

 <p>Lake County Policy</p>	<p><i>TRANSFER OF FORMER LAKES REGION SANITARY DISTRICT ASSETS AND RESPONSIBILITY</i></p>
	<p>Approved by the County Board on: May 14, 2024</p>

1. Purpose and Intent

- 1.1 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 that has portions of the District's sanitary system within its boundary.

2. Background

- 2.1 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 fully transferred as customers to LCPW. 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 remaining property was transferred to Lake County, which now allows for a review of those portions of the District sanitary system that extends into those overlapping areas to determine whether or not the customers in those areas would benefit from the asset transfer.

3. Scope

- 3.1 This policy applies only to those highlighted areas (see map) within each municipality in the Lakes Region Sanitary District FPA that seeks to assume ownership and operation of sanitary sewer assets of the former District, and where the former District's sanitary system crosses the municipal boundary.

4. Authority

- 4.1 The Lake County Director of Public Works or that person's designee is directed to initiate the process as approved by the County Board. All approved transfers must be in accordance with all applicable local ordinances and state and federal laws.

5. Policy

- 5.1 **Initiation** - The County will consider a transfer of former District's assets that crosses a municipal boundary upon an official written request from a village administrator, mayor, or Board President. The request for transfer must be made within one calendar year after this policy is approved by the County Board and must include the following:

- 5.1.1 An exhibit clearly showing the geographic area and boundaries to which it relates and how it intersects with the municipality's existing collection system;

- 5.1.2 Potential sewer rate changes and the financial impact to customers in the overlap area;
- 5.1.3 An outline of the benefits that the transfer would produce.

5.2 Review Criteria - All requests for transfer of assets will be reviewed using the following considerations:

- 5.2.1 Financial impact to the County;
- 5.2.2 Financial impact to the customers;
- 5.2.3 Benefits or efficiencies gained by the transfer;
- 5.2.4 Complete and timely submittal of request.

5.3 Acknowledgement

- 5.3.1 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.

5.4 Cooperation

- 5.4.1 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.

5.5 Financial Impacts

- 5.5.1 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.
- 5.5.2 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.

5.6 Approval Process

- 5.6.1 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.

6. Applicability

- 6.1 This policy applies only to those highlighted areas within the municipalities located in the Lake Region Sanitary District FPA as it relates to former the Lakes Region Sanitary District assets. It is not applicable to future requests for any other asset transfers, including those outside of that FPA.

Policy History			
Version	Date Adopted	Legistar Item #	Notes
Original	May, 14 2024	24-0523	--