

**MINUTES OF REGULAR MEETING
BOARD OF TRUSTEES
ROCK RIVER WATER RECLAMATION DISTRICT
MONDAY, SEPTEMBER 19, 2016**

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: Timothy S. Hanson, District Director; Dana Carroll and Christopher Baer, Engineering Managers; Larry McFall, Plant Operations Manager; David Cook, Supporting Services Manager; Frank Papke, Business Manager; Michael Robertson, ITS Supervisor/Chief Information Officer; and Deborah Lyons, Executive Services Coordinator.

Others present: William Howard, Attorney for the District; and Carla Paschal, Sikich LLP.

President Massier stated the meeting was being recorded.

Trustee Kerestes moved to approve the Minutes of the Regular Meeting of August 22, 2016; 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 12, 2016; 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

Carla Paschal stated Sikich LLP performed the District's 2016 audit and rendered an unqualified opinion. There were no misstatements contained within the financial statements. Ms. Paschal stated this year GASB 68 (pension reporting) was implemented. The statement goes

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from a funding basis to an overall liability basis; therefore, the District's statement reported assets and liabilities related to the pension plan. The balance sheet shows a decrease overall in unrestricted net position of \$1.1 million related to the implementation of that standard. A single audit report was also required because federal awards exceeded \$750,000 this year.

Trustee Pollack moved to accept the 2016 Independent Auditor's Report by Sikich LLP; 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

President Massier asked staff to present the WinGIS report. Mike Robertson stated the District presented a gift card to the retiring Director, Burnie Turner, on behalf of the District. There has been no discussion yet regarding his replacement.

Trustee Pollack stated 9 cases were heard at the Disconnect Hearings on August 12, 2016. One account was paid in full with cash, 1 sewer disconnect stayed for the check to clear, 2 payment schedules were set up, and 6 sewer disconnections were ordered.

Trustee Kerestes stated the Investment Report for the month of August showed Total Funds invested for the month was \$22,011,762.30 and earned interest of \$11,856.36. Report placed on file.

Trustee Kerestes moved to approve General Fund expenditures for the month of August 2016 in the amount of \$3,211,827.54; 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 Fund expenditures for the month of August 2016 in the amount of \$113.96; 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

Staff reported no change in the status of the Outstanding Agreements for McDonald Creek Trunk South Branch, W. State Street Reconstruction, McCurry Road Trunk Sewer Phase 4, or Village of Rockton Sanitary Sewer System Adoption. Jefferson Street Storm Sewer Rehabilitation

is on the Agenda for consideration later in tonight’s meeting; a draft agreement is being prepared for N. Alpine Phase 3 Roadway Improvements – Sewer Rehabilitation. Alpine Hills Park/S. Branch Keith Creek Restoration is also on the Agenda for consideration later on in this meeting.

Trustee Pollack moved to authorize staff to grant a variance to District’s Code of Ordinances which requires a 1,000 gallon exterior grease interceptor when the business is landlocked and physically unable to comply strictly to the Code; 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 Jones moved to award the contract for Plant Concrete Repairs 2016-2017, CIP No. 1650, to the low responsive, responsible bidder, Sjostrom & Sons, Inc., in the amount of \$159,567.00 to include the cost of a bid alternate for a concrete wall extension; 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 Jones moved to award the contract for W. Jefferson Street Sewer Rehabilitation, CIP No. 1705, to the low responsive, responsible bidder, Stenstrom Excavation, Inc., in the amount of \$250,277.50; 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 award the contract for Large Diameter Sewer Cleaning, CIP No. 1749, to the sole responsive, responsible bidder, National Power Rodding Corp., for the sum of \$293,157.59; 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

Discussions on Retiree Insurance and Administration Building Name Update were moved to closed session under 5ILCS 120/2(c)(1).

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Trustee Kerestes moved to direct staff to schedule the December Regular Meeting for December 22, 2016, at 10:00 a.m.; 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

Attorney Howard stated he had one item for closed session under the Open Meetings Act at 5 ILCS 120/2(c)(11).

Trustee Pollack moved to approve Alpine Hills Adventure Park/South Branch Keith Creek Restoration Intergovernmental Agreement with Rockford Park District, CIP No. 1703, subject to approval by the Park District for a not-to-exceed share of one third (1/3) or \$50,000.00, whichever is less of the project construction costs; 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 Interstate Diversion Basin Smoke Testing – Cherry Valley, CIP No. 1505 – Consultant Agreement for a cost not to exceed \$44,111.37; 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 Jones moved to approve Gravity Belt Thickener Expansion, Preliminary and Detailed Design Phase, CIP No. 1610 – Consultant Agreement, to provide for Carollo Engineers to move forward with the final design and contract documents, the maximum to be billed for all Basic Services not to exceed \$139,000.00; 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 Pollack moved to approve W. Jefferson Street Sewer Rehabilitation, CIP No. 1705, and Storm Sewer Replacement – Intergovernmental Agreement with the City of Rockford for the estimated cost of \$5,000.00, subject to the City’s approval; 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

In the month of August, District staff completed 30 services, 3 main line repairs, 11 emergencies and 27 manholes tickets. The back-log of manhole tickets remained the same for the month. Crews responded to 2 mainline backups and completed 52 restoration tickets.

For the month ending August 31, 2016, the Income Statement shows user fee revenue 2% under budget month to date, 8% under budget year to date. Total revenue is 4% under budget month to date, 7% under budget year to date. O&M expenses are 6% under budget year to date. The Income Statement shows \$1,660,005 net operating income through August 31, 2016. The Statement of Cash Flows shows \$1,156,177 increase in cash for the 2016-2017 fiscal year. General Fund cash ended the month at \$21,166,865. District had 113 full time positions; 111 employees were on staff.

Trustee Jones moved to approve staff’s request to move forward with the System Upgrade and Business Continuity plan, to issue a Request for Proposals for a z13s and a Capacity Backup Unit, and to execute the appropriate software agreement; seconded by Trustee Kerestes. After discussion, **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 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)(1), to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body; and at 5 ILCS 120/2(c)(11) to discuss probable or imminent litigation; 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

013910

The Regular Meeting recessed at 5:48 p.m.

The Regular Meeting of the Board of Trustees reconvened at 6:06 p.m. President Massier stated no decisions were made or actions taken in Closed Session.

Trustee Pollack moved to approve the employee's request that the District provide his health insurance for 10 months after his retirement as he will be available as a consultant during that time; 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

There being no further business to come before the meeting, Trustee Kerestes moved to adjourn; 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

Meeting adjourned at 6:07 p.m.

Clerk