

Minutes of the Board of Trustees of the Fox River Water Reclamation District held on Monday, March 11, 2019 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 Steve Rauschenberger and Trustee Marty McCormack.

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 9:18 A.M.

APPROVAL OF FEBRUARY 11, 2019 BOARD OF TRUSTEES MINUTES

Trustee McCormack made a motion, seconded by Trustee Rauschenberger, to approve the minutes of the February 11, 2019 Board of Trustees as written. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, and McCormack. Nays, none.

PUBLIC COMMENT

None

APPROVAL OF CASH DISBURSEMENTS

President Corn read aloud the cash disbursement totals per fund. Disbursements for the Sewer Revenue Fund \$724,005.87, Capital Improvement \$13,848.04, Depreciation & Replacement \$597,202.78, and Skyline \$1,131.37.

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

TRAVEL REIMBURSEMENT

Trustee Rauschenberger submitted travel reimbursement for the NACWA 2019 winter conference in the amount of \$787.49. Trustee McCormack made a motion, seconded by Trustee Bernal, to approve the travel reimbursement request. A Roll Call Vote was taken: Trustees Corn: Aye, Rauschenberger: Aye, Bernal: Aye, Hyman: Aye, McCormack: Aye.

Executive Director Trueblood submitted travel reimbursement for the NACWA 2019 winter conference in the amount of \$396.50. Trustee Rauschenberger 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, Hyman: Aye, McCormack: Aye.

REVIEW OF CONNECTION PERMITS

TSD Vogt reported that staff issued three single family, three industrial and seven commercial permits between board meetings. Several of the permits were prepaid service areas but those in the connection fee area totaled over \$11,000 in fees collected. As there were no irregularities, staff recommends approval. Trustee Corn asked if the Haight is doing some remodeling or an addition. TSD Vogt responded that they are adding bathrooms for outside seating.

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

REVIEW OF CONTRACTS AND PURCHASE ORDERS

None

FOIA REQUESTS

Executive Director Trueblood reported that there were no official FOIA's however a school did use the FOIA submittal process to try and schedule a tour for their 5th graders. Staff is working with the teacher to get a tour scheduled, which will likely be broken into two days as there are over 100 students.

OLD BUSINESS

None

NEW BUSINESS

BAR – MOTION TO APPROVE PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR THE ADP WRF BLOWER REPLACEMENTS WITH STRAND ASSOCIATES

Trustee Hyman made a motion, seconded by Trustee Bernal, to authorize the Executive Director to sign the Professional Engineering Services Agreement for the ADP WRF Blower Replacements with Strand Associates. Trustee Rauschenberger commented that this agreement seems like a lot of money. TSD Vogt responded that she agrees it seems high, but it involves a lot of electrical review including looking into the reuse of the harmonics filter, which staff has not been able to confirm whether they will be an issue or not with the new size blower. Attorney Scheflow also commented that Strand was not the original engineering firm who did the design work, so they are walking into a project that is not theirs and trying to fix it. Trustee Rauschenberger asked who the original engineers were. TSD Vogt responded Greely and Hansen.

There were no further questions; President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger and McCormack. Nays, none.

BAR – MOTION TO APPROVE 1-YEAR INFORMATION TECHNOLOGY SUPPORT SERVICES AGREEMENT WITH ENHANCED NETWORKS

Trustee Bernal made a motion, seconded by Trustee McCormack, to approve and authorize Executive Director Trueblood to sign the 1-year Information Technology Support Services Agreement with Enhanced Networks for \$75,600. Trustee Rauschenberger asked if this contract is reaching the point where staff should hire a full time IT individual. TSD Vogt commented that Enhanced Networks has multiple individuals and depending on the type of work; a different person will be on site as they have individuals that have specialized expertise in certain area. Hiring an IT person to be on staff would not allow for this variety of knowledge. ED Trueblood also commented that Enhanced Networks also has exposure to other agencies like FRWRD which adds value to contracting them because when they see an issue with another client they can address it proactively at FRWRD.

There were no further questions; President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger and McCormack. Nays, none.

BAR – MOTION TO APPROVE AMENDMENT NO. 4 TO THE PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR THE ANAEROBIC DIGESTION IMPROVEMENTS WITH STRAND ASSOCIATES

Trustee Hyman made a motion, seconded by Trustee McCormack, to authorize Executive Director Trueblood to sign the Professional Engineering Services Agreement Amendment No. 4 for the Anaerobic Digestion Improvements with Strand Associates. Trustee Rauschenberger asked if this Amendment is related to the new cover needing to be replaced. TSD Vogt responded no, the original contract included time for one cover needing to be replaced. However, the lengthy time delay early on in the project required additional engineering time and ate up the available money for a cover replacement. If a cover hadn't ended up requiring replacement, Strand would have been able to stay within budget even with the first time delay, but not with both.

There were no further questions; President Corn called for a vote Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger and McCormack. Nays, none.

BAR – MOTION TO APPROVE 2019/20 MEETING SCHEDULE

Trustee Rauschenberger made a motion, seconded by Trustee McCormack, to approve the presented Board of Trustees and Board of Local Improvements schedule for FY 2019/2020. ED Trueblood commented that the meeting in June was pushed back a week but other than that no changes were made to the schedule.

There were no questions; President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger and McCormack. Nays, none.

BAR – MOTION TO APPROVE SETTLEMENT AGREEMENT AND RELEASE WITH VILLAGE OF WEST DUNDEE AND CHICAGO TITLE LAND TRUST COMPANY

Trustee Rauschenberger made a motion, seconded by Trustee McCormack, to approve the Settlement Agreement and release with the Village of West Dundee and Chicago Title Land Trust Company. Trustee Rauschenberger asked if Attorney Schefflow has reviewed the document. Attorney Schefflow responded that he has reviewed the agreement and sees no substantial changes. He would amend the document to allow the Executive Director to sign the agreement.

There were no further questions; President Corn called for a vote. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger and McCormack. Nays, none.

USER RATE ANALYSIS - DISCUSSION ONLY

Finance Manager Nazer Uddin presented the board with a five year user rate analysis with five scenarios, proposing rate increases starting fiscal year 2020 at 10%, 15%, 20%, 25%, and 53%. These different scenarios display how the forecasted depreciation and replacement deficit would be impacted depending on which rate increase the board chooses. Currently, capital funds are needed to cover depreciation expenses as FRWRD went for so long with no rate increase. Staff is proposing a 10% initial increase with subsequent years at the rate of 16%. ED Trueblood commented that these numbers are not locked in and the Board can decide on a yearly basis what the user rate for the upcoming Fiscal Year would be. Trustee Rauschenberger does not like the idea of an \$8 million depreciation deficit over the next five years, which would be the case if a 10% user rate adjustment was put in place. Trustee Rauschenberger would like to see that deficit number be smaller. Trustee McCormack support Option 2 which is a 15% increase this year and 14.2% the following 4 years which is a more level increase.

ED Trueblood presented the Board with the rates of many surrounding agencies including Fox Metro, Rock River, and Naperville District, which display a wide range of rates. Many of these agencies have a base monthly fee regardless of flow so it is hard to compare directly to FRWRD as we bill sewer treatment solely on flow. Overall, looking at the comparisons FRWRD is well under the average for rates in the area. Trustee Rauschenberger asked about Metropolitan Water Reclamation District of Great Chicago. ED Trueblood responded that users there are not metered and pay as part of their property taxes. Trustee Bernal commented that with the City of Elgin water rates increasing in the next few years, maybe it would be better for FRWRD to increase a higher amount now so there will not be a huge rise all at once on the bills in the future. Attorney Schefflow asked if we are locking in the next five years right now. ED Trueblood responded no, we are only looking to determine the upcoming FY 2019/2020 rate increase. The next 5 years are just forecasted out for Board members to see the impact of each year's increase. There was some further discussion on which presented option would be the best.

At 10:01am President Corn called for a 10 minute break.

**BAR – MOTION TO APPROVE FY 2019/2020 TENTATIVE APPROPRIATION BUDGET
ORDINANCE 913**

Trustee Rauschenberger made a motion, seconded by Trustee Hyman, to adopt Ordinance 913 the FY 2019/2020 Tentative Appropriation Budget including a 25% user rate increase and authorize staff to make all Public Notices required by Illinois Statutes for an April 15, 2019 Public Hearing to approve the FY 2019/2020 Appropriation Budget Ordinance. Trustee Hyman asked what would a 25% increase this year do if a 10% increase is adequate. ED Trueblood responded that it reduces future increases and reduces the depreciation deficit quicker. ED Trueblood continued that the Board can always vote to do a lower user rate in the future if they saw it necessary or they could hold the rate and impose a base line fee like many agencies do and like FRWRD has for Skyline water. Trustee Hyman asked why staff choose to propose a 10% increase. ED Trueblood responded that he is comfortable with a deficit budget for depreciation for a longer period, but the Board has to choose what they are comfortable with. Trustee Hyman commented he is trying to think of the customers and how this increase would impact them. TSD Vogt commented that based on the average user utilizing 5,000 gallons a month the 25% user rate increase would mean an additional \$3.25 a month.

There were no further questions; President Corn called for a vote Ayes, Trustees Corn, Bernal, Rauschenberger and McCormack. Nays, Hyman.

FINANCE MANAGER’S REPORT

Finance Manager Uddin presented the Board with the Financial Statement for the period ending January 31, 2019. There were no questions or discussions.

TECHNICAL SERVICES REPORT

TSD Vogt reported that the IAWA will be holding its annual meeting this September 10th – 12th at the Eaglewood Resort in Itasca Illinois. With the meeting in the Chicago area this year, IAWA would like to encourage more participation and interaction of District Trustees at a late afternoon/evening event on Tuesday, September 10th from 4:30 – 6:00 pm. Trustees Bernal, Hyman, Corn, and Rauschenberger all indicated they would attend.

STAFF REPORT OF ONGOING STUDY, DESIGN AND CONSTRUCTION PROJECTS

TSD Vogt provided a written update on all projects. TSD Vogt reported that the forcemain between the existing Pump Station 31 and ADP WRF has been completed and tested. There will be some pump station shut downs and by pass pumping to prepare for the connection to transfer flow into the new forcemain to the ADP WRF. The HVAC Improvements project continues to move along with the contractor installing new piping and has made several necessary connections to the existing Heat Exchanger system. The North WRF CMOM Sewer Televising and Cleaning will begin soon. Trustee Rauschenberger asked if the line is pressure washed. TSD Vogt responded

yes, they jet from one manhole to the next. They are also taking GPS locations at every manhole and confirming invert and rim elevations at each manhole.

Technical Services Director Vogt explained to the board the problems the Sludge Transfer Force main river crossing has encountered. The drill encountered an obstruction at 290 feet into the casing pipe. To determine what was causing the drill to stop at 290 feet, the casing pipe was cleaned and televised to this point. The video footage shows that the recently installed 24-inch casing pipe was significantly damaged during the pipe ramming installation. The pipe appears to have essentially ripped at a joint with the trailing pipe then pushing the leading pipe steel into the casing. Trustee Rauschenberger asked if we can abandon this site and move 10 feet up the river and try again at this new point to cross. TSD Vogt responded that while this is an option, staff is not at all confident that the same problems wouldn't arise. Trustee Rauschenberger asked how much of the river will have to be damned. TSD Vogt responded about just under half of it. TSD Vogt further explained that this work will now have to be bid out as it is too significant to add on to the existing contract price. ED Trueblood commented that with high river levels and the work that is being done by the Metro Railroad, staff doesn't see this project moving forward until September or October or even the following year.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Trueblood reported that the IAWA Mini- Conference will be held in Springfield March 27-28, 2019. Staff has set up reservations at Nick and Nino's on March 27th at 7:30pm for Board members and staff with appointing legislators. Staff is looking for confirmation from Trustees on who will be able to attend either the Conference or the dinner.

ATTORNEY'S REPORT

None

RECESS

Trustee Rauschenberger made a motion, seconded by Trustee McCormack, to recess the meeting and enter into Executive Session at 11:02A.M. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, McCormack. Nays, none.

RECONVENE

Trustee Rauschenberger made a motion, seconded by Trustee McCormack, to reconvene the Board of Trustees meeting at 11:17 A.M. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger, McCormack. Nays, none.

March 11, 2019

ADJOURN

As there was no additional business, Trustee Rauschenberger made a motion, seconded by Trustee Hyman, to adjourn the meeting at 11:17 A.M. The next meeting is scheduled for 9:00 A.M. Monday, March 25, 2019. Ayes, Trustees Corn, Bernal, Hyman, Rauschenberger and McCormack. Nays, none.

Respectfully Submitted

Kim Narvaiz, Assistant Clerk

APPROVED:

Bruce R. Corn, President

Gary Hyman, Clerk-Treasurer