

**MINUTES OF REGULAR MEETING
BOARD OF TRUSTEES
ROCK RIVER WATER RECLAMATION DISTRICT
THURSDAY, SEPTEMBER 24, 2015**

President Massier called the Regular Meeting of the Board of Trustees of the Rock River Water Reclamation District to order at 5:15 p.m. in the Board Room at the District Administration Building, 3501 Kishwaukee Street, Rockford, Illinois. The following Trustees were present, representing the full membership of the Board:

Donald Massier	President
Lloyd Hawks	Vice President
Donald Kerestes	Clerk/Treasurer
Elmer Jones	Trustee
Rick Pollack	Trustee

Staff members present: Steve Graceffa, District Director; Dana Carroll, Engineering Manager; Larry McFall, Plant Operations Manager; David Cook, Supporting Services Manager; Frank Papke, Business Manager; Michael Robertson, Information and Technology Services Supervisor; and Deborah Lyons, Executive Services Coordinator.

Others present: Bill Howard, Attorney for the District, and Carla Paschal representing Sikich LLP.

President Massier stated the meeting was being recorded.

Staff escorted the Trustees on a plant tour to see Buckbee Creek where drainage ditch repair is needed, the Excess Flow Basin which is nearing completion and ready for seed planting, and the Excess Flow Pump Station. The Trustees and staff returned to the Board Room at 5:57 p.m.

President Massier reminded those present that the meeting was being recorded.

Trustee Kerestes moved to approve the Minutes of the Regular Meeting and Closed Session of August 24, 2015; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Kerestes moved to approve the Minutes of the Special Meeting of September 2, 2015; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

013805

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Carla Paschal stated Sikich LLP performed the District's 2015 audit, and rendered an unqualified opinion. The firm encountered no difficulties in performing the audit and had excellent cooperation with staff. A single audit report was also required because federal awards exceeded \$500,000 this year. No exceptions were noted. Ms. Paschal stated GASB 68 will have to be implemented next year which changes how the pension funding is presented in the audit.

Trustee Kerestes moved to accept the 2015 Independent Auditor's Report by Sikich LLP; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

President Massier asked ITS Supervisor Robertson to give the WinGIS report. Supervisor Robertson stated this month's meeting was the quarterly policy meeting. The primary task was to approve the budget; the shared cost among the member agencies is an estimated \$356,844. Officers for the Policy Committee were elected: Chairman Christiansen will remain as Chair with Steve Chapman as proxy, and Mayor Lindberg as Vice Chairman. The Village of Winnebago may join WinGIS.

President Massier presented the Disconnect Hearings Recap. Thirty-nine cases were heard on August 14. Two accounts were paid in cash, four were paid by credit card, twenty-one payment schedules were set, three disconnects were stayed for checks to clear, seven sewer disconnects were ordered.

Trustee Kerestes stated the Investment Report showed Total Funds invested for the month of August was \$19,363,153.54; interest earned was \$7,724.66. Report placed on file.

Trustee Kerestes moved to approve General Fund expenditures for the month of August 2015 in the amount of \$3,918,860.63; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Kerestes moved to approve Special Assessment expenditures for the month of August 2015 in the amount of \$254,411.15; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

The Status of Outstanding Agreements was reviewed. (1) McDonald Creek Trunk South Branch Agreement is at the Village. (2) The City has pushed back the Harrison Avenue Reconstruction Project (9th Street to 20th Street) Agreement, due to a project delay to November. (3) The Intergovernmental Agreement for West State Street (Business 20) Reconstruction, Phase 2 (IDOT) has been sent to the City for approval. (4) Contract terms for the Intergovernmental Agreement for the Fisher Street – Haskell Street Special Assessment No. 127 (Rockford) project are pending before the City. (5) Staff is waiting to hear from the Village regarding McCurry Road Trunk Sewer, Phase 4 (Rinaldi, Roscoe).

Engineering Manager Carroll reported on the status of the easements for Fuller Creek Trunk, Phase C, CIP No. 1155. All have been resolved except one. Compensation was settled but an appeal has been filed. There is a hearing set for October 8. The District will petition the court for permission to file a bond so that work can proceed.

Engineering Manager Carroll stated a change order will be required for Plant Concrete Repair, CIP No. 1550/1551. The contractor will be late completing the contract due to a problem related to a vendor; a delay was also caused by District's processes.

Engineering Manager Carroll stated staff wishes to withdraw the Code of Ordinances Amendment for Title 5.

Trustee Pollack moved to award a three (3) year contract for Natural Gas Supply Management and Procurement Service to the sole bidder, Centerpoint Energy Services, Inc., for the sum of -\$0.0020 NGI (Natural Gas Index) per therm; seconded by Trustee Kerestes; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Jones moved to award the contract for Substation 1-8 and River Station Electrical Upgrades, CIP No. 1569, to the low responsible/responsive bidder, Ballard Companies, Inc., at a cost of \$1,573,130.00; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye

013807

Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Jones moved to award the contract for E. State/Taco Bell Sewer Rehab/Re-route, CIP No. 1607, to the low responsible/responsive bidder, N-Trak, for the sum of \$212,106.00; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Jones moved to award the contract for Fairview and Guilford Road Sewer Replacement, CIP No. 1605, to the low responsible/responsive bidder, GO Excavating, Inc. of Freeport, for the sum of \$524,999.00; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Kerestes moved to award the contract for Equipment Supply for Main Pump, Pumps 1 & 3 Replacement, CIP No. 1422, to the low responsible, responsive bidder, Grundfos Water Utility, for the sum of \$379,900.00; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Jones moved to approve Buckbee Creek Ditch Repair by Fischer Excavating, Inc. at the City's contract prices for the sum of \$119,500.00; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Attorney Howard stated he had two items for Closed Session under 5 ILCS 120/2(c)(11), Litigation, of the Open Meetings Act, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent.

Trustee Kerestes moved to approve the Plumber Bond Report for August – September 2015 as presented; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Company	Bond No.	Expiration
Commercial Mechanical Inc.	9192870	5/31/2016

Trustee Pollack moved to approve the Easements for the month as presented; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Fairview Avenue and Guilford Road
Julie Ausherman

Fairview Avenue and Guilford Road
Rafael Favela and Miriam Sanchez

Plat No. 6 Wyndridge
Machesney Perryville Investments LLC

Plat No. 9 Wyndridge
Machesney Perryville Investments LLC

McDonald Creek Trunk South Branch
DYN Greenlee LLC

E. State Street/Taco Bell Rehab/Reroute
Taco Bell Corp, a California Corporation

E. State Street/Taco Bell Rehab/Reroute
Faik and Nayef Joudeh

Trustee Pollack moved to approve Annexation Ordinance No. 15/16-A-09 annexing an area known as North Street, Roscoe, described as 1.65 acres more or less containing those properties commonly denoted by PINs 04-33-401-001 and 04-33-404-001; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

013809

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Pollack moved to approve Annexation Ordinance No. 15/16-A-10 annexing an area known as Glenwood Estates, Roscoe, described as 41.77 acres more or less containing those properties commonly denoted by PINs 04-14-426-009 thru -017, 04-14-427-001 thru -003, and 04-14-428-009 thru -017; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Kerestes moved to approve Plant Effluent Monitoring Manhole, CIP No. 1653, Change Order No. 1, approving final as-built quantities for a net deduct of \$184.00 and a final contract amount of \$29,096.00; seconded by Trustee Pollack; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Pollack moved to approve Dewatering Centrifuge Replacement, CIP No. 1659, Consultant Services Agreement with Strand Associates of Madison Wisconsin to change District's process from a two machine operation to a three machine operation and will add a process to equalize the centrate to control the ammonia feed to aeration for the fee of \$260,660.00; seconded by Trustee Kerestes; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Staff recommended a Special Meeting be scheduled to interview Incinerator Building Renovation Consultant Services candidates, CIP No. 1508; the Board directed the meeting be held on Tuesday, October 20, 2015, at 12:00 noon.

Engineering Manager Carroll stated upon a request by a resident to construct sewer in his area, a meeting was held with the residents and petitions were circulated among the property owners in the Guilford Woods Proposed Special Assessment project. Responses were received from 37 of the 43 property owners with 86% (35) against moving forward with the project.

Trustee Pollack moved to drop the Guilford Woods Proposed Special Assessment project; seconded by Trustee Hawks; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Pollack moved to approve staff's request to fill the Land Survey/Right of Way Coordinator position which will be vacated October 2, 2015; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Pollack moved to move forward with discussions/negotiations with the Village of Rockton regarding the potential sharing of engineering costs between the Village and the District in assessing the needs and expenses of the District providing sewer services to the Village; seconded by Trustee Jones. After discussion, **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Engineering Manager Carroll stated the Trustees saw the broken pipe at the Excess Flow Basin, CIP No. 1106, during the tour earlier. A change order will be coming to fix the problem. If the crack extends only partly around the pipe, cost of the repair could be \$20,000; if the crack extends the full 360 degrees of the diameter, the cost could be \$800,000.00.

Plant Operations Manager McFall stated the downtown developer that was mentioned to the Board last month had asked for some conversation. Staff has had three meetings with them and we thought we were making progress toward a solution. When the plumber told Urban Equities that drawings needed to be drawn up by a professional, they informed the District they were not going to do it. Staff will be declaring them in violation of District ordinances and will ask Attorney Howard's office to send them a notice that they are required to come to the Show Cause Hearing before the Board at the October Board meeting or at a Special Meeting to be scheduled at a later date.

Trustee Pollack moved to approve repair of two Aeration Return Sludge Pumps for the quoted sum of \$95,525.00; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

013811

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

In the month of August, District staff completed 28 services, 8 main line repairs, 9 emergencies and 32 manhole tickets. The back-log of manhole tickets remained the same for the month. Crews also responded to 1 mainline backup and completed 24 restoration tickets.

Business Manager Papke stated for the month ending August 31, 2015, the Income Statement shows user fee revenue 14% under budget month to date and 9% under budget year to date. Total revenue is 11% under budget month to date and 2% under budget year to date. O&M expenses are 6% under budget year to date. The Income Statement shows \$1,564,622 net operating income through August 31, 2015. The Statement of Cash Flows shows \$770,922 increase in cash for the 2015-2016 fiscal year. General Fund cash ended the month at \$20,319,825. There were 110 full time positions as of August 31 and 109 employees on staff with the Lab Tech III position being open.

Trustee Hawks moved to approve an Ordinance abating the *ad valorem* tax previously levied for the year 2015 to pay debt service on the \$5,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2007, of the Rock River Water Reclamation District, Ordinance No. 15/16-M-02; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Hawks moved to approve an Ordinance abating the *ad valorem* tax previously levied for the year 2015 to pay debt service on the \$10,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2008, of the Rock River Water Reclamation District, Ordinance No. 15/16-M-03; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Hawks moved to approve an Ordinance abating the *ad valorem* tax previously levied for the year 2015 to pay debt service on the \$6,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2009, of the Rock River Water Reclamation

District, Ordinance No. 15/16-M-04; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Hawks moved to approve an Ordinance abating the *ad valorem* tax previously levied for the year 2015 to pay debt service on the \$9,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2010, consisting of \$755,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source) Series 2010A, and the \$8,245,000 Taxable General Obligation Bonds (Sewerage System Alternate Revenue Sources), Series 2010B (Build America Bonds – Direct Payment), of the Rock River Water Reclamation District, Ordinance No. 15/16-M-05; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Hawks moved to approve an Ordinance abating the *ad valorem* tax previously levied for the year 2015 to pay debt service on the \$17,545,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2013, consisting of \$9,700,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source) Series 2013A, and the \$7,845,000 Taxable General Obligation Bonds (Sewerage System Alternate Revenue Sources), Series 2013B, of the Rock River Water Reclamation District, Ordinance No. 15/16-M-06; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Hawks moved to approve an Ordinance abating the *ad valorem* tax previously levied for the year 2015 to pay debt service on the \$9,350,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2014, of the Rock River Water Reclamation District, Ordinance No. 15/16-M-07; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye

013813

Donald Kerestes	Aye
Rick Pollack	Aye

Staff provided the Trustees a copy of a Resolution passed by the County supporting the creation of a standardized property tax abatement package for economic development within Winnebago County.

Trustee Kerestes moved to recess the Regular Meeting of the Board of Trustees to hold the Regular Meeting of the Committee of Local Improvements and to move into Closed Session in accordance with the Open Meetings Act at 5 ILCS 120/2(c), Exemption Number 11; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

The Regular Meeting recessed at 6:46 p.m.

The Regular Meeting of the Board of Trustees reconvened at 6:52 p.m. No votes or actions were taken or decisions made in Closed Session.

There being no further business to come before the meeting, Trustee Kerestes moved to adjourn; seconded by Trustee Hawks; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Meeting adjourned at 6:53 p.m.

Clerk