

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY, JULY 19, 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 July 19, 2023. Present were Trustee Judith S. Sotir, Trustee Michael Funkey, Trustee Dave Krahn, Trustee Randall H. Brown and Trustee Chuck Nelson. Also present were Attorney Gregg Ingemunson, District Manager Karen Clementi, Regulatory Manager Tim Rubis, Controller Linnea Scherer, Human Resources Coordinator Dan Rivera, Plant Manager Joel Ilseman, Senior Project Engineer James Kerrigan, and Senior Administrative Assistant, Norma Rodriguez. Also present was Mr. Nick Vaccari from Meeder Public Funds.

11182 The bills were presented and read. It was moved by Trustee Funkey that the bills that have been presented and paid during the month of June 2023 be approved in the amount of \$3,074,155.62. Motion was seconded by Trustee Krahn, put to vote and unanimously carried that the bills be paid as presented.

11183 It was moved by Trustee Funkey seconded by Trustee Krahn, put to vote and unanimously carried that the Financial Report for June 2023 be approved as submitted.

Controller Linnea Scherer addressed the Board and said she did not have a Controller's Report this month but the items she would normally report would be covered in presentation that will be given in today's Board meeting.

11184 It was moved by Trustee Funkey seconded by Trustee Krahn, put to vote, and the Motion was unanimously carried that the minutes of the June 21, 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 July.

Manager Clementi presented Controller Linnea Scherer with the Fox Pride Award this month. Linnea has been employed at the District for five years. She has been in the position of Controller for two years and has done an excellent job with the District investments which have resulted in great financial return. The Board and Manager Clementi appreciate all the great work Linnea does for the District.

Human Resources and Safety Supervisor Dan Rivera introduced Josh Stork as the Union Representative for this month's Board Meeting. Josh was a second shift operator for five years and just recently changed over to the Electrical Department as an Apprentice.

With no other Public Comments, it was moved by Trustee Funkey, seconded by Trustee Krahn, 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 9:35 A.M.

In the Committee of Local Improvements, Manager Clementi introduced Mr. Nick Vaccari from Meeder Public Funds who gave the Board an investment strategy update. Fox Metro has been working with Meeder in an investment program for approximately 13 months. Mr. Vaccari began his presentation by giving an overview of Meeder Public Funds and a brief history of the company. He also gave a synopsis of the services his company provides.

Mr. Vaccari continued with the District's economic update. He explained the Federal Reserve Dot Plot and the path of interest rates. Based on its trajectory, it seems that the interest rates are looking to be moving lower and this sets the stage on how to structure the District's portfolio. The Federal Reserve, Markets, and Economists are expecting lower Federal Funds rates in 2024. Mr. Vaccari showed a graph explaining the reasons why. He said this is the reason the District needs to be locking in to these high yielding interest investments that are being seen in the marketplace. The reason this



economic data is reviewed is because Meeder wants to be able to preserve the income the District is going to be making over the next twelve to eighteen months.

Mr. Vaccari reviewed in detail Fox Metro's portfolio as of 6/30/2023. The weighted average yield of 3.63%. The District's total earned income from the Fiscal year 2023 was \$243,304. The District's earned income for 2024 to date is \$32,042 the projected income for next quarter is \$107,392 and Fiscal Year 2024 remaining projected income is 356,400. Mr. Vaccari explained the strategy to achieve that goal. He said the goal is to create a flatline expectation of what the District is going to be receiving each month. It is fully expected that with these maturities that are going to be coming due and are going to be re-invested, they will be at higher rates and the portfolio yield will continue to be higher before the interest rates begin to drop. The District's maturity distribution was explained in detail.

From a recommendation standpoint, Mr. Vaccari discussed a hypothetical portfolio illustration with a security of \$10M with a weighted average maturity of 0.52 years at a weighted average yield of 5.63% and estimated annual income of \$552,839. He explained the specifics of the portfolio to the Board in detail and answered all questions and addressed concerns. Discussion ensued.

Trustee Sotir said this sounds like a good investment and good returns especially since there are many new projects that are coming up at the District and not getting the funds from where the District is already investing is a great alternative.

Trustee Funkey inquired if the total earned income from investments for fiscal year 2023 that ended in May was 243,304, what was the total earned investment income before working with Meeder. Ms. Scherer said with the District's Money Market with Old Second National bank, the District's earning was approximately \$1,200 per month, which is significantly less than what the District is earning now with Meeder. Manager Clementi said she has looked into short term CD's and has compared rates with three local banks. The first bank offered 5.35% for 11 months, the second bank stated the District would not be eligible, second bank was the District's current bank so the District would not be eligible for the promotional 4.58% for 13



month CD offer. The third offered 5.1% and for 13 months. With Meeder the District receives the expertise the other banks could not offer and the District would also receive monthly reports and projections that it would not receive with other financial institutions. Discussion ensued

Staff will concur with Meeder's recommendations to place more of the District's cash on hand in investments temporarily since construction projects are moving slowly, especially the Renewable Natural Gas project that is budgeted for later this fiscal year.

11186

With no other matters to come before the Committee of Local Improvements, it was moved by Trustee Funkey, seconded by Trustee Krahn, 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 10:02 A.M.

Attorney Ingemunson addressed the Board with the Attorney's Report and requested approval Ordinance No. 921 and Resolution No. 1009 Annexing Karis Subdivision consisting of 202.487 acres in Bristol & Oswego Township, Kendall County Illinois.

11187

It was moved by Trustee Funkey, seconded by Trustee Krahn, put to vote and unanimously carried that Ordinance No. 921 and Resolution No. 1009 Annexing Karis Subdivision consisting of 202.487 acres in Bristol & Oswego Township, Kendall County Illinois be approved as written.

Attorney Ingemunson requested approval of Ordinance No. 922 and Resolution No. 1010 Annexing Karis Homestead consisting of 1.652 acres in Bristol Township, Kendall County, Illinois.

11188

It was moved by Trustee Funkey, seconded by Trustee Krahn, put to vote and unanimously carried that Ordinance No. 922 and Resolution No. 1010 Annexing Karis Homestead consisting of 1.652 acres in Bristol Township, Kendall, County Illinois be approved as written.



Senior Project Engineer James Kerrigan addressed the Board with the Construction Project's Report. He requested approval of Partial Payment No. 20 to Williams Brothers Construction in the amount of \$353,208.12 for the Digester Complex Improvements (DCM-4) Project. The project is 87% complete. Pay request was reviewed by CDM Smith. The contractor is continuing with the M3 Digester cover installation, process piping, as well as electrical work. The contractor also begun final painting on several interior room areas.

Mr. Kerrigan requested Partial Payment No. 21 to Whittaker Construction in the amount of \$353,208.12 for the North Aurora Pumping Station Improvements Project. The project is 92% complete. Pay request was reviewed by Strand & Associates. Work completed this month included the delivery of electrical MCC equipment as well as excavation for the connection of the new facility to the forcemain.

Mr. Kerrigan requested approval of Partial Payment No. 14 to Vissering Construction in the amount of \$83,983.78 for the 111th Street Pump Station Project. The project is 95% complete. Pay Request was reviewed by Trotter and Associates. The contractor has completed the major site work. Remaining work includes electrical startup, punch list and site cleanup.

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

Mr. Tim Rubis addressed the Board with the Manager's Report with a PFAS update. He said staff is currently working in-house on Fox Metro's NPDES permit application renewal. They have received PFAS language for the major dischargers' permits during this permit renewal cycle from the IEPA. Fox Metro will be required for sampling the influent and effluent every quarter, and the biosolids semiannually for PFAS.

The draft permit language also states that following two years of quarterly sampling, the permittee may request reduction in testing



frequency, or an elimination of testing, by filing an NPDES permit modification request with the Agency. This language was negotiated heavily by the IAWA to the benefit of all wastewater agencies. Fox Metro is being proactive by currently sampling at these frequencies already and will have over one year's worth of data to review before the Fox Metro's new NPDES permit goes into effect. Fox Metro has also begun testing industries for PFAS. Staff will review the data submitted and see what those industries can do to reduce the amount of PFAS sent to the wastewater treatment plants. Discussion ensued.

Trustee Funkey stated he spoke with U.S. Representative Foster at an event regarding this issue and wants staff to stay in close contact with his office because this could end up costing the District a lot of money due to the upcoming IEPA/USEPA requirements. He also wants staff to lead the discussion regarding PFAS and advise U.S. Representative Foster that Fox Metro is the one with the most knowledge with regard to this issue. Manager Clementi said staff will send U.S. Representative Foster the position paper from the IAWA. Trustee Funkey said staff needs to communicate with U.S. Representative Foster's office regularly and would like Fox Metro to rise to the top and be experts in the PFAS field as far as treatment facilities are concerned. Discussion ensued.

Continuing with the Manager's Report, Manager Clementi stated that the Board authorized the in-kind replacement of 2 new sludge to water heat exchangers in December 2022. The heat exchangers that were subsequently ordered from Walker Process in Aurora, are currently being fabricated, and are almost ready for installation by a mechanical contractor. A bid package has been prepared by staff and is pending attorney's review.

Manager Clementi requested authorization to seek bids on the DCM-3 Heat Exchangers Installation to be opened at 10:00 A.M., on August 16, 2023 at the Board of Trustees Meeting. It was moved by Trustee Funkey seconded by Trustee Brown, put to vote and unanimously carried and authorized to seek bids



on the DCM-3 Heat Exchangers Installation to be opened at 10:00 A.M., on August 16, 2023 at the Board of Trustees Meeting.

The next item discussed was the Renewable Natural Gas (RNG) project. Manager Clementi updated the Board and said that she and staff are actively working on this project. The Illinois Commerce Commission has allowed Nicor to renew Rate 81 on an interim basis and Rate 82 looks like it will be adopted soon. The interim extension allows for the current applicant to complete their project under rate 81. The District intends on applying under the Rate 82 program because it is financially more favorable.

The Regulatory Attorney, Jerry Fox continues to negotiate on the District's behalf with the ICC and Nicor.

The Nicor engineering study was received on June 19, 2023. Strand, Progressive Energy, and staff have reviewed the document and provided written comments back to Nicor. Nicor responded to staff's comments on July 13, 2023 and staff is currently reviewing them.

Manager Clementi and Project Engineer James Kerrigan will be meeting with the Director of Wheaton Sanitary District on Friday, July 21, 2023 to discuss trucking their gas to Fox Metro, mainly how are they going to transport it to the facility and other logistics that affect both agencies

Manager Clementi said one key takeaway from the engineering study is that Nicor's Interconnection Fee estimate has been reduced from a maximum of \$5.8M earlier this year to a maximum of \$4.2M in this study. Trustee Funkey inquired if there was anything going on in Springfield with regard to this topic. Manager Clementi said she was not aware of anything at this time.

The next item discussed in the Manager's Report was the Solar Field Update. Manager Clementi said the Kendall County



zoning modification was approved for the 1-acre demo garden at the South Plant. Kendall County building permit application is complete.

With regard to the main field at the former Western Electric property, Progressive Energy and staff are actively working with the Village of Montgomery and the Montgomery-Countryside Fire Protection District on permitting.

Manager Clementi said staff and SimpleRay are working on digital education materials and public relations materials for the new phase.

11191

With no other matters to come before the Board, Manager Clementi requested an Executive Session be held to discuss personnel and related matters.

In New Business Trustee Nelson commended the Billing Department for the great work they do every day. He had an opportunity to stop by the Billing Department last week during a large shut off day and witnessed the great job they do. They have all the equipment they need and they are very appreciative of Management for providing everything they need to make their job a little easier. He said the Billing Department has a tough job but they perform it very well especially dealing with angry customers on a day to day basis. Manager Clementi thanked Trustee Nelson for taking the time to visit the Billing Department, it is very much appreciated. She extended the invitation to all Board members, they are all welcome to visit if they wish.

11192

It was moved by Trustee Funkey seconded by Trustee Brown, 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 10:33 A.M.



11193

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

Regular Board Meeting reconvened at 11:35 A.M.

No decisions were made in Executive Session.

11194

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

Meeting adjourned at 11:36 A.M.

R-570