



**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY, FEBRUARY 22, 2023**

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, February 22, 2023. Present were Trustee Judith S. Sotir, Trustee Michael Funkey, Trustee Christopher Childress, Trustee Dave Krahn and Trustee Randall H. Brown. Also present were Attorney Gregg Ingemunson, District Manager Karen Clementi, Regulatory Manager, Tim Rubis, IT Supervisor, Dan Vargas, Controller, Linnea Scherer, Plant Supervisor, Joel Ilseman, Engineering and Field Supervisor, Keith Zollers, Andrew Orozco from the Field Maintenance, Human Resources Coordinator, Dan Rivera, Arnie Schramel from Progressive Energy Solutions, Dan Small and Randy Wirtz from Strand & Associates and Senior Administrative Assistant, Norma Rodriguez.

11085 The bills were presented and read. It was moved by Trustee Brown that the bills that have been presented and paid during the month of January 2023 be approved in the amount of \$2,958,379.65. Motion was seconded by Trustee Childress, put to vote and unanimously carried that the bills be paid as presented.

Controller Linnea Scherer addressed the Board with the Controller's Report. She stated that the Administration Team has been conducting customary annual budget meetings with senior staff over the past two weeks for most departments. These meeting have been proceeding well, this is particularly difficult because of the uncertainty of shipping prices, stock availability, gas and chemical price volatility. She thanked all of the supervisors for all of their hard work on all of their budgets. Linnea also gave a report to the Board regarding the District's cash on hand, investment portfolio and earned income to date.

Linnea and staff mailed District employees their value of benefits documents detailing their pay structures as well as their full value of their IMRF and health benefits. Linnea addressed all of the Board's inquiries and explained everything in detail.

11086

It was moved by Trustee Funkey seconded by Trustee Childress put to vote and the Motion was unanimously carried that the Controller's Report for January 2023 be approved as submitted.

11087

It was moved by Trustee Funkey seconded by Trustee Childress, put to vote, and the Motion was unanimously carried that the minutes of the January 18, 2023 Regular Board meeting be approved as written. Each of the Trustees having received and read copies of said minutes before the meeting.

In Public Comments, Trustee Sotir on behalf of the Board congratulated all of the employees who celebrated birthdays in the month of February.

Engineering and Field Supervisor Keith Zollers introduced Andrew Orosco from the Field Maintenance Department. Andrew joined Fox Metro in March 2013 as a Maintenance Apprentice. He demonstrates excellent team leadership. He has taken the initiative on several projects to improve the pump station buildings over the past few years, using his outside construction skills to the District's great benefit. Andrew is a great asset for the Field Team as well as for the organization. Andrew is this month's Fox Pride Award Recipient and also the Union representative at today's Board Meeting.

11088

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

The Regular Board Meeting temporarily adjourned at 9:41 A.M.

In the Committee of Local Improvements, Manager Clementi introduced Arnie Schramel from Progressive Energy Solutions. She also introduced Dan Small and Randy Wirtz from Strand & Associates who gave a presentation regarding Nicor Renewable Natural Pilot Program Participation. This is something staff has been working on for approximately eighteen months.

The overview of this project is that Fox Metro would clean and compress its methane gas generated at the digester complex into the Nicor main pipeline along Route 31. This process is similar to the solar



field projects in that the utility interconnection is needed and that there are grant and loan programs available for the District to help with the capital costs. Manager Clementi is seeking Board agreement on the expenditure of up to \$150,000.00 to Nicor for the preliminary interconnect and engineering design. There are sufficient funds available in the engineering design budget.

Mr. Small began with his presentation and explained the existing biosolids schematic. He said the goal is to identify the most cost-effective plan for digester gas use and showed a chart outlining the current digester gas production and utilization for the past three years. Currently, production of methane gas is 469,660 cu ft/day, the majority goes out to a flare and gets burned into the atmosphere. The rest of the methane gas goes to boilers used for heat for the Digester system. Several alternatives were evaluated and three were presented. One alternative consisted of using the existing boiler system and not make any changes. The second option consists of new Cogeneration system which takes the gas and puts it through an engine and produces electricity and it also captures heat that goes back to the Digesters. The third alternative is a new pipelined quality Renewable Natural Gas (RNG) System. This option consists of collecting the methane gas, cleaning it and putting it back into the Nicor pipeline and will make the District a gas producer. Each one of these options consists of different gas conditioning required for treatment and Mr. Small explained the process in detail. The key with going to Nicor's pipeline is that it gets the District into a Renewable Energy market and Mr. Small explained what this entailed. He said this is a newer market that started taking off in the last six years. The gas Fox Metro produces is called D3 RIN (Renewable Identification Numbers), there are different kinds depending on the composition of the gas and they all have different values. A graph was shown depicting the price of this gas over the last 4 years.

Mr. Small presented a slide showing the Digester Gas Utilization Alternative money comparison, total present worth and return on investment. He reviewed with the Board three options. Alternative 1- Existing Boiler System, Alternative 2 - New Cogeneration System and Alternative 3- New Pipeline Quality RNG System. Mr. Small explained total capital costs, total operating and maintenance costs, total present worth and return on investment of each alternative.



With assumptions going all across the Board Alternative 3 has a payback of eight years. It includes Nicor funding, it assumes gas could be sold at approximately 70% of current natural gas costs based on current gas production and it also does not include Federal Inflation Reduction Act, which could provide up to a 40% base rebate which improves the bottom line. Mr. Small said Alternative 3 RNG payback is better with growth and higher RIN prices and different scenarios were reviewed. The District could have a net profit of \$1.8M per year once the capital costs are recouped. The RINs are regulated by the EPA and are a publicly traded commodity, bought by energy industries and sold as renewable gas by facilities similar to Fox Metro and landfills. Discussion ensued regarding how RINs began and their purpose.

Mr. Small said Alternative 3 – RNG has nonmonetary advantages. It provides positive public relations related to sustainability initiatives. It provides very little gas flaring. Nicor performs maintenance of interconnection facilities. It also allows flexibility for future CNG vehicle fleet fueling.

Trustee Funkey inquired if there would be any harm in the environment when the plant disposed of the elements removed from the methane gas. Mr. Wirtz said the carbon dioxide emissions flaring between alternatives 1 and 2 are all the same. The Plant is burning all the gas and all the carbon dioxide is going out the stacks. The downside of not cleaning the gas is that the District is also putting sulfur dioxide into the air and those are air pollutants that cause acid rain so its better to get those out of the gas before it is burned. Alternatives 2 and 3, the Cogeneration and RNG Project both would take sulfur out of the gas before it is burned and that sulfur will end up in a landfill so its better for the environment. Alternative 3 for the RNG, once that gas is burned it will create the same amount of carbon dioxide, but what happens is that essentially less fossil fuel is being used and overall reducing carbon emissions. Discussion ensued.

Trustee Funkey inquired if the Plant can utilize all the methane gas. Mr. Wirtz said it could but Fox Metro would make a profit by selling it to Nicor and take advantage of the RINs. Trustee Childress said the exciting part of this is the District generating approximately \$2M of income. He commended Manager Clementi, staff and Strand and Associates for bringing this forward. There are many other organizations doing this across the country but none in Illinois yet.



Manager Clementi said the District is set up to do this project and can use its existing sphere and some of the piping. The timing is perfect because the District can capture Nicor's zero interest loan plus the IRA funds. She said staff has also been working with other waste water facilities who are looking into this. One facility near Chicago was looking into compressing and trucking their gas to a landfill in Wisconsin. The District could have a regional facility and other waste water facilities could bring their waste to this plant and they could receive a percentage as well. Trustee Krahn asked if there would be a capacity issue. Manager Clementi said she does not believe there would be an issue because that is what the sphere is for. Mr. Small said Fox Metro is large enough where similar Districts in the area are not and to Manager Clementi's point, they could truck their gas here. As a green perspective, it creates a larger green initiative with financial benefit to the District. Manager Clementi said what staff likes about this is that Fox Metro is a good location and it makes good partners with the other wastewater agencies. Mr. Small said one reason that Fox Metro is a good location is not only the size but Nicor already has a high pressure gas main approximately 100 feet away and it runs along Route 31. Manager Clementi said the District has protocols in place and this would have to be done properly, with the proper insurance and proper precautions. Discussion ensued regarding connecting further away from the plant.

Staff has been communicating with Wheaton, Kankakee and Elgin regarding this program. Trustee Krahn inquired how the product is transported. Mr. Small said there are vehicles that can carry compressed natural gas. Trustee Childress said Fox Metro is not going to transport it, other agencies would transport it Fox Metro. The plan is to make an investment to send it right back into Nicor's gas line. Mr. Small said the next step to figure out is what that injection point will look like. Trustee Sotir inquired how volatile this was. Trustee Childress said it is just as volatile and combustible as any other flammable material.

Mr. Small said if the District would like to proceed with this, the next steps would be to confirm selection of Alternative 3 – New Pipeline Quality RNG System. Request Nicor to perform preliminary engineering study at a cost of \$50,000.00 to \$150,000.00. Begin negotiations with Nicor or Interconnection on Service Agreement. Execute Nicor 20-year Interconnection Service Agreement by Nicor's July 2023 Funding Deadline. Complete engineering design and construction.



Manager Clementi said what staff is seeking today is to take some of the District's Engineering budget to spend up to \$150,000.00 on the Preliminary Engineering Study with Nicor. Discussion ensued regarding cost sharing.

Trustee Childress wanted to confirm that staff just wanted to do a feasibility study now and they would come back to the Board for an actual capital spending commitment. Manager Clementi confirmed that was correct.

Trustee Childress said the District's situation is going to be different than other agencies because of where the line is, how far the line is, how deep the line is, what the pressure is running by and other types. He added that as such, Fox Metro may not recapture that investment from the people bringing it in but the District is going to get paid to take the gas so it adds value to recapture. He added that the four-year payback, given the IRA that is there, moves it down from eight to four years and generate \$2M per year is only based on what Fox Metro is going to generate. What is exciting is that it provides another opportunity to generate more income. Once this is up and operational, run it and see how it is going and then in the future look to take other agency's product. Trustee Sotir said she looks at this as an investment. Trustee Funkey thinks as the Board considers this project, the ability to serve other users should be built in to the planning. Discussion ensued.

Trustee Childress inquired what extra capacity there is. Mr. Small said right now the equipment is just for what the plant currently generates which is 470,000 cu ft per day. He said he would have to research to get the correct answer. Manager Clementi said there are a lot of details that have to be completed before this project proceeds. She said the gas sphere is getting close to the end of its useful life and it might need to be replaced in the next ten years.

Trustee Funkey inquired how much volume of gas could the facility handle if the production of gas increased. Trustee Childress said the gas goes through the pipe and it gets stored in the sphere and once its cleaned it will go to Nicor so it is not just going to sit there. Mr. Small said the preliminary engineering study will answer that question as well.

11089

With no other questions or comments, it was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and the Motion was unanimously carried to proceed with the Alternative 3 – New Pipeline Quality RNG System and authorize expenditure up to \$150,000.00 for the preliminary engineering study by Nicor. Trustee Childress abstained.

Trustee Sotir said what really appeals to her about this project is that it may be as much an 8-year payback but it could be as soon as a 2-year payback depending on what the rates are. There are very few investments that will give that kind of a return.

Trustee Krahn inquired how long the preliminary study would take. Manager Clementi said she did not have that information at this time but will work with Strand and Nicor to get it done very soon because it has to be completed by the July 2023 deadline.

Manager Clementi thanked Strand & Associates and Progressive Energy Solutions. They have been fantastic partners with the District on this project with all of their knowledge.

11090

With no other matters to come before the Committee of Local Improvements, it was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and the Motion was unanimously carried that the Committee of Local Improvements adjourn and the Regular Board Meeting reconvene.

The regular Board Meeting reconvened at 10:34 A.M.

Attorney Gregg Ingemunson addressed the Board and advised them there was no Attorney's Report this month.

Manager Clementi addressed the Board with the Construction Project's Report. She requested Partial Payment No. 16 to Whittaker Construction in the amount of \$424,815.23 for the North Aurora Pumping Station Improvements Project. The project is 89% complete. Pay request reviewed by Strand & Associates.

Manager Clementi requested approval of Partial Payment No. 15 to Williams Brothers Construction in the amount of \$124,575.92 for the

Digester Complex Improvements (DCM-4) Project. The project is 74% complete. Pay request reviewed by CDM Smith.

Manager Clementi requested approval of Partial Payment No. 9 to Vissering Construction in the amount of \$110,889.46 for the 111th Street Pump Station Project. The project is 68% complete. Pay Request reviewed by Trotter and Associates.

Manager Clementi requested approval of Partial Payment No. 8 to Williams Brothers Construction, Inc., in the amount of \$55,103.76 for the H3, H4 & H5 Valve Vault Improvements Project. Project is 88% complete. Pay request reviewed by CDM Smith.

11091

It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and the Motion was unanimously carried that the Construction Project Report be approved as published and payments be made as requested.

Manager Clementi addressed the Board with the Manager's Report and gave an update on Wastewater Tracing of Covid-19 and Influenza. She showed graphs that showed results from when Fox Metro began testing for COVID in 2020 through present date. She explained the graphs that showed the waves of COVID and explained that the biggest wave was the Omicron strain. Another graph showed the results from Omicron to present and how the waves increase around the holidays. Staff is now receiving State data for COVID and Influenza and shared with the Board were the last eight weeks of data staff received. Manager Clementi explained all graphs in detail and answered all questions and concerns. Trustee Sotir said this will help with people who have compromised immunities to be able to have access to this. Manager Clementi said all this information will also be posted on the District's website.

Trustee Krahn inquired what the State is using for data and how they track it. Manager Clementi said this information goes to a massive database where many facilities like Fox Metro feeds them data.

Next item discussed in the Manager's Report was PFAS Testing and Results. Mr. Tim Rubis said staff is still waiting on sampling results and this is due to staff shortages and backlog of samples at Pace Analytical in Baton Rouge, LA. He sent them an email and will have a summary for the Board next month. Staff has found another lab in Michigan that is being



considered and will try them for the next round of sampling. There is also another lab in New Jersey but will have to wait for their accreditation.

Trustee Sotir inquired what information is going to be received. Mr. Rubis said there will be results that will be compared to the last round of testing data because there has only been one sampling event so far. Trustee Sotir asked if there will be results regarding the farm fields. Mr. Rubis said there has been no testing done at the farm fields. Testing has only been done on the influent and effluent and sludge at the plant. Staff does plan to test farm field soil and screen industries as well. Manager Clementi said staff is holding off a bit until the labs fix their issues and prompt reliable data is received. Also, it is very expensive right now because there is only one lab performing these tests.

The next item discussed was the new O&M Building Open House. Trustee Sotir said it may be good to have an open house sometime in the late spring or early summer. The question now is who would be invited to this open house. Should it just be internal, and some legislative individuals or should it also be open to the general public. Discussion ensued regarding the attendance at the open house the District had for the South Plant. Trustee Sotir said the idea of having it open to the public is to make them aware of the projects Fox Metro is doing like the solar field and the methane gas project that was discussed today. She said all this information is on the District's website and caution should be taken regarding how much access the public is given to the facility. Discussion ensued.

Trustee Funkey said an Open House is a great idea and the South Plant Open House was on a Saturday afternoon and the same format can be followed for this Open House. He also thinks that the solar field as well as the methane gas project should be showcased. Manager Clementi said that security is very important and public access to the O&M Building should be controlled in allowing small groups for Plant tours only. No one will be allowed to wander on their own at the facility. Trustee Sotir said she is not sure how many people would attend an open house like this because the O&M Building is not visible. There was a good turnout at the South Plant Open House because it was visible. Trustee Funkey said perhaps the best way to do this is to offer plant tours on a bus and not allow anyone inside the building. After discussion, the Board agreed to hold an Open House for the O&M Building in June. This event will be



discussed at the PR Committee Meeting to work out the details and come up with a brochure outlining the solar field projects and the methane gas project.

Manager Clementi requested an Executive Session be held to discuss personnel and related matters.

11092

It was moved by Trustee Brown, seconded by Trustee Krahn, put to vote and unanimously carried that at the conclusion of New Business of today's meeting, we will temporarily adjourn for an Executive Session.

The Regular Board Meeting temporarily adjourned for Executive Session at 11:14 A.M.

11093

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

Regular Board Meeting reconvened at 12:16 P.M.

No decisions were made in Executive Session.

11094

With no other business to come before the Board, it was moved by Trustee Brown seconded by Trustee Funkey, put to vote and the Motion unanimously carried that this meeting be adjourned.

Meeting adjourned at 12:17 P.M.

R-559