

**MINUTES OF REGULAR MEETING  
BOARD OF TRUSTEES  
ROCK RIVER WATER RECLAMATION DISTRICT  
MONDAY, MAY 22, 2017**

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:

Donald Massier	President
Rick Pollack	Clerk/Treasurer
Elmer Jones	Trustee
John F. Sweeney	Trustee

Staff present: Timothy S. Hanson, District Director; Joseph W. Hanley III, Esq., General Counsel; Christopher Baer, Engineering Manager; Larry McFall, Plant Operations Manager; David Cook, Supporting Services Manager; Chris Black, Business Manager; Michael Robertson, ITS Supervisor/Chief Information Officer; Susan Skinner, Legal Secretary; and Deborah Lyons, Executive Services Coordinator.

Others present: Thomas Jacobsen, Blue Delta Energy.

President Massier stated the meeting was being recorded.

Trustee Pollack moved to approve the Minutes of the Regular Meeting of April 24, 2017; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack moved to elect Elmer Jones as Vice President of the Board of Trustees and of the Committee of Local Improvements; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack moved to retain the remaining slate of officers for the Board of Trustees and appointments for the Committee of Local Improvements, as follows:

Board of Trustees:

Donald Massier	President
Rick Pollack	Clerk/Treasurer

# 013959

## Committee of Local Improvements:

Board of Trustees	Committee Members
Donald Massier	President
Rick Pollack	Secretary

The motion was seconded by Trustee Sweeney; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John F. Sweeney	Aye

President Massier recognized Thomas Jacobsen of Blue Delta Energy. Mr. Jacobsen said he was in attendance to propose looking at the environmental attributes for the renewable energy credits that are produced from the biogas generated by CHP projects. There are environmental attributes when electrical generation is from a green renewable resource in Illinois, as well as in certain programs. Mr. Jacobsen's firm evaluates all kinds of renewable energy projects. Mr. Jacobsen suggested looking at the different programs and the recently passed bill that strengthens the State's mandate for renewable energy. Electrical suppliers must purchase renewables every year. Certain types of facilities in the State qualify to generate and to monetize the credits. One credit is equal to one megawatt hour of electrical generation. Illinois requires generating facilities to acquire Renewable Energy Credits (REC's). This requirement, along with the ability to place the District's REC's in other states, Blue Delta Energy proposes taking the District through an application process with possibly four different programs to evaluate which programs are best for monetizing the value of the credits. These credits are an operating incentive. The more efficiently and effectively a system is operated, the more credits are generated and the more revenue that comes back to the project owner. Mr. Jacobsen's firm registers the project and contracts with the entities who, by law, have to procure and retire the credits on an annual basis; they take title to the credits and work to monetize the credits. The unit generates roughly 5,000 to 7,000 REC's per year as it is operating now. They are trying to determine, with the new bill in Illinois, what the dollar value will be going forward; it will probably be \$1-2 each. The firm typically charges a 15% service fee. Mr. Jacobsen stated he had agreed to a 12% fee for the District.

Manager McFall stated he looked into this a few years ago but it was too complex to get into at that time. Using this firm is a great opportunity for the District to receive some benefit for the REC's we have. Staff recommends entering a contract with Blue Delta Energy to pursue reaping the benefits of the District's credits.

Trustee Pollack moved to enter into a contract with Blue Delta Energy for the purchase and sale of renewable energy credits; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

President Massier stated there was no WinGIS meeting this month.

President Massier stated it is a privilege and a pleasure to present an award to former Trustee Lloyd Hawks for all his years of service on the Board. We appreciate the work he has done, and we are going to miss him. The award read as follows:

Rock River Water Reclamation District  
In Appreciation of Your Untiring Devotion as Trustee  
District Board Honors  
Lloyd Hawks  
For 18 Consecutive Years  
Of Dedicated and Faithful Service  
To Our Organization and Our Community  
Trustee -- June 1999 - April 2004  
Clerk/Treasurer -- April 2004 - August 2012  
Vice President -- August 2012 - April 2017  
May 2017

Mr. Hawks stated he enjoyed his time at the District and thanked the Board. He is going to miss everyone and will be around if anyone wants him for anything.

President Massier stated the District received a letter of resignation from Attorney Bill Howard and asked for a motion to accept it.

Trustee Pollack moved to accept the resignation of Attorney Bill Howard as attorney for the District; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack stated the Investment Report showed the District had \$24,083,403.69 Total Funds invested for the month of April and earned interest in the amount of \$16,185.93. Report placed on file.

Trustee Pollack moved to approve Total General Fund Expenditures to Be Approved for the month of April 2017 in the amount of \$4,522,194.10; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack moved to approve Total Special Assessment Fund Expenditures for the month of April 2017 in the amount of \$121,288.72; seconded by Trustee Jones; motion passed upon roll call as follows:

# 013961

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Manager Baer reported no change in the status of the agreements for McDonald Creek Trunk South Branch; W. State Street Reconstruction, Phase 2; or McCurry Road Trunk Sewer Phase 4. Staff has been working with additional property owners who are interested in installing sewer service along the Ralston Road route for the Harlem-Roscoe Fire District, Lateral Sanitary Sewer Extension – Special Assessment No. 130, and staff is still trying to work through this. There is no change in the Soper Street (Swift Street to Westfield Road) Water and Sewer Main Improvements (Village of Winnebago) Agreement. The Will James Road Sanitary Sewer Extension Cost Recovery Agreement has been approved and will be removed from the report next month.

Trustee Jones moved to award the contract for Alternate 480 Volt Feeders for the Blower Building and Laboratory, CIP No. 1658, to the low responsible, responsive bidder, Morse Electric, Inc., providing duct bank and feeders from Transformer OA and Transformer 9A to the Blower Building, new main-tie-main switchboards in the Blower Building, new duct bank and feeders from the Blower Building to the Laboratory, new connections of the new to the existing power supplies with minimal power outages, and miscellaneous site restoration and foundation repair to eliminate groundwater seepage into the basement of the Laboratory for the cost of \$569,500.00; seconded by Trustee Sweeney; motion passed upon roll call as follows:

In the month of April, District staff completed 26 services, 14 main line repairs, 36 manholes tickets, and responded to 23 emergencies. The back-log of manhole tickets remained the same. The District had 4 mainline backups and completed 38 restoration tickets.

Trustee Pollack moved to authorize staff to hire a new Utility Technician to fill the vacancy that will occur upon the current employee's retirement in June prior to the employee's last day and to fill any vacancies created by movement within the District; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Business Manager Black stated the business report is for the fiscal year ending April 30, 2017; however, the numbers are unaudited. For the month ending April 30, 2017, the Income Statement shows user fee revenue 13% over budget month to date, 1% under budget year to date. Total revenue is 22% over budget month to date, and almost equal to budget year to date. O&M expenses are 3% under budget year to date. The Income Statement shows \$5,397,476 net operating income through April 30, 2017. The Statement of Cash Flows shows \$2,249,422 increase in cash

for the 2016-2017 fiscal year. General Fund cash ended the month at \$22,260,110. District had 114 full time positions and 114 employees on staff, and 4 vacant positions.

Business Manager Black stated the appropriations ordinance provides the District legal authority under State statute to allocate funds for specific activities; it is our legal approval of the budget. Staff requests approval of the ordinance in the total amount of \$76,596,203. The ordinance was made available to the public for 30 days in its tentative form as Ordinance No. 16/17-B-02. It is presented to the Board for final approval as Ordinance No. 17/18-B-01.

Trustee Pollack moved to approve A Combined Annual Budget and Appropriations Ordinance for the fiscal year beginning May 1, 2017, and ending April 30, 2018, Ordinance No. 17/18-B-01; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Staff presented information on replacement of the Fundware Accounting System. That product will be retired effective December 2017. Staff has put \$125,000 in the budget as a placeholder for replacement costs. Blackbaud Fundware replacement product, Financial Edge NXT, provides simple conversion because of Blackbaud’s familiarity with the former product. The District will be upgrading to Blackbaud FE NXT over the next few months.

Trustee Pollack moved to authorize staff to negotiate and the District Director to sign a three (3) year agreement with ATS for a Systems Technician as replacement for the recently retired technician; seconded by Trustee Jones; motion passed upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Jones 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), employment matters and at 5 ILCS 120/2(c)(11), probable or imminent litigation; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

The Regular Meeting recessed at 6:22 p.m.

# 013963

The Regular Meeting of the Board of Trustees reconvened at 6:50 p.m. President Massier stated no decisions were made or actions taken in Closed Session.

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

Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Meeting adjourned at 6:50 p.m.

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Clerk