

**MINUTES OF REGULAR MEETING  
BOARD OF TRUSTEES  
ROCK RIVER WATER RECLAMATION DISTRICT  
MONDAY, AUGUST 28, 2017**

President Massier called the Regular Meeting of the Board of Trustees of the Rock River Water Reclamation District to order at 5:25 p.m. in the Board Room at the Graceffa Administration Building, 3501 Kishwaukee Street, Rockford, Illinois. The following Trustees were present:

|                 |                 |
|-----------------|-----------------|
| Donald Massier  | President       |
| Elmer Jones     | Vice President  |
| Rick Pollack    | Clerk/Treasurer |
| John F. Sweeney | Trustee         |
| Ben Bernsten    | 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; and Deborah Lyons, Executive Services Coordinator.

Others present: Eve G. Kirk.

President Massier stated the meeting was being recorded.

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

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

President Massier recognized Eve Kirk. Ms. Kirk stated she is currently in retirement, previously director of a local government in Winnebago County. Eve Kirk is very concerned about customer service. Ms. Kirk stated the District's bill has a very short turn-around time for payment. The bill dated 7/28 was due on 8/17. The bill comes by mail so it often takes a week to be delivered. Many older people in the City do not use the internet and pay their bill by mail. Perhaps the District would give them a few more days. This is the shortest turn-around time of any of her utilities.

Business Manager Black stated the turn-around is typically 20 days after print date, per policy. It is similar to other utilities; however, the District does not apply the penalty until ten days after the due date. The District feels 20 days is appropriate. We try to accommodate customers by not applying the penalty until after the 31<sup>st</sup> day.

# 013990

Eve Kirk stated people love mercy. The District bill does not come in the same cycle as other monthly bills.

President Massier stated the time allotted to pay District bills is in line with other utilities.

Eve Kirk asked how the District calculates the amount of solids, ammonia, etc. in the wastewater.

Plant Operations Manager McFall stated the District periodically goes into residential areas and does sampling for about a two-week period, analyzes the samples, averages them, and uses that information to determine the characteristics for the bills going forward.

Eve Kirk stated she also wanted to talk about the big project on North Rockford Avenue between the 700 and 800 block. Ms. Kirk stated it would be really nice if, prior to a big project, the District would put tags on the front doors of the homes to let the neighbors know what is happening and to say, "Sorry for the inconvenience." It would also be nice to be able to check out the progress of the project on the web site. It doesn't cost a dime to say "I'm sorry for the inconvenience." Ms. Kirk thanked the Board for listening.

President Massier stated there was no WinGIS report.

Trustee Pollack stated the Investment Report showed the District had \$22,978,318.25 Total Funds invested for the month of July and earned interest in the amount of \$17,954.52. Report placed on file.

Trustee Pollack moved to approve Total General Fund Expenditures to Be Approved for the month of July 2017 in the amount of \$6,551,216.34; seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| 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 July 2017 in the amount of \$305,448.42; seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| 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. The

Soper Street (Swift Street to Westfield Road) Water and Sewer Main Improvements (Village of Winnebago) Agreement has been signed by the Village and returned; and is on the agenda later in the evening for the Board’s consideration.

Trustee Jones moved to authorize the Director to sign a purchase order to Geostar Mechanical for HVAC units for the CoGen control room in the amount of \$16,200.00; seconded by Trustee Bernsten; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Trustee Pollack moved to award the contract for 2017-2018 Service Lateral Lining, CIP No. 1833, to the low responsive, responsible bidder, Musson Brothers, Inc., for the sum of \$552,500.00; seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Trustee Jones moved to award the contract for Rock Street Sewer Repairs, CIP No. 1820, to the low responsive, responsible bidder, Fischer Excavating, Inc., for the sum of \$189,287.12 for the replacement of 233’ of existing water main that currently sits on top of the sanitary sewer, removing existing utility conflict and allowing upstream sanitary sewer to be lined; seconded by Trustee Pollack; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

District Director Hanson presented Resolution 17/18-01. Trustee Pollack moved to adopt Resolution 17/18-01 renaming the administration building the “Steven F. Graceffa Administration Building” in honor of retired Director Steven F. Graceffa; seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

# 013992

District Director Hanson stated the Plant Operations Maintenance Supervisor position evolved from the former Project Engineer II – Plant Operations Specialist position. This position will improve the District’s supervisory-employee ratio in that department. We also need administrative assistance in that department; a temporary employee has been hired and the position will become permanent next fiscal year.

General Counsel Hanley requested the designations for FOIA and OMA officers be changed to be General Counsel Hanley, Legal Secretary Skinner, Business Manager Black, and Procurement/Word Processor Roach. Trustee Pollack moved to approve the Designation of FOIA and OMA Officers as recommended by staff; seconded by Trustee Bernsten; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

General Counsel Hanley stated the Rockford Chamber of Commerce plans to present Confluence Awards as presented in the handout the Board has received from staff. Staff feels the District should apply for this, specifically regarding its partnership with Aqua Aerobics. Aqua Aerobics is agreeable to the nomination.

Trustee Pollack moved to approve the Plumber Bond Report for July, 2017, as presented; seconded by Trustee Jones; motion passed as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

| <u>Company</u>           | <u>Type</u>     | <u>Bond</u> | <u>Expires</u> |
|--------------------------|-----------------|-------------|----------------|
| Foster Reliable Plumbing | Private Bond    | LSM1019058  | 5/31/2018      |
| Landmark Excavating      | Contractor Bond | 32S541706   | 5/31/2018      |
| Lungo's Plumbing         | Public Bond     | BLCA761273  | 5/31/2018      |
| Lungo's Plumbing         | Private Bond    | BLC1841480  | 5/31/2018      |

Trustee Jones moved to approve the easements as presented; seconded by Trustee Bernsten; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

**Project**

Plat 2 Mercyhealth Riverside Campus  
 Patvak Commercial Development –  
 Dunkin Donuts

**Grantor(s)**

Mercyhealth  
 James N. Michalson &  
 James N. Michalson, Jr.

Staff had no annexations to present to the Board.

Trustee Pollack moved to approve Rockford Public Schools' Request for the District to vacate the sanitary sewer upstream of District's manhole 087-112 at Marshall Elementary and to change manhole 087-113 from public to private; seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Engineering Manager Baer stated the Dewatering Centrifuge project, CIP No. 1659, was essentially complete by the project completion date of August 3, 2017, but there were a couple of punch list items that needed to be completed.

Trustee Jones moved to approve Main Pump Station - Pumps 1 and 3 Replacement, CIP No. 1422, Change Order No. 2 – Final extending the contract completion date to July 27, 2017, and approving the net contract addition of \$569.39 representing the sum of a number of minor additions and deductions tracked throughout construction for a final contract price of \$364,569.39; seconded by Trustee Bernsten; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Trustee Pollack moved to approve the Intergovernmental Agreement for Soper Street (Swift Street to Westfield Road) Water and Sewer Main Improvements (Village of Winnebago); seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Trustee Jones moved to authorize staff to post and fill the vacated Treatment Plant Operator position and for any vacancies created by employee movement within the District; seconded by Trustee Bernsten; motion passed upon roll call as follows:

# 013994

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Plant Operations Manager McFall stated staff is requesting overlap of new hires to replace certain maintenance employees who are planning to retire in the foreseeable future so proper training can occur. President Massier directed staff to create a chart showing these positions and proposing a time line for hiring replacement personnel.

In the month of July, District staff completed 11 emergencies, 27 services, 6 main line repairs, and 21 manholes tickets creating the back-log of manhole tickets to decrease. Crews also responded to 3 mainline backups and completed 21 restoration tickets. Two of the 3 backups were caused by the rain event.

Business Manager Black stated for the month ending July 31, 2017, the Income Statement shows user fee revenue 7% under budget month to date, 8% under budget year to date. Total revenue is 12% over budget month to date, and 2% over budget year to date. O&M expenses are 1% under budget year to date. The Income Statement shows \$2,358,546 net operating income through July 31, 2017. The Statement of Cash Flows shows \$2,700,308 decrease in cash for the 2017-2018 fiscal year. General Fund cash ended the month at \$19,559,802. District had 115 full time employee positions and 115 employees on staff.

President Massier stated he is concerned about the large amount of income in this month's report that the District will receive only one time this year (tax monies). Business Manager Black stated because of the way the cycles change it is very difficult to predict what the income will be month to month.

Business Manager Black requested authorization to solicit proposals for 457 Plan providers in addition to the one currently in place. These plans are funded via employee investments. The District has a responsibility to provide these opportunities to the employees.

Trustee Pollack moved to authorize staff to issue a Request for Proposals from additional 457 Plan providers; seconded by Trustee Bernsten. After discussion regarding employee options, motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Discussion turned to the information staff distributed regarding 2017 Property Tax Levy. Trustee Bernsten stated the last slide was helpful as far as the rationale behind the route the District uses.

Manager Black stated the security for the bonds and the stable revenue in a declining consumption environment are two helpful points. Declining consumption has been the reason some wastewater districts have moved to fixed rates; it ensures a certain amount of revenue to fund their operation. Revenue based on user fees creates a lower level of security; therefore, you pay a higher borrowing rate. District's bond issues are called Alternative Revenues, so we pledge property tax but then repay with user fee revenue.

Trustee Pollack stated bills are based on consumption; why not have a fixed base? Manager Black stated we do have a Customer Service Fee which goes into some of our fixed costs of actual bill issuance, including part of billing and IT salaries and the mailing out of the bills. Then consumption is allocated to specific user groups.

Trustee Pollack stated we have declining flows but we have the same equipment. It seems there should be a fixed cost for the installation. Manager Black stated part of the solution is in continuing to do good estimates in terms of consumption usage. In a discussion with Eric Rothstein, Eric stated the fixed rate method is not wide spread but having a stable property tax revenue helps offset some of the variability that you get with the user fee rate.

Supervisor Robertson stated a few years ago we did have a base charge equivalent to 3ccf charged to everyone, whether or not they had flow, but it became too difficult to collect. There are some who get by with only a couple ccf. This was part of what we worked out with Eric Rothstein. If someone is living in a home, they are using some water. While not an entirely fair system, we haven't figured out a way of making that work.

Trustee Massier stated it is a very complicated issue. The government has rules about how you can charge.

Manager Black stated a portion of the bill is a fixed component for having the service.

Business Manager Black stated staff provided the Board a memo regarding Personal Property Replacement Tax revenue estimate. It is a very small part of our overall revenue (\$1.5 million out of nearly \$40 million in revenue). As stated in the memo, the State's estimate for the current State fiscal year shows the revenue source decreased from \$1.82 million to \$1.38 million. We budgeted \$1.5 million. We will lose revenue that we had expected this year and will have to revisit that during the budget process and plan for that shortfall next year.

Trustee Sweeney 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)(21) for review of Closed Minutes; seconded by Trustee Jones; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

# 013996

The Regular Meeting recessed at 6:20 p.m.

The Regular Meeting of the Board of Trustees reconvened at 6:32 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 Jones moved to adjourn; seconded by Trustee Bernsten; motion passed upon roll call as follows:

|                |     |
|----------------|-----|
| Ben Bernsten   | Aye |
| Elmer Jones    | Aye |
| Donald Massier | Aye |
| Rick Pollack   | Aye |
| John Sweeney   | Aye |

Meeting adjourned at 6:33 p.m.

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Clerk