

Minutes of the regular meeting of the Board of Trustees of the Fox River Water Reclamation District held on Monday, April 24, 2017 at the Administration Building at 1957 North LaFox, South Elgin, Illinois. Present were President Corn, Vice President Steven J. Rauschenberger, Clerk-Treasurer Benjamin P. Bernal, Trustees Arthur P. Malm, and Trustee Gary Hyman.

Staff present were Executive Director Bob Trueblood, Technical Services Director Beth Vogt, Finance Manager Nazer Uddin, Assistant Clerk Kim Narvaiz, and Attorney Scheflow.

President Corn called the meeting of the Board of Trustees to order at 9:29 A.M.

APPROVAL OF APRIL 10, 2017 MINUTES

Trustee Bernal made a motion, seconded by Trustee Hyman, to approve the April 10, 2017 minutes as written. Ayes, Trustees Corn, Bernal, Rauschenberger, Hyman, Malm. Nays, none.

APPROVAL OF APRIL 10, 2017 EXECUTIVE SESSION MINUTES

Trustee Bernal made a motion, seconded by Trustee Hyman, to approve the April 10, 2017 Executive Session minutes as written. There was lengthy discussion on the content on the Executive Minutes, and what details are required. Trustee Rauschenberger made a motion, seconded by Trustee Malm, to table the April 10, 2017 Executive Session minutes until changes can be made by Trustee Bernal. Ayes, Trustees Corn, Bernal, Rauschenberger, Hyman, Malm. Nays, none.

PUBLIC COMMENT

None

APPROVAL OF CASH DISBURSEMENTS

Disbursements for the Sewer Revenue Fund \$419,734.92, Capital Improvement \$120,431.07, Depreciation & Replacement \$18,022.95, Skyline \$71,102.46.

Trustee Bernal made a motion, seconded by Trustee Hyman, to approve the Cash Disbursements as presented. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

TRAVEL REIMBURSEMENT

Trustee Corn submitted travel reimbursement for IAWA Mini-Conference in the amount of \$427.37. Trustee Bernal made a motion, seconded by Trustee Hyman to approve the travel reimbursement request. A Roll Call Vote was taken: Trustees Corn: Aye, Rauschenberger: Aye, Bernal: Aye, Malm: Aye, Hyman: Aye.

REVIEW OF CONNECTION PERMITS

TSD Vogt reported that staff issued one commercial, one industrial and two single-family home permits between meetings. As there were no irregularities, staff recommends approval.

Trustee Bernal made a motion, seconded by Trustee Malm, to approve the Connection Permits as issued. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

REVIEW OF CONTRACTS AND PURCHASE ORDERS

Executive Director Trueblood informed that there were five purchase orders. Three separate orders made to BN Controls. Two of which were for PLC Upgrades for Buildings at ADP. The third Purchase Order for BN Controls was for Disinfections Reprogramming at all three treatment plants. Two Purchase Orders to Enhanced Networks, one for Exchange Server 2016 Upgrades and the other for 2017 Domain Controller Upgrade. All the purchase orders had been previously approved by the Board of Trustees for issuance.

FOIA REQUESTS

None

OLD BUSINESS

None

President Corn requested a brief recess at 9:49 A.M

NEW BUSINESS

PUBLIC HEARING FY 05/01/17-04/30-18
BUDGET ORDINANCE 872

At 10:01 A.M. President Corn opened the Public Hearing for the FRWRD fiscal year Budget Ordinance No. 887 beginning May 1, 2017 ending April 30, 2018. Executive Director Trueblood advised there have been no substantive changes or additions to the budget since the

tentative Budget was approved on March 13, 2017. Staff formally advertised the notice of Public Hearing and made the Tentative Budget available for public review since March 14, 2017.

Having no questions from members of the public in attendance and hearing no additional comments, President Corn closed the Public Hearing at 10:03 A.M.

MOTION TO APPROVE- FY 2017/2018 BUDGET ORDINANCE 887

Trustee Bernal made a motion, seconded by Trustee Rauschenberger, to pass FY2017-2018 Budget Ordinance No. 887 as presented. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**MOTION TO APPROVE FISCAL YEAR 2017-2018
EMPLOYEE SALARY ADJUSTMENTS**

Executive Director Trueblood reported staff has reviewed the employee salaries and is recommending a salary increase of 3.0% to the current salaries. The salary increases would be effective May 7, 2017 for fiscal year 2017/2018.

Trueblood advised his (Trueblood's) salary is approved separately by the Board of Trustees and is not included in this request.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, that the Executive Director's recommended salary increases for staff be approved and effective with the pay period beginning May 7, 2017. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm Hyman. Nays, none.

**MOTION TO APPROVE 2017 HEALTH, DENTAL, VISION, AND
LIFE INSURANCE RENEWAL**

The District's Health, Dental, Vision and Life Insurance coverage expires on May 31, 2017. Staff has been working with Williams-Manny who was able negotiate appropriate rates for policy renewals. Trustee Malm noted that staff did a great job with this proposed insurance renewal.

Trustee Malm made the motion, seconded by Trustee Bernal, that the Executive Director be authorized to execute the renewal of the Health, Life, Dental and Vision, and Life Insurance Policies as recommended by Williams-Manny. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm Hyman. Nays, none.

MOTION TO RENEW ENHANCED NETWORKS 1-YEAR SERVICE AGREEMENT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES

Technical Services Director Vogt presented a renewal contract with Enhanced Networks for one year of IT support as the current agreement expired on April 30, 2017. These consulting services were included in the 2017-2018 budget for at \$55,140. This fee represents no increase over the previous year contract for the District's IT infrastructure.

Trustee Malm asked if it would cost effective to hire a full time employee to perform IT services rather than having a service contract with an IT company. Executive Director Trueblood indicated that having a service agreement with Enhanced Networks is the recommendation at this time. However, staff could look at the long term cost effectiveness of having staff for these services in the future. Executive Director Trueblood noted that upgrading the email server this year had additional cost, but this is the first time in 7 years the District did such an upgrade.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, that the Executive Director be authorized to sign the 1-year Information Technology Support Services Agreement with Enhanced Networks for \$55,140. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm Hyman. Nays, none.

DISCUSSION REGARDING CASH AND INVESTMENT ACTIVITIES

Finance Manager Nazer Uddin reported that the implementation of the District's new financial system is on schedule and expected to go-live with the financial-modules on May 1, 2017. The District will be utilizing the inter-fund functionality that will be available with the implementation of the new financial system and has planned to streamline the cash and investment activities by consolidating bank and investment accounts. Staff has also been working with Union Bank and JP Morgan Chase to receive bank transactions electronically.

Trustee Bernal asked what kind of checks and balances will be in place. FM Uddin indicated that current practices will carry over into the new system. Executive Director Trueblood mentioned that at a future meeting, staff will do a presentation on the new financial system to the Board. Trustee Rauschenberger asked if JP Morgan Chase can connect to Oracle. FM Uddin answered yes.

MOTION TO APPROVE RESOLUTION 482 PERMANENT FUND TRANSFER

Executive Director presented Resolution No. 482 authorizing the permanent transfer of funds to the Sewer Revenue checking account in the sum of \$300,000 from the Capital Improvement checking account to cover expenses.

Trustee Rauschenberger made a motion, seconded by Trustee Hyman, authorizing the Permanent Transfer of Funds as presented effective April 24, 2017. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

MOTION TO APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR GEOTECHNICAL INVESTIGATIONS WITH TERRACON INC. AT THE NORTH WRF

Staff has contracted with Terracon Inc. to perform geotechnical investigations for the North and ADP WRF's. Based on the results of the investigations performed so far, the foundation recommendations to support the new anoxic/anaerobic basins and the aeration tank facilities are far more extensive than the existing foundations at the site.

Based the Black and Veatch structural engineer's recommendations, staff requested a proposal from Terracon to carry out additional subsurface investigations to provide a better understanding of the soil conditions in the areas in question and to provide updated recommendations based on the additional data. The potential cost savings for the overall project would be expected to be in the range of \$500,000 if the foundation requirements can be modified based on the additional test results.

After some discussion, Trustee Rauschenberger made the motion, seconded by Trustee Hyman, to authorize the Executive Director to sign Amendment No. 1 to the Professional Engineering Services Agreement for Phosphorous Geotechnical Investigations with Terracon Inc. at the North WRF for a new total fee of \$27,505. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

MOTION TO APPROVE AMENDMENT NO. 1 TO THE PUMP STATION 40 IMPROVEMENTS DESIGN AGREEMENT WITH TROTTER AND ASSOCIATES

TSD Vogt reported that Trotter and Associates has completed the design of the recommended improvements for the Pump Station 40 Replacement and the project is ready to bid. Trotter will provide bid assistance, distribution of bid documents and answer bidder questions and prepared any addenda needed. During construction, Trotter and Associates will provide construction engineering services, including shop drawing review, responding to requests for information, attending progress meetings and making construction site visits. District staff will coordinate day-to-day construction activities. This amendment increases the fee by \$39,660 for a new total project design, bidding, and construction services fee of \$90,400.

Trustee Malm asked what the condition of the Pump Station 40 is. TSD Vogt responded that the CMOM evaluation indicated the structure needed to be replaced. ED Trueblood commented that Pump Station 40 was built at the same time as the original Pump Station 39, which was replaced in 2008.

Trustee Bernal made the motion, seconded by Trustee Corn, to authorize the Executive Director to sign Amendment No. 1 to the Pump Station 40 Improvements Design Agreement with Trotter and Associates for a new total amount of \$90,400. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**MOTION TO APPROVE RETAINER AGREEMENT FOR ATTORNEY SERVICES
WITH SCHEFLOW & RYDELL**

Attorney Scheflow presented his retainer agreement for attorney services. The terms of this agreement would become effective May 1, 2017 thru April 30, 2018. All legal services provided by Attorney Scheflow will be billed at a rate of \$5,640.00 per month. Fees associated with litigation other than routine or minor actions will be billed separately and at a rate of \$240.00 per hour for attorney time. Attorney Scheflow indicated that this would be an increase of \$15 a month.

Trustee Rauschenberger made the motion, seconded by Trustee Hyman, to approve Retainer Agreement for Attorney Service with Scheflow & Rydell as presented. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

FINANCE MANAGER'S REPORT

Finance Manager Uddin submitted the financial report for period end March 31, 2017. Attorney Scheflow inquired whether staff has found new auditors. ED Trueblood indicated he has reached out to Sikich for audit services and Pauline from Porter Brown will help with the transition.

TECHNICAL SERVICES REPORT

TSD Vogt, as per the request by Trustee Rauschenberger, provided the Board with a summary of the disinfection systems including past and planned improvements. TSD Vogt also provided a spreadsheet of Projected Major 5-year Capital and Depreciation and Replacement Fund Projects at Trustee Hyman's request. This year's rate increase will mainly help in closing the funding gap for depreciation expense to reduce transfers from capital improvement in fully funding depreciation expense. The total projected 5-year Capital and D&R spending is projected to be approximately \$120 million dollars. Trustee Rauschenberger asked if these numbers were more than the 2015 original study. Trustee Malm commented that these numbers have more than doubled. TSD Vogt responded that these are estimated cost projections, not actual spending. She noted that the costs for phosphorus removal have increased from the original study estimates. TSD Vogt indicates she would provide a summary of anticipated costs and how they have changed through the project at a future meeting.

**STAFF REPORT OF ONGOING STUDY, DESIGN AND
CONSTRUCTION PROJECTS**

TSD Vogt advised a written reported summarizing the status of ongoing projects was submitted in the Board Packet. Projects are proceeding on schedule.

EXECUTIVE DIRECTOR'S REPORT

Executive Director provided each Board Member with a print out of the Phosphorus Project Powerpoint Presentation that was planned for last meeting but got delayed. He advised that the information provided may be useful information for the Board members and he will answer questions if any or can do a formal presentation if needed.

ATTORNEY'S REPORT

None

ADJOURN

Trustee Rauschenberger made a motion, seconded by Trustee Hyman, to adjourn the April 24, 2017 Board of Trustees meeting at 11:12 A.M. Next meeting is scheduled for 9:00 A.M. May 15, 2017. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

Respectfully Submitted

Kim Narvaiz, Assistant Clerk

APPROVED:

Bruce R. Corn, President

Benjamin P. Bernal, Clerk-Treasurer