

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY NOVEMBER 14, 2018**

The Board of Trustees met in a regular monthly meeting at 9:30 A.M. in the offices of the District at the Water Pollution Control Plant on Wednesday, November 14, 2018. Present were, Trustee Judith S. Sotir, Trustee Michael C. Funkey, Trustee Christopher F. Childress, and Trustee Albert Heriaud. Also present were Attorney Gregg Ingemunson, Manager Thomas F. Muth, District Engineer John Frerich, Human Resources Coordinator Patrick Divine, Business Manager Jimmie Delgado, Plant Manager Matt Woodin, Operations Supervisor, Joel Ilseman, Engineering and Field Supervisor Keith Zollers, Assistant Engineering Supervisor Michael Frankino and Norma Rodriguez.

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The bills were presented and read. It was moved by Trustee Childress that the bills be allowed as read, ratify and approve the checks drawn during the month of October 2018 in the amount of \$3,971,167.84. Motion was seconded by Trustee Heriaud, put to vote and unanimously carried that the bills be paid as presented.

10371

It was moved by Trustee Childress seconded by Trustee Heriaud, put to vote and unanimously carried that the Treasurer's Report for October, 2018 be approved as submitted.

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It was moved by Trustee Childress, seconded by Trustee Heriaud, put to vote and unanimously carried that the minutes of the October 17, 2018 Regular Board Meeting be approved once corrections noted by Trustee Funkey are completed. Each of the Trustees having received, and read copies of said minutes before the meeting.

10373

With no Public Comments it was moved by Trustee Childress, seconded by Trustee Heriaud, put to vote and unanimously carried that the Regular Board Meeting be temporarily adjourned for the Committee of Local Improvements.

The Regular Board Meeting adjourned at 9:35A.M.

In the Committee of Local Improvements, Mr. John Frerich updated the Board regarding the solar project with a report from GRNE with the status



and specifics of the project. Mr. Frerich reviewed with the Board each page of the report noting points of importance and answering questions the Board had regarding same. Some of the main items are as follows:

Mr. Frerich explained the status of the solar project. The initial application for interconnect and net metering through ComEd was submitted in July. ComEd has reviewed it and they presented responses back in September, and they are requiring a Level 4 impact study. This is not a major concern. This is standard procedure for this type of project and ComEd is reviewing their own Level 4 equipment to make sure it can handle the load if it was ever necessary. Future milestone is that GRNE hopes to obtain the interconnect and net metering approval by December.


GRNE also has submitted a Special Use Permit Application to the Village of Montgomery. Mr. Frerich received initial review comments, he attached them to the report and stated he has all the information they are seeking and will respond shortly. Once this Permit Application is approved, GRNE will be ready for final submittal. Trustee Childress inquired what the actual process is because he is concerned that if submittal is not completed by January 15, 2019, Fox Metro will lose the opportunity of obtaining the REC's. Mr. Frerich said he believes GRNE is aware of the process and are working through it. The process information was given to GRNE during the RFQ process. Trustee Childress asked Mr. Frerich to please coordinate with GRNE the dates of the approval by Village of Montgomery.

Mr. Frerich said that installation should begin in the Spring of 2019. Application to the IPA opens January 15, 2019. Discussion ensued and Mr. Frerich reviewed with the Board more specific information regarding the solar project.

Continuing with the Committee of Local Improvements, Jimmie Delgado discussed the Annual Audit with the Board. He distributed Annual Financial Reports from Sikich. The auditors will be at the December Board meeting to answer any questions the Board may have regarding the Audit.

Mr. Delgado reviewed the highlights of the audit with the Board. He explained the specifics of the Financial Report and audit. He noted that the Audit contained a clean opinion and that means that financials were represented fairly in all aspects and the auditors did not have concerns regarding the District's audit.

Highlights of the audit include District's net positioning increased by \$14.3M and \$9.5M over the last two years. The District's Operating



Revenue was \$13M and Non-Operating was \$1.3M. Operating revenues consist of user charges, connection fees, sewer inspection charges, Montgomery pump station revenue, pretreatment recovery revenue and lien processing fees. Non-operating revenues include investment income, replacement taxes, annexation and related fees. Other revenue include rents, scrap and other miscellaneous items that are non-reoccurring.

Current assets increased \$2M and this is related to IEPA loan receivable. Non-reoccurring assets increased \$51M, \$44M is for construction that include the south plant and other improvements, \$5M for assets actually placed in service. Liabilities increased approximately \$2.5M and this is attributed to accounts payable. Long-term liabilities increased \$37M, it is attributed to the SRF no payable. Pension liability decreased nearly \$5.6M, the District is nearly 98% funded in IMRF however, the other post employment benefits, the retiree health insurance, is a \$6.7M increase and it offsets the increase in the District's IMRF account.

Operating expenses have decreased approximately \$2.5M. Non-operating revenues and expenses increased approximately \$650,000.00. The District's investment income has doubled because the rates are going up. Annexation fees have increased and other revenue increased \$270,000.00.

After considerable review, Mr. Delgado reported that the District had no material deficiencies, there were no issues with the accounting and has no material adjustments.

The Board congratulated Mr. Delgado and Linnea Scherer for their hard work on the audit.


At this time, it was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the Committee of Local Improvements be adjourned and the Regular Board Meeting be reconvened.

The Regular Board Meeting reconvened at 9:52 A.M.

Attorney Ingemunson addressed the Board with the Attorney's Report. Attorney Ingemunson presented to the Board for their approval Resolution No. 968, Annexation with Illinois Association of Seventh –Day Adventists, 10.0 acres in Kane County, Illinois, It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that Resolution No. 968, adopting Ordinance No. 879, with Illinois Association of Seventh-Day Adventists, 10.0 acres in Kane County, Illinois be approved as written.

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PASSED by the Board of Trustees of Fox Metro Water Reclamation District this 14th Day of November 2018 by a unanimous vote of 4 to 0.

At this time, Trustee Sotir congratulated all of the Fox Metro's employees who celebrated birthdays in the month of November and she gave a special congratulations to Steve Galloway for celebrating 30 years with the District and Dan Rivera who celebrated 10 years with the District.

10376

Mr. John Frerich addressed the Board with the Engineer's Report and updates on Construction projects. Mr. Frerich requested approval of Partial Payment No. 35 to River City Construction, Inc., in the amount of \$1,323,311.54 for South Waste Water Treatment Facility Project. It was moved by Trustee Funkey seconded by Trustee Childress, put to vote and unanimously carried that payment be made in the amount of \$1,323,311.54 to River City Construction, Inc., for work completed on the South Waste Water Treatment Facility Project.

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Mr. Frerich requested approval of Partial Payment No. 12 to Whittaker Construction, Inc., in the amount of \$413,529.30 for the North Plant Improvement Project. It was moved by Trustee Funkey seconded by Trustee Childress, put to vote and unanimously carried that payment be made in the amount of \$413,529.30 to Whittaker Construction, Inc., for work completed on the North Plant Improvement Project.

10378

Mr. Frerich requested approval of Partial Payment No. 5 to Michels Corporation, in the amount of \$142,240.75 for the 2017-2018 Sanitary Sewer Interceptor Lining Project. It was moved by Trustee Funkey seconded by Trustee Childress, put to vote and unanimously carried that payment be made in the amount of \$142,240.75 to Michels Corporation, for work completed on the 2017-2018 Sanitary Sewer Interceptor Lining Project.

10379

Mr. Frerich requested approval of Partial Payment No. 4 to Whittaker Construction, Inc., in the amount of \$197,559.00 for Primary Sludge Valve Vault and Piping Improvements Project. It was moved by Trustee Funkey seconded by Trustee Childress, put to vote and unanimously carried that payment be made in the amount of \$197,559.00 to Whittaker Construction, Inc., for work completed on Primary Sludge Valve Vault and Piping Improvement Project.

Mr. Frerich requested approval of Partial Payment No. 1 to Flow-Technics, Inc., in the amount of \$5,475.00 for the Reckinger Road Pump Station

10380

Project. It was moved by Trustee Funkey seconded by Trustee Childress, put to vote and unanimously carried that payment be made in the amount of \$5,475.00 to Flow-Technics, Inc., for work completed on the Reckinger Road Pump Station Project.

Trustee Funkey commented that Whittaker construction has worked with the District on many projects and they have done a fantastic job on all of them especially the North Plant Improvement Project. He asked that a special recognition be forward to Whittaker construction on the great work they have done.

Manager Muth advised the Board that on Saturday, October 27, 2018 members of Management from the District attended the Fox Valley Operators Association that was held in Elgin, Illinois. The District is fortunate to have Operations Supervisor, Joel Ilseman receive the Operator of the Year Award and congratulated him for the excellent job and his great service to the District.

At 10:00 A.M., a Public Hearing was held on an Agreement between the Fox Metro Water Reclamation District and Charles R. Prospal involving annexation of approximately 1.39 acres of land located in Oswego Township, Kendall County, Illinois. Attorney Ingemunson stated the Notice of Public Hearing was duly published in the Beacon News for 10:00 A.M. on November 14, 2018. There being no further questions from the Trustees and no comments from the public, Attorney Ingemunson presented Resolution No. 967, to the Board for their approval.

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Hearing no public comments, it was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the Public Hearing be concluded.

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It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that Resolution No. 967, Approving the Annexation Agreement between the Fox Metro Water Reclamation District and Charles R. Prospal, be approved as written.

ADOPTED by the Board of Trustees of Fox Metro Water Reclamation District this 14th day of November, 2018 by a voice vote of 4 to 0.

10383

At 10:00 A.M., Manager Muth opened and read aloud bids for the 2018-2019 CIPP Interceptor Lining Project as follows: Kenny, – Total Bid \$5,135,029.00; Visu Sewer – Total Bid \$4,710,617.00; Insituform Technologies – Total Bid \$4,133,120.10; Michels Corporation – Total Bid \$6,499,097.00. The Engineer's estimate for this project was \$5,500,000.00. It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the low bid of Insituform Technologies, be accepted for \$4,133,120.10 and the bid from Visu Sewer bid of \$4,710,617.00 be held pending specification review by Fox Metro Water Reclamation District and Walter E. Deuchler Engineering Staff.

10384


At 10:10 A.M., Manager Muth opened and read aloud bids for the Raw Sewage Pump VFD Improvements Project as follows: Morse Electric – Total Bid \$174,000.00; Valley Electrical – Total Bid \$172,900.00; Frank Marshall Electric – Total Bid \$195,700.00. The Engineer's estimate for this project was \$250,000.00. It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the low bid of Valley Electrical accepted for \$172,900.00 and the bid from Morse Electric bid of \$174,000.00 be held pending specification review by Fox Metro Water Reclamation District and Walter E. Deuchler Engineering Staff.

Manager Muth addressed the Board with the Manager's Report and discussed the IEPA Draft NPDES Permit and Public Notice. The District received its draft of its National Pollution Discharge Elimination Systems Permit and it is now in its Public Notice phase until December 3, 2018. Manager Muth explained if the IEPA receives any comments and a request for a Public Hearing, there has to be a forty-five day waiting period. If no comments are received, a final permit is eminent and it will be issued for five years.

Some of the notable items in the permit is that it requires the District participates in the Fox River Study Group (FRSG). The reason is that the Fox River has issues and the FRSG is trying to find ways to remove the offensive conditions, phosphorus and oxygen issues from the river.

In June of 2021 the Plant will be required to treat for phosphorus. It is anticipated that Fox Metro will be testing and treating for phosphorus sooner than that. This allows staff at the plant to be proficient at this process.

Fox Metro's needs to update the Sewer Use Ordinance within six months of receiving final approval of the NPDES Permit. Each year the District is required to update the capacity management and operation maintenance of the sewer system.



Trustee Funkey stated that the permit is up for renewal every five years with more stringent regulations that Fox Metro needs to comply. He feels the public needs to be aware of this because Fox Metro must have this permit in order to run the waste water treatment plant and with the new mandated regulations, it will take a great deal of funds to comply with them.

Manager Muth said many environmental groups, IEPA, IAWA and the Fox River Study Group have collaborated to negotiate the treatment of phosphorus and what the limit should be for now but in 2030 it will be at 0.5 per million. Trustee Sotir said this should be posted on the District's website and sent out as a press release.

Manager Muth advised the Board that The District has received a response from the USEPA regarding the Pretreatment Compliance Inspection. The USEPA was at the District June 19-21, 2018. At the end of the three day session, they had a four hour exit review with Fox Metro's pretreatment staff and outlined their findings. A formal response was received from the USEPA on November 5, 2018 with findings and Fox Metro has to forward responses. Discussion ensued regarding the findings.


Manager Muth advised the Board the District will be having two meetings with all employees regarding the new health insurance plan. This will give employees the opportunity to ask any questions and address any concerns they may have regarding the new option. Enrollment period of the new insurance plan will begin November 14, 2018 and it will end December 14, 2018.

Manager Muth reported that asphalt has been placed at the south plant so it will be easier to get through the site. Also, factory inspection and training on new equipment at the south plant has begun.

On November 10, 2018 the District hosted a TEDX group and had a tour of the plant. They were very impressed with the facility and provided very positive feedback regarding their experience at Fox Metro.

At this time, Manager Muth requested an Executive Session to discuss personnel, and other related matters.

In New Business Trustee Childress discussed solar. The Yorkville schools would like some involvement in the studies of solar fields and how they operate. GRNE has been involved in these types of events in other locations where they place solar panels in school yards. Trustee Childress recommended the District might want to consider including the solar field as



part of the plant tour, if the District is approved to move forward with the solar project.

Trustee Sotir advised the Board that plant tours have been discussed at the monthly Public Relations meeting as well as the Sci-Tech exhibit. She spoke about having locals schools involved in the creation of the Fox Metro's exhibit. Solar would be another side addition to the Sci-Tech exhibit in the future.

Trustee Funkey asked if there was a response to the letters the District submitted asking the Committee to favor municipalities and taxpayer groups to receive the RECs for solar projects. Trustee Childress responded that he has not had any response to any of the letters submitted. He said he is aware Kendall County and State Representative Keith Wheeler submitted letters as well. Trustee Funkey inquired who the responsible party was in deciding who gets awarded the RECs. Trustee Childress said Staff will make recommendations to the commissions and Administration Law Judge, and he will make the recommendation to the Commission. Trustee Childress said he has been informed that the Law Judge has been assigned. Discussion ensued regarding the process of how the RECs are awarded and the legal avenues available to the District. Trustee Funkey added it would be wise to research what other municipalities have filed to receive RECs in the area and inquire who the Administrative Law Judge is and file a Petition for Leave to file an Amicus Curiae and wait for his response.


Trustee Funkey said he would like to ask for a motion to investigate the process because there is a huge benefit to the District and the rate payers.

10385

It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the attorneys investigate the feasibility of filing an Amicus Curiae before the assigned Administrative Law Judge.

Trustee Sotir reviewed a sample of Fox Metro's yearly Financial Report that she would like to have generated by the District and posted on the website for public review. This report would show capital improvement projects and where the District stands financially. Discussion ensued regarding the costs associated in generating and posting the report. It is very important to inform Fox Metro's customers what the District does and the mandated requirement it must comply with.

There was discussion regarding Fox Metro's unused prescription collection program and Manager Muth noted that since 2009 over 19,000 lbs of prescription pills have been collected and kept out of the sewer system.



There was discussion regarding the damage flushable wipes create because they do not disintegrate, they clog and damage the sewer system.

10386

With no other New Business to come before the Board, it was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that this meeting be temporarily adjourned for Executive Session.

Meeting temporarily adjourned at 10:55 A.M

10387

It was moved by Trustee Funkey seconded by Trustee Childress put to vote and unanimously carried that the Executive Session be adjourned and resume the Regular Board Meeting.

The Regular Board Meeting Reconvened at 11:12 A.M.

There were no decisions made in Executive Session.

10388

With no other business to come before the Board, it was moved by Trustee Funkey seconded by Trustee Childress put to vote and unanimously carried that this meeting be adjourned at 11:13 A.M.