

Minutes of the Board of Trustees of the Fox River Water Reclamation District held on Monday, July 17, 2017 at the Administration Building at 1957 North LaFox, South Elgin, Illinois. Present were President Bruce Corn, Vice President Benjamin Bernal, Trustee Arthur Malm, and Trustee Steve Rauschenberger.

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

President Corn called the meeting to order at 9:08 A.M.

**APPROVAL OF JUNE 26, 2017 MINUTES**

Trustee Rauschenberger made a motion, seconded by Trustee Bernal, to approve the June 26, 2017 minutes. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**PUBLIC COMMENT**

None

**APPROVAL OF CASH DISBURSEMENTS**

Disbursements for the Sewer Revenue Fund \$863,019.78, Capital Improvement \$345,998.25, Corporate \$60,368.98, Depreciation & Replacement \$172,446.45, Skyline, 2,808.38.

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

**TRAVEL REIMBURSEMENT**

None

**REVIEW OF CONNECTION PERMITS**

TSD Vogt reported that staff issued three commercial, two public building, and two single-family permits between meetings. As there were no irregularities, staff recommended approval.

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

**REVIEW OF CONTRACTS AND PURCHASE ORDERS**

There was one purchase order made out to Solenis in the amount of \$17,037.60 for eight totes of polymer. This is a standard order off of a contract.

**FOIA REQUESTS**

None

**OLD BUSINESS**

**MOTION TO APPROVE – FRWRD INVESTMANT POLICY AND PROCEDURE  
UPDATE**

Executive Director Trueblood presented the Board with Resolution 483, which updates the current Investment Policy and Procedures to reflect changes in personnel, job titles, and approved Financial Institutions. The proposed changes will not affect the types pf approved investments or limits.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, to approve Resolution 483. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**BLACK & VEATCH PHOSPHORUS REMOVAL PROJECT PRESENTATION**

Black & Veatch presented an update on FRWRD’s Phosphorus Removal Project. Information was provided to explain where costs have increased significantly from the original estimates due to additional scope items needed and additional information as the design has proceeded that have required revising the estimates. Opportunities for cost savings were discussed as part of the presentation. Staff is working diligently with Black and Veatch reduce costs where possible, however the original estimated costs from the feasibility study appear to not be achievable. Black and Veatch will provide the presentation to staff such that it can be uploaded to the Board Access portal for Board Members to take a more in depth look at presentation if desired. Following the presentation, discussion focused on the impacts of cost saving opportunities and confirmation that the District would continue to proceed based on biological phosphorus removal processes for the plants.

Trustee Corn requested a brief recess at 10:47 A.M.

**NEW BUSINESS**

**MOTION TO APPROVE – EMPLOYEE HEALTH OUT OF POCKET MEDICAL EXPENSE**

The District has provided a level of out of pocket employee health insurance reimbursement for over 20 years. Approving the reimbursement encourages employees to be more engaged in their health care and assists them in making financially educated decisions. This is a preliminary approval of the reimbursement with a final approval to take place at the February 12, 2018 meeting.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, to authorize staff to calculate the 2017 Employee Out of Pocket calendar year Medical Expense Reimbursement up to a maximum \$1,200 for Eligible employees for Board review and approval at the February 12, 2018 meeting. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – ELGILOY SPECIALTY METALS, CATEGORICAL INDUSTRIAL USER (CIU) CLASSIFICATION AND PERMIT ISSUANCE, 1565 FLEETWOOD DRIVE, ELGIN**

The Federal Pretreatment Regulations require all Significant Industrial Users be controlled through permit, order, or similar means to ensure compliance with applicable pretreatment standards and requirements. Section 403.8(f)(1)(iii)(A-E) clarifies this requirement to specify that all CIUs must be issued a permit. The U.S. Environmental Protection Agency (EPA) conducted an industrial user pretreatment inspection on September 28, 2015 of Elgiloy Specialty Metals (ESM) located at 1565 Fleetwood Drive, Elgin, IL. The inspection results were received by District Staff on May 1, 2017. The EPA has requested that FRWRD Pretreatment Staff make a determination of which Categorical Pretreatment Standards apply to ESM. Staff has determined that Elgiloy Specialty Metals should be classified as a CIU in the FRWRD system. Trustee Malm commented that the report and staff prepared material was very extensive.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, that the Discharge Permit specific to Elgiloy Specialty Metals, 1565 Fleetwood Drive, Elgin, be issued as prepared by Staff. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – JOHN B. SANFILIPPO & SON, INC. SIGNIFICANT INDUSTRIAL USER (SIU) CLASSIFICATION AND PERMIT ISSUANCE, 1703 NORTH RANDALL ROAD, ELGIN**

The Federal Pretreatment Regulations require all Significant Industrial Users be controlled through permit, order, or similar means to ensure compliance with applicable pretreatment standards and requirements. John B. Sanfilippo & Son is a large-scale food processor with a facility located at 1703 North Randall Road in Elgin, with seasonal process flows exceeding 26,000 gallons per day. As such, John B. Sanfilippo & Son meets the criteria for classification as a Significant Industrial User based on the discharge flow.

Trustee Malm asked if the DAF Process is working and Trustee Bernal questioned if this new classification would increase John B. Sanfilippo's fees. TSD Vogt indicated the dissolved air floatation system to remove grease has started operation. TSD Vogt explained that they will have to collect daily samples of the discharge from the facility and from that information, it will be determined if a high strength surcharge will apply. Trustee Rauschenberger asked if they have their own lab. ED Trueblood responded that they have outside consultants perform their lab work.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, that the Discharge Permit specific to John B. Sanfilippo & Son, Inc., 1703 North Randall Road, Elgin, be issued as prepared by Staff. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE MODIFICATION OF EASEMENT BETWEEN FRWRD AND THE STATE OF ILLINOIS AT THE ELGIN REGIONAL OFFICE BUILDING, 595 S. STATE STREET, ELGIN**

TSD Vogt reported that Attorney Scheflow has coordinated with the State of Illinois to develop the attached Modification of Easement agreement. The modification of easement is necessary, as the original recorded easement did not reflect the actual location of the sewer. This modification moves the easement to the correct location of the existing sanitary sewer.

Trustee Malm made the motion, seconded by Trustee Bernal, that the Board approve the Modification of Easement between FRWRD and the State of Illinois at the Elgin Regional Office Building, 595 S. State Street, Elgin and authorize signature by the Board President. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE PERPETUAL SANITARY SEWER EASEMENT BETWEEN FRWRD AND THE STATE OF ILLINOIS AT THE ELGIN REGIONAL OFFICE BUILDING, 595 S. STATE STREET, ELGIN**

Attorney Scheflow has coordinated with the State of Illinois to develop the attached Perpetual Sanitary Sewer Easement agreement. The easement will allow FRWRD to construct the Sludge Transfer Forcemain project. The existing sludge forcemain from the North WRF to the Southwest Interceptor terminates South of Route 20 at the Elgin Sports Complex. The extension of the sludge transfer line would take the sludge from the North and West WRF's directly to the ADP WRF for processing. This is desired such that sewer capacity in the Southwest Interceptor would not be taken up with solids already removed in treatment at the North and West WRFs.

Trustee Bernal made the motion, seconded by Trustee Malm, to approve the Perpetual Sanitary Sewer Easement between FRWRD and the State of Illinois at the Elgin Regional Office Building, 595 S. State Street, Elgin and authorize signature by the Board President. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO FIND LOW BIDDER FOR PHASE III AND IV SLUDGE TRANSFER  
MAIN PROJECT NON-RESPONSIVE AND REJECT ALL BIDS**

TSD Vogt reported The Phase III and IV Sludge Transfer Main Project bids were opened at 2:00 pm on June 28, 2017. Three bids were received, ranging from \$3,662,568.00 to \$5,607,852.40. The apparent low bidder, Copenhaver Construction Inc., did not include any of the forms and certifications with their bid that are required by the IEPA on SRF loan projects. Additionally the bidder did not solicit proposals from Disadvantaged Business Enterprises (DBE's) by advertising in the Chicago Tribune, which is a requirement of the SRF loan process. The second low bid was \$4,096,454.00 from H. Linden and Sons Inc., which is approximately \$916,000 above the engineer's estimate of \$3,180,000.

Trustee Malm asked for more background. TSD Vogt provided some more detailed information of the exclusions made by the bidder and stated that it would be difficult for FRWRD to secure funding from IEPA based on the bidder not following the rules, based on calls made to IEPA.

After some further discussion, Trustee Rauschenberger made the motion, seconded by Trustee Bernal, to find the low bidder, Copenhaver Construction Inc., to be non-responsive due to the omission of the required SRF documents in their bid and reject all bids received for the project. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE WEST WRF DISINFECTION CHEMICAL CONTRACT TO  
ALEXANDER CHEMICAL**

Chlorine in one ton containers is used for disinfection at the West WRF, while dechlorination is accomplished using sulfur dioxide in one ton containers. Chlorine in 150 lb. cylinders is used at Skyline. Staff reached out to suppliers of chlorine and sulfur dioxide to submit competitive quotes for a new contract. The recommendation is for the renewal of the current contract with Alexander Chemical. Trustee Malm stated he was pleased to see that the pricing remained the same.

Trustee Malm made the motion, seconded by Trustee Rauschenberger, that Executive Director Trueblood be authorized to sign a one year agreement with Alexander Chemical Corporation for the purchase of chlorine and sulfur dioxide at the specified prices. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE THE SKYLINE WATER AND WASTE WATER SYSTEM  
TPP APPRAISAL PHASE I**

Executive Director Trueblood reported that staff has been exploring long-term options for the operations and maintenance of the Skyline Water and Wastewater systems for several years. Staff would like to hire Hartman Consultants to appraise the value of skyline system and get the sale of property in motion.

Trustee Malm asked if the appraisal is required. ED Trueblood responded that yes it is required in order to sell it from a Public Utility to a Private Utility. TSD Vogt commented that it is possible that FRWRD could put limitations on how much the buyer can increase user rates initially, however this could affect the value of the sale. Trustee Malm indicated he would be interested in reviewing the appraiser's report when completed to see how he reaches the appraisal value.

Trustee Rauschenberger made the motion, seconded by Trustee Bernal, to authorize Executive Director Trueblood to sign the agreement with Hartman Consultants, LLC for the Skyline Water and Wastewater System TPP Appraisal Phase 1. Ayes, Trustees Corn, Bernal, Rauschenberger, Malm. Nays, none.

### **FINANCE MANAGER'S REPORT**

Finance Manager Uddin reported the District's new auditor Sikich has started performing the Fiscal Year 2017 Audit. Sikich will be onsite July 24-August 4 to complete transaction testing and workpapers. Additionally FM Uddin has been working with ST Tech for the completion of the final accounting module.

### **TECHNICAL SERVICES REPORT**

TSD Vogt informed the Board she attended a meeting with IAWA, IEPA, and representatives of environmental groups (the NGOs such as Sierra Club) to continue to try and come to an agreement for statewide phosphorus limit language that would be incorporated into NPDES permits. Trustee Rauschenberger asked why NGO's do not prefer using chemical to remove phosphorus. ED Trueblood responded that there is generally a higher phosphorus removal with a biological process plus there is an added benefit of removing some nitrogen as well. Also, there is more of a carbon footprint with chemical removal than biological systems.

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

TSD Vogt presented Staffs On-going project report to the Board where discussion went back to the rebid of Sludge Transfer Forcemain Phase 3 and 4. Trustee Malm inquired when staff thought they would rebid the project and whether or not opening the specs up to allowing different methods would bring in more bidders. TSD Vogt responded that she sees no issues with rebidding the project right away. The initial bidders indicated that a guided bore instead of a jack and bore would be the better option to get the pipe across the river and based their bids on that technology. This alternative to jack and bore was allowed in the specifications. Other methods such as micro-tunneling would be more expensive and would have issues on the project. Also, in order to secure a permit from the U.S. Army Corps, the forcemain must be in a casing pipe at the river crossing.

All other projects are moving along and staff will continue to update the board as needed.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director Trueblood reminded the Board that NACWA Conference is next week. Additionally ED Trueblood provided the board with an overview of the events that took place during the microburst that went through Elgin on July 11. Station 31 lost power due to a fallen tree but Operations Manager Haacker was able to get it operating on the alternative source. Unfortunately, Station 31 lost power again when the ComEd automatic transfer switch failed and staff had to open the manual bypass gate to prevent sewer back up in area homes. ComEd took 4-1/2 hours to restore power. ComEd has provided very little information on why and how this happened, even after the District paid approximately \$45,000 to replace the switch such that incidents like this do not happen. Overall, ED Trueblood is very pleased with how staff handled all situations and is happy that everyone was safe.

**ATTORNEY'S REPORT**

None

**EXECUTIVE SESSION**

Executive Session postponed to next meeting

**ADJOURN**

Trustee Bernal made a motion, seconded by Trustee Malm, to adjourn the July 17, 2017 Board of Trustees meeting at 12:22 P.M. Next meeting is scheduled for 9:00 A.M. August 14, 2017. Ayes, Trustees Corn, Bernal Rauschenberger, Malm. Nays, none.

Respectfully Submitted

Kim Narvaiz, Assistant Clerk

APPROVED:

Bruce R. Corn, President

Gary Hyman, Clerk-Treasurer