

**MINUTES OF REGULAR MEETING
BOARD OF TRUSTEES
ROCK RIVER WATER RECLAMATION DISTRICT
MONDAY, OCTOBER 24, 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; Kelly McKibben, Systems Administrator; Lori Collins, Staff Services Coordinator; and Deborah Lyons, Executive Services Coordinator.

Others present: William Howard, Attorney for the District, and Christopher Black.

President Massier stated the meeting was being recorded.

Trustee Pollack moved to approve the Minutes of the Regular Meeting and Revised Closed Minutes of September 19, 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 21, 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

013913

President Massier stated WinGIS had a budget meeting. Mr. Massier stated it is difficult to see Burnie Turner leave. Mr. Massier was asked to serve on the committee to select a new director; he will ask staff for their recommendation.

Trustee Kerestes stated the Investment Report for the month of September showed Total Funds invested for the month were \$25,021,689.52 and earned interest of \$12,043.14. Report placed on file.

Trustee Kerestes moved to approve General Fund expenditures for the month of September 2016 in the amount of \$3,496,712.51; 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 September 2016 in the amount of \$96,724.47; 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

In Outstanding Agreements, Staff reported no change in the status of McDonald Creek Trunk South Branch, W. State Street Reconstruction, McCurry Road Trunk Sewer Phase 4, or Village of Rockton Sanitary Sewer System Adoption. A draft agreement for reimbursement is being prepared for N. Alpine Phase 3 Roadway Improvements – Sewer Rehabilitation; construction is planned for late spring of 2017.

Engineering Manager Carroll stated staff has asked the Village of Roscoe about McCurry Road Trunk Sewer and has been told this project is still being discussed internally by the Village.

District Director Hanson stated staff will follow up on the status of Village of Rockton Sanitary Sewer System Adoption.

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

District Director Hanson introduced Christopher Black who will replace Manager Frank Papke as Business Manager. Mr. Black will start next week, training under Manager Papke. Mr. Black thanked the Board for the training time and briefly reviewed his experience.

Trustee Kerestes moved to approve the revision to Policy on District Vehicle Use, 14gen7, assigning a vehicle to the Business Manager effective January 1, 2017; 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 the easement for 315 North Prospect Street, Rockford, providing documentation for an old easement; 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 Kerestes moved to approve Sanitary Sewer Lining 2015/2016, CIP No. 1637, Change Order No. 1 – Final, comprised of a \$8,140.00 deduct for “as-built” quantities and a \$10,200.00 deduct in liquidated damages for completing work thirty-four (34) days past the original completion date of July 29, 2016, for a total deduct of \$18,340.10 from the original contract cost and a final contract price of \$1,780,365.90; 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 Service Lateral Lining 2015/2016, CIP No. 1633, Change Order No. 1, including an adder of \$4,100.00 for additional work under original contract items, a thirty (30) day contract extension to complete additional work, and a deduct of \$16,800.00 in liquidated damages for late completion of work, for a net deduct of \$12,700.00 from the original contract cost and a final contract price of \$506,800.00; 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

013915

Trustee Pollack moved to approve Professional Services Agreement with SDS Engineering of Rockford for necessary expertise in technical and mechanical issues at Machesney Park Pump Station Screening Replacement, CIP 1663 (replacing the failed bar screen, mitigating existing ventilation issues and upgrading of heating, plumbing, and lighting control systems), Snow Avenue Pump Station HVAC, CIP 1658 (improving HVAC system and updating controls and pneumatic actuators), and Alternative 480 Volt Feeders for Blower Building and Lab, CIP 1756 (electrical improvements to allow for a secondary feed) for a proposed fee of \$77,316.00; 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 Jones moved to authorize staff to fill the vacancy created by the upcoming retirement of a Plant Operator and to fill any vacancies created by internal movement in filling the position; 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 Mercyhealth Grease Interceptor Variance Request, allowing the installation of a higher-efficiency mechanical grease separator inside the basement of the building instead of a 1,000 gallon grease interceptor outside the facility; 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 has been approached by Aqua Aerobics with a request that they be authorized to construct a 25' x 50' (approximate) plant to generate granular aerobic sludge adjacent to their current research facility at the District. They have asked that the District have a seat on the steering committee, and that the District contribute some in-kind contributions to this effort including power for the plant and lab services. Aqua Aerobics will attend next month's meeting to give a full formal presentation.

In the month of September, District crews completed 29 services, 10 main line repairs, 19 restoration tickets and 29 manholes tickets. The back-log of manhole tickets increased slightly for the month. Crews responded to 2 mainline backups and 10 emergencies.

For the month ending September 30, 2016, the Income Statement shows user fee revenue 10% under budget month to date, 8% under budget year to date. Total revenue is 8% under budget month to date, 7% under budget year to date. O&M expenses are 5% under budget year to date. The Income Statement shows \$2,732,494 net operating income through September 30, 2016. The Statement of Cash Flows shows \$4,236,623 increase in cash for the 2016-2017 fiscal year. General Fund cash ended the month at \$24,247,311. District had 113 full time positions; 111 employees were on staff, and 3 positions were vacant.

Trustee Hawks moved to approve an Ordinance Abating the *Ad Valorem* Tax previously levied for the year 2016 to pay debt service on District's \$5,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2007, Ordinance No. 16/17-M-01; 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 an Ordinance Abating the *Ad Valorem* Tax previously levied for the year 2016 to pay debt service on the \$10,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2008, Ordinance No. 16/17-M-02; 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 an Ordinance Abating the *Ad Valorem* Tax previously levied for the year 2016 to pay debt service on the \$6,000,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2009, Ordinance No. 16/17-M-03; 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 an Ordinance Abating the *Ad Valorem* Tax previously levied for the year 2016 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), Ordinance No. 16/17-M-04; seconded by Trustee Pollack; motion passed upon roll call as follows:

013917

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 2016 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, Ordinance No. 16/17-M-05; 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 an Ordinance Abating the *Ad Valorem* Tax previously levied for the year 2016 to pay debt service on the \$9,350,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2014, Ordinance No. 16/17-M-06; 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

Staff presented information to the Board regarding Public Act 099-0646. The Act states that certain payment information for retiring non-Union employees must be disclosed at a public meeting. The required information for the two retiring managers was provided to the Board in compliance with the Act.

Trustee Hawks moved to approve 2017 Health, Dental, and Life Insurance Rates as presented, accepting an 8.9% increase in dental insurance, 5% decrease in life insurance, and 8.9% increase in medical insurance, for an overall increase of 8.34%; 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 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)(11) to discuss probable or imminent litigation; 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 5:43 p.m.

The Regular Meeting of the Board of Trustees reconvened at 5:56 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 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 5:56 p.m.

Clerk