

Minutes of the Board of Trustees of the Fox River Water Reclamation District held on Monday, October 16, 2017 at the Administration Building at 1957 North LaFox, South Elgin, Illinois. Present were President Bruce Corn, Vice President Benjamin Bernal, Clerk/Treasurer Gary Hyman, 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 Scheflow.

President Corn called the meeting to order at 9:13 A.M.

**APPROVAL OF SEPTEMBER 18, 2017 MINUTES**

Trustee Hyman made a motion, seconded by Trustee Bernal, to approve the September 18, 2017 minutes as written. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**PUBLIC COMMENT**

None

**APPROVAL OF CASH DISBURSEMENTS**

Disbursements for the Sewer Revenue Fund \$682,533.96, Capital Improvement \$184,424.49, Depreciation & Replacement \$426,449.69, Skyline 7,391.53.

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

**TRAVEL REIMBURSEMENT**

None

**REVIEW OF CONNECTION PERMITS**

TSD Vogt reported that staff issued five commercial, three industrial, and 38 single-family permits between meetings. TSD Vogt commented that the majority of the single family permits were issued for the West Point Gardens Subdivision. As there were no irregularities, staff recommended approval.

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

**REVIEW OF CONTRACTS AND PURCHASE ORDERS**

Executive Director Trueblood informed the Board that there were three purchase orders issued above \$10,000 since the last board meeting. This first one was issued to Gasvoda & Associates for two samplers, one for the West Plant and one for Pump Station 31. The second purchase order was to Miles Chevrolet for the 2018 Chevrolet Pick-up that was previously approved by the board. The last purchase order was made out to JWC Environmental for pump station grinders.

**FOIA REQUESTS**

None

**OLD BUSINESS**

None

**NEW BUSINESS**

**DRAFT FISCAL YEAR 2017 AUDIT DISCUSSION**

Executive Director Trueblood introduced Mr. Jim Savio from Sikich to the board members. Mr. Savio was in attendance to present the FY 2017 audit to the Board members and answer any questions they might have. He started by breaking down the table of contents to the board members and explaining to them where they would be able to find what information in the Audit report. The MD & A section provides an overview of the whole. Trustee Rauschenberger asked if Sikich felt there was enough separation of duties. Mr. Savio responded that there were no red flags that came up when talking to staff. Mr. Savio further explained that since the City of Elgin and Village of South Elgin is responsible for the majority of FRWRD's billing, Sikich auditors also went to both municipalities and audited their procedures and books as well. Trustee Malm questioned the post employee health benefit liability on page 35 of the report and asked why it is not funded. Executive Director Trueblood explained that the liability listed is based on assumptions about future projected benefit costs. However, the District pays all insurance policies each month and the post employment health benefit is a benefit that the Board can vote to eliminate at any time. That makes it different than, for example, the IMRF liability.

**MOTION TO AUTHORIZE – PUBLICATION OF THE FY 2017 TREASURERS REPORT**

Trustee Rauschenberger made a motion, seconded by Trustee Hyman, that authorizes the publication of the FY2017 Treasurers Report as prepared by staff. Executive Director Trueblood advised that each year the FRWRD Treasurers Report is required to be published. The Treasurers Report for the fiscal year ended April 30, 2017 and is ready for publication.

President Corn called for a vote. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**MOTION TO APPROVE – DESTRUCTION OF AUDIO TAPE OF EXECUTIVE SESSIONS**

Trustee Rauschenberger made a motion, seconded by Trustee Bernal, that the current Executive Session minutes not be released at this time and that Board President and Clerk-Treasurer be authorized to destroy all audio tapes of Executive Sessions recorded prior to April 2016.

Executive Director Trueblood advised that based on the requirements of the Open Meetings Act, the Board of Trustees is required to review any Executive (Closed) Session minutes to determine if the minutes need to remain closed to the public for confidentiality, or if the minutes can be released for public inspection. Staff recommends the Board not release the current Executive Session Minutes at this time and would recommend that the Board President and Clerk-Treasurer be authorized to destroy all audio tapes made prior to April 2016.

President Corn called for a vote. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**MOTION TO APPROVE – RENEWAL OF THE AMWINS RETIREE GROUP HEALTH COVERAGE**

Trustee Rauschenberger made a motion, seconded by Trustee Bernal, that the Executive Director be authorized to sign all necessary agreements to renew the AmWINS Group Retiree Health Coverage for the policy year 01/01/2018 – 12/31/2018.

Executive Director Trueblood advised that the District provides eligible retirees with a medical/prescription Medicare Supplement plan through AmWINS Insurance. The coverage is set to expire on December 31, 2017. The renewal rates presented by the broker of record, Dave Syverson of Williams Manny, reflects an overall increase of 2.84 percent with no changes in the coverage except those mandated by Medicare. Staff's recommendation is to authorize the Executive Director to sign the group retiree medical/prescription insurance policy renewal with AmWINS. Trustee Malm commented he was happy to only see a minimal increase.

President Corn called for a vote. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**MOTION TO APPROVE – PROPERTY INSURANCE RENEWAL FOR POLICY YEAR NOVEMBER 1, 2017 – OCTOBER 31, 2018**

Trustee Hyman made a motion, seconded by Trustee Bernal, that the Executive Director be authorized to sign the necessary agreements and documents to renew General Liability and Property insurance for FRWRD as recommended by staff.

Executive Director Trueblood reported that staff has reviewed the Property, and Liability insurance coverage and premium proposals prepared by Arthur J. Gallagher Risk Management Services, Inc. The proposal provides the Summary and Terms for the individual recommended carrier quotations. Renewal rate premiums increased approximately 2.42 percent. This is an anticipated and budgeted expense and staff recommends the Executive Director be authorized to sign the necessary agreements and documentation to accept the proposed renewal premium. Trustee Rauschenberger commented that would like to see staff shop around to see what other agencies have to offer next year. ED Trueblood said he will look into it, but he already anticipates an increase next year due to all the natural disasters that have already occurred this year.

President Corn called a vote. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**MOTION TO APPROVE – PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR CSO MONITORING REPORT WITH STRAND ASSOCIATES**

Trustee Bernal made the motion, seconded by Trustee Hyman, to authorize the Executive Director to sign the Professional Engineering Services Agreement for CSO 004 Monitoring Report with Strand Associates for \$21,500.

TSD Vogt explained that per our NPDES permit for the ADP WRF, we are required to submit a CSO Monitoring Report to IEPA by November 30, 2017 for the CSO Outfall at Pump Station 31. The monitoring report relates to the District's approved Long Term Control Plan (LTCP). District staff has been performing the required sampling for the report. Trustee Malm questioned the need to utilize Strand for this report. TSD Vogt indicated that Strand performed the work in the Long Term Control Plan and is best suited to perform the analysis for the report. Trustee Bernal asked how often this monitoring reporting needs to be done. TSD Vogt responded that this is a specific requirement in the current permit. There is not regular schedule established for this reporting.

As there was no further discussion, President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

President Corn called a 10 minute break at 10:03 A.M.

**MOTION TO APPROVE – THREE YEAR PLANNED SERVICE AGREEMENT WITH JOHNSON CONTROLS**

Trustee Malm made the motion, seconded by Trustee Rauschenberger, to authorize the Executive Director to sign the Johnson Controls three-year planned Service agreement as presented.

Executive Director Trueblood reported that Johnson Controls has provided maintenance services for the FRWRD Administrative Building HVAC Control System since June 2012. Trustee Rauschenberger asked if the system operates acceptably. TSD Vogt responded that in spring and

fall, when the weather can change significantly from morning to afternoon, the system can sometimes have difficulties accommodating that change, but overall it operates well. Trustee Malm asked what other service/maintenance costs the District has that are associated with the Administrative Building. TSD Vogt responded Imbert, which provided the Climacool heating and cooling units, is the only other contract associated with the administrative building.

President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – AMENDMENT NO. 2 TO THE PROFESSIONAL  
ENGINEERING SERVICES AGREEMENT FOR GEOTECHNICAL INVESTIGATIONS  
WITH TERRACON INC. AT THE NORTH WRF FOR THE PHOSPHOROUS REMOVAL  
PROJECT**

Trustee Bernal made the motion, seconded by Trustee Hyman, to authorize the Executive Director to sign Amendment No. 2 to the Professional Engineering Services Agreement for Phosphorous Geotechnical Investigations with Terracon Inc. at the North WRF for a new total fee of \$35,641.50.

TSD Vogt reported that staff has contracted Terracon Inc. to perform geotechnical investigations for the North and ADP WRF's. Based on the results of the investigations performed so far, the soil conditions found at the location for the new Return Activated Sludge (RAS) pump station were inconclusive as to the extent of dewatering that could be required during construction at this location. The borings completed to date show a high ground water elevation that will require significant dewatering operations during construction of the new structure. There is potential that at an elevation below the depth of the recent borings, a soil layer providing a ground water cut-off may be present that will provide a means to limit the amount of dewatering required in this area. A deeper boring to determine if such a soil layer is present would reduce the risk to contractors regarding the need for additional dewatering that would otherwise be reflected in higher bid prices for this unknown condition or potential for a significant change order. Trustee Malm asked how many borings Terracon has already completed. TSD Vogt responded that four borings have been completed and this final boring would be located right next to the RAS Pump Station, which is further away from the river on the west side of the road.

President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – SKYLINE WATER AND WASTEWATER SYSTEM RFP  
PHASE 2**

Trustee Malm made the motion, seconded by Trustee Rauschenberger, to authorize the Executive Director to approve Phase 2 of the previously signed agreement with Hartman Consultants, LLC for the Skyline Water and Wastewater System RFP for \$6,000.

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. This item is not a budgeted expense, however if the District sells these assets to a private entity, the costs of this agreement would be refunded to the District by the buyer at closing. Trustee Rauschenberger asked if staff thought there was any reason not to enter into Phase 2 with Hartman Consultants. ED Trueblood responded that he was satisfied with the appraisal report. Trustee Malm commented that he was disappointed that there was not an income approach value of property in the report and he feels staff should ask for this to be done. Trustee Bernal commented that he feels the report is sufficient. Trustee Malm requested that copies of the RFP be sent to both the City of Elgin and the Village of South Elgin. ED Trueblood responded that he would make sure both municipalities receive a copy.

After the conclusion of all discussion, President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – PURCHASE ORDER FOR \$20,497.84 TO JWC ENVIRONMENTAL LLC FOR PUMP STATION 36 CHANNEL GRINDER**

Trustee Malm made the motion, seconded by Trustee Rauschenberger, to authorize Executive Director Trueblood to sign a purchase order for \$20,497.84 to JWC Environmental LLC for the Pump Station 36 Channel Grinder.

The channel grinder at Pump Station 36 has been in service for 7 years and has worn out and now needs to be replaced. Staff obtained two competitive quotes for replacement that will fit into the existing channel. Only two quotes were obtained because the third manufacturer does not have a grinder that will fit in the existing channel. JWC Environmental provided the lowest quote of \$20,497.84 for the replacement.

There were no questions on this item so President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – AMENDMENT NO. 3 TO THE PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH BURNS & MCDONNELL FOR CONSTRUCTION SERVICES FOR THE PHASE III/IV SLUDGE TRANSFER LINE**

Trustee Bernal made the motion, seconded by Trustee Hyman, to authorize the Executive Director to sign Amendment No. 3 to Burns & McDonnell for Construction Services on the Phase III/V Sludge Transfer Line Project for a new total fee of \$439,517.40.

Burns & McDonnell designed the extension of the existing sludge transfer lines from where the existing forcemain currently terminates (in the southwest interceptor) to the ADP WRF. The project was bid in September 2017 and H. Linden and Sons was given notice of intent to award the construction contract for \$3,447,776. Burns & McDonnell will provide full time resident engineering (RE) services on the project as well as normal engineering construction services. Fee for these services is \$199,950. The project is being funded through the IEPA SRF loan process.

Burns & McDonnell will also provide assistance in the loan administration process. The District typically utilizes the design firm for engineering services during construction.

President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – RESOLUTION NO. 485 AUTHORIZING THE ESTABLISHMENT OF A BAILMENT AGREEMENT WITH BMO HARRIS BANK N.A. AND A SECURITY AGREEMENT TO SECURE DEPOSITS OF THE FOX RIVER WATER RECLAMATION DISTRICT**

Trustee Bernal made the motion, seconded by Trustee Rauschenberger, to approve Resolution 485 authorizing the establishment of a bailment agreement with BMO Harris Bank N.A. and a security agreement to secure deposits of the Fox River Water Reclamation District.

As there was no discussion, President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – RESOLUTION NO. 486 LOAN APPLICANT’S AUTHORIZED REPRESENTATIVE**

Trustee Hyman made the motion, seconded by Trustee Bernal, to approve Resolution 486 authorizing Executive Director Trueblood to execute the loan application forms and supporting and related documents regarding the water pollution control revolving loan fund.

As there was no discussion, President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

**MOTION TO APPROVE – AUTHORIZATION TO HIRE AN ATTORNEY TO REVIEW IMRF ISSUES**

Trustee Bernal made the motion, seconded by Trustee Rauschenberger, to authorize Executive Director Trueblood to hire an attorney to review IMRF issues.

Executive Director Trueblood stated that he is requesting authorization to hire an attorney to provide legal advice on the Board IMRF accusations. Trustee Malm stated that hiring an attorney would cost upwards of \$170-250 and hour and that would be a waste of District funds. Trustee Rauschenberger commented that since claims have been made, the District will need legal advice at this point.

President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger. Nays, Malm.

**FINANCE MANAGER'S REPORT**

None

**TECHNICAL SERVICES REPORT**

TSD Vogt commented that she attended several presentations at WEFTEC focused on improving stability in the biological phosphorus removal at wastewater treatment facilities in other parts of the U.S. The focus of a few of these talks were specifically related to taking significantly less forward wastewater flow (primary effluent) through the phosphorus basins. Instead, plants are finding that taking portions of RAS and fermentate with minimum primary effluent through the tanks seems to make the process more stable. These presentations seem to be consistent with our process decision to move forward with only the Modified West Bank arrangement for the North and AD Pagorski WRFs

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

TSD Vogt provided Staff's report of on-going projects. A few items to mention were at the Taly Park Pump Station contractors will not need to replace the existing wall pipes from the valve vault to the wet well since they are in good condition. This will be a cost savings of around \$30,000 that will be credited out at the end of the contract. TSD Vogt also mentioned on October 10<sup>th</sup> bids were opened for the ADP WRF Maintenance Garage Structural Repairs. All three bids were well over the engineer's estimate of \$100,000. Staff plans to meet with the bidders to determine with the bid prices were so high and then reassess the work. The contract will not be brought to the board for award based on the current bids.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director Trueblood commented that overall feedback from staff that attended WEFTEC this year was positive. Executive Director Trueblood also mentioned that Mr. Ed Brown has been hired to be the Operations Superintendent starting November 6<sup>th</sup>. Mr. Brown is a former 20-year FRWRD employee who left in November 2012 to become the Chief Wastewater Operator for the Village of Algonquin. Lastly, ED Trueblood reported that William-Manny is now part of Arthur J Gallagher & Co. Mr. Dave Syverson will continue to be our Broker of record for Health, Vision and Life Insurance.

**ATTORNEY'S REPORT**

Attorney Scheflow announced that his partner Thomas Rydell is retiring so Scheflow and Rydell will now be the Law Office of Douglas Scheflow. As is required, Attorney Scheflow will have a backup attorney available to serve the District if he should become unavailable.

**RECESS**

Trustee Rauschenberger made a motion, seconded by Trustee Bernal, to recess the meeting and enter into Executive Session at 11:10 A.M. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none.

**RECONVENE**

Trustee Rauschenberger made a motion, seconded by Trustee Bernal, to reconvene the Board of Trustees meeting at 11:49A.M. Ayes, Trustees Corn, Rauschenberger, Bernal, Malm, Hyman. Nays, none

**ADJOURN**

Trustee Bernal made a motion, seconded by Trustee Malm, to adjourn the October 16, 2017 Board of Trustees meeting at 11:49 A.M. Next meeting is scheduled for 9:00 A.M. October 30, 2017. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, Malm. Nays, none.

Respectfully Submitted

Kim Narvaiz, Assistant Clerk

APPROVED:

Bruce R. Corn, President

Gary Hyman, Clerk-Treasurer