

**MINUTES OF REGULAR MEETING
BOARD OF TRUSTEES
ROCK RIVER WATER RECLAMATION DISTRICT
MONDAY, JANUARY 26, 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's Administration Building, 3501 Kishwaukee Street, Rockford, Illinois. The following Trustees were present:

Donald Massier	President
Lloyd Hawks	Vice President
Donald Kerestes	Clerk/Treasurer
Elmer Jones	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 & Technology Services Supervisor; Joe VonArx, Project Engineer III – Management Associate, and Deborah Lyons, Executive Services Coordinator.

Others present: Bill Howard, Attorney for the District.

President Massier stated the meeting was being recorded.

Trustee Hawks moved to approve the Minutes of the Regular Meeting and Closed Session of December 23, 2014; seconded by Trustee Jones; **motion passed** upon roll call as follows:

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

President Massier stated WinGIS did not meet this month; there is no report.

Trustee Kerestes stated the Investment Report showed Total Funds invested for the month of December was \$24,261,508.77; interest earned was \$7,568.65. Report placed on file.

Trustee Kerestes moved to approve the General Fund expenditures for the month of December 2014 in the amount of \$7,576,852.91; seconded by Trustee Jones; **motion passed** upon roll call as follows:

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

0166

Trustee Kerestes moved to approve the Special Assessment expenditures for the month of December 2014 in the amount of \$1,278.93; seconded by Trustee Jones; **motion passed** upon roll call as follows:

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

Trustee Pollack entered the meeting.

Status of Outstanding Agreements: (1) Discussions with the Village of Machesney Park are ongoing for the McDonald Creek Trunk South Branch Agreement. (2) Staff is waiting for the City to complete updates in the design work for the Harrison Avenue Reconstruction Agreement (9th Street to 20th Street). (3) North Main Street Sewer Rehabilitation (Young to Riverside) is on the Agenda for discussion later in the meeting. (4) Design work has begun for the West State Street (Business 20) Reconstruction, Phase 2 (IDOT) project.

Due to no activity on Facilities Planning Area Amendment/Extra Territorial Service – Belvidere/Byron for some time, staff recommended removing this topic from the monthly report; the Board concurred.

Trustee Pollack moved to award the contract for Park-Er-Woods Groundwater Flow Pipe, CIP No. 1576, to the low responsive, responsible bidder, N-Trak Group, for the sum of \$29,000.00; 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

Trustee Kerestes moved to award the contract for Laboratory Roof Replacement, CIP No. 1529, to the low responsive, responsible bidder, Distinctive Roofing for the sum of \$36,183.00; seconded by Trustee Pollack. Following discussion, the **motion passed** upon roll call as follows:

Elmer Jones	No
Lloyd Hawks	Aye
Donald Massier	Aye
Donald Kerestes	Aye
Rick Pollack	Aye

Trustee Jones moved to waive typical bidding procedures in order to direct-purchase Variable Speed Drives – Main Pump Raw Pumps, and to award the contract for purchase of the pumps, CIP No. 1565, to the low responsive, responsible respondent, Danfoss, for the sum of \$89,657.40; seconded by Trustee Hawks. Following discussion, the **motion passed** upon roll call as follows:

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

District Director Graceffa stated Central States Water Environment Association (CSWEA) will be making a presentation at the IAWA Spring Mini-Conference the day prior to the IAWA agenda. Trustees may choose whether they wish to attend the CSWEA portion of the conference as well as the IAWA conference.

Attorney Howard stated he has two items for Executive Session.

Trustee Hawks moved to approve the Plumber Bond Report for December 2014 – January 2015 as presented; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

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

Company	Bond No.	Expiration
Overflow Plumbing	62160774	5/31/2015
Overflow Plumbing	62160782	5/31/2015

Trustee Kerestes moved to approve the Easement 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

McDonald Creek Trunk South Branch
Petry Trust No. 1989

Trustee Kerestes moved to approve Annexation Ordinance No. 14/15-A-17 annexing an area described as 11.89 acres more or less known as New Milford Commons, New Milford, identified as PIN 15-24-355-011; 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

0168

Trustee Kerestes moved to approve Annexation Ordinance No. 14/15-A-18 annexing an area described as 23.42 acres more or less known as Olde River Ridge, Machesney Park, identified as Lots 92 through 116, PINs 07-24-401-011 through 07-24-401-027 and 07-24-402-008 through 07-24-402-016; 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

Project Engineer Von Arx discussed the existing sewer line along Spring Creek, enumerated some of the businesses and other properties affected by the trunk line, and current challenges and problems with the line. Staff originally discussed four possible plans and narrowed them down to two alternatives. The two alternatives for upsizing the Spring Creek Trunk Sewer Upsizing, CIP No. 1402, were before the Board now, showing the proposed route for each and corresponding costs.

Engineering Manager Carroll stated staff has a lot of public relations work to do for whichever route is chosen, as well as other work that will require significant time in preparation of the actual work. Staff hopes to be ready to go out for bids in a year.

Trustee Pollack moved to recess the Regular Meeting for a short break; seconded by Trustee Jones; meeting recessed at 5:45 p.m.

The Regular Meeting resumed at 5:58 p.m.

Discussion continued regarding the proposed Spring Creek Trunk Sewer Upsizing project, financing the project, and overflows in the affected areas.

Trustee Jones moved to proceed with Spring Creek Trunk Sewer Upsizing, CIP No. 1402, Alignment Alternative 3, which will upsize approximately 9,430 LF of the Express sewer system for an estimated cost of \$16.5 million; 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 Pollack moved to approve North Main Street, Sewer Rehabilitation, CIP No. 1214, IDOT Agreement providing Illinois Department of Transportation rights to surface conditions for proper roadway operations and maintenance for an estimated cost to the District of \$362,502.00; 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

Staff withdrew North Main Sewer Rehabilitation Easement Subordination from the Agenda.

Trustee Pollack moved to approve College Center Subdivision Agreement for Receipt of Wastewater from a private sewer with Malik Real Estate, LLC, the agreement setting forth certain requirements of the property owners including annual reports to the District verifying proper inspection and maintenance of the line; 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 2014-2015 Plant Concrete Repairs, CIP Nos. 1550, 1551, and 1553, Change Order No. 1, providing payment for additional brick removal/replacement needed at Well No. 1/Building No. 22, for a net add of \$13,075.00 to the original contract amount and an adjusted contract amount of \$357,530.00; 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 Hawks moved to approve Variable Speed Drives – Main Pump Raw Pumps, CIP No. 1565, Consultant Agreement with Clark Dietz Engineers for Pumps Nos. 2 and 4, for a cost not to exceed twenty-two thousand, two hundred fifty dollars (\$22,250.00); 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 Pollack moved to approve Substation 1 and 8 Upgrade, CIP No. 1569, Consultant Agreement with Systems Design Service Engineering (a local firm) for replacement of aged switchgear for a fee of \$37,520.00; seconded by Trustee Kerestes; **motion passed** upon roll call as follows:

Elmer Jones	Aye
-------------	-----

0170

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

Trustee Jones moved to approve Queen Oaks Drive Special Assessment No. 115 Request to Withdraw submitted by Mr. and Mrs. Elton Smith (PIN No. 08-19-103-013); 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 Pollack moved to authorize the President to sign the Excess Flow Basin Dam – Illinois Department of Natural Resources Permit authorizing the construction, operation and maintenance of the District’s Excess Flow Basin Dam, a small-size Class 1 dam; 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

Supporting Services Cook reported crews completed the annual cleaning schedule of the sanitary sewer lines on time. The District had 35 mainline backups for the year, which is a new record low. In the month of December, we had 11 emergencies, completed 4 mainline point repairs, 37 services and 37 manhole tickets. The back-log for manhole tickets decreased slightly for the month. A total of 384 manhole tickets were completed for the year, we starting the year at 363 tickets and ending the year at 330 tickets. Staff anticipates another busy year for construction projects for the surrounding communities.

Supporting Services Cook reported that he learned today that one of his crewmen will be retiring after 35 years of service. Staff is requesting the Board allow staff to post and fill the vacant position along with any other openings that may come open as staff moves to fill vacancies. Staff expects that we will be promoting within the District for these positions.

Trustee Kerestes moved to approve staff’s request to post and fill the position that will be vacated upon the retirement of one of the crewmen; seconded by Trustee Pollack; motion passed upon roll call as follows:

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

Business Manager Papke stated for the month ending December 31, 2014, the Income Statement shows user fee revenue 9% over budget month to date and 1% under budget year to date. Total revenue is 14% over budget month to date and 2% over budget year to date. O&M expenses are 3% under budget year to date. The Income Statement shows \$3,482,186 net operating income through December 31, 2014. The Statement of Cash Flows shows \$345,304 decrease in cash for the 2014-2015 fiscal year. General Fund cash ended the month at \$17,603,798. The total number of full time positions as of December 31 was 111; total number of full time employees was 109. Vacant positions were: Treatment Plant Operator, and Diesel Mechanic.

Staff responded to some questions from the Board regarding the methods used to compare District's user rates with those charged by other wastewater agencies, and how requests for additional staff are handled by Management.

District Director Graceffa pointed out that operation expenses are going down, while capital expenses are going up disproportionately. Funding the capital is always going to be a problem.

Trustee Hawks moved to lay the budget over; 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

The Board directed staff to schedule a Special Meeting to discuss the budget in detail prior to the next Regular Meeting.

Trustee Jones moved to approve 14/15-R-01, An Ordinance Establishing All Rates, Fees, Charges, Penalties, Bond Requirements, Permits and Additional Charges for the Rock River Water Reclamation District; 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

Business Manager Papke anticipates distributing a Request for Qualifications for Banking Services in the near future.

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), Exemptions Number 11 and 21; seconded by Trustee Pollack; **motion passed** upon roll call as follows:

0172

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

The Regular Meeting recessed at 6:37 p.m.

The Regular Meeting of the Board of Trustees reconvened at 6:45 p.m. President Massier stated no votes or actions were taken or decisions made in Closed Session.

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

Meeting adjourned at 6:45 p.m.

Clerk