundaries overlap with the former District's territory.

Authority

The Lake County Director of Public Works or his designee is directed to implement the necessary steps to facilitate the transfers in accordance with all applicable local and state codes and ordinances.

Initiation

The County will initiate consideration of any transfer upon an official written request from a village administrator, mayor, or Board President. The request should be detailed and include an exhibit clearly showing the geographic area and boundaries to which it relates. The request should also acknowledge the need for a new Intergovernmental Agreement with the County.

Acknowledgement

As part of the municipality's request, the municipality must acknowledge that the County will relinquish all related assets in "as-is" condition and that the County will not incur any costs associated with the transfer of the assets. Such costs will include without limitation the costs of legal descriptions, title searches, title commitments, title insurance, easement agreements, recording fees, and closing costs.

Cooperation

The County will share with the requesting municipality any reports, studies, videos, etc. related to the evaluation or condition of the assets. LCPW will continue to maintain the assets until the transfer is completed and an agreement has been approved by the parties' respective governing boards.

Financial Impacts

The County reserves the right to recoup costs related to system investments (maintenance, repairs, or construction) made to any assets to be transferred via monthly or bi-monthly customer surcharges. Surcharges will be incorporated into the County's rate ordinance (Chapter 51.27(c) Rates and Fees) and will be in effect until such a time the County's investment or bond has been recouped.

If any of the areas to be transferred include current retail customers of the County, the municipality will be responsible for billing those customers as a wholesale customer. Collection of the County's fees may include the collection of third-party pass-through fees for the transport or treatment of sewage. Fees must be remitted to the County in accordance with the terms of an amended or existing IGA.

Approval Process

The County shall convey all real property involved in the transfer to the municipality by quitclaim deed or, for personal property, via another instrument, such as a bill of sale. The Public Works Director shall advise the County's Public Works and Transportation Committee on any transfer agreement, and once vetted with that committee, will recommend the agreement's approval by the full County Board. The municipality's board must approve the agreement before the agreement goes to the County Board for consideration/approval.