

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY, AUGUST 19, 2015**

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, August 19, 2015. Present were, Trustee James K. Detzler, Trustee Judith S. Sotir, Trustee Michael C. Funkey, Trustee Albert E. Heriaud, & Trustee Christopher F. Childress. Also present were Attorney Dallas C. Ingemunson, Philippe Moreau, Manager Thomas F. Muth, John Frerich from Walter E. Deuchler, Controller Jimmie Delgado, Human Resources Coordinator Patrick Divine, Operations Supervisor Joel Ilseman, Field Services Manager Matt Woodin, and Norma Rodriguez.

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The bills were presented and read. It was moved by Trustee Sotir, that the bills be allowed as read, and that checks be drawn in payment account during the month of July 2015 in the amount of \$1,684,945.22 be ratified and approved. Motion was seconded by Trustee Funkey, put to vote and unanimously carried that the bills be paid as presented.

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It was moved by Trustee Sotir seconded by Trustee Funkey, put to vote and unanimously carried that the Treasurer's Report for July, 2015 be approved as submitted.

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It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that the minutes of the July 22, 2015 Regular Board Meeting be approved as written, each of the Trustees having received and read copies of said minutes before the meeting.

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With no Public Comments, It was moved by Trustee Detzler, seconded by Trustee Funkey, 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 Jim Savio from Sikich addressed the Board with a Rate Study Review and presented them with a 10 year financial projection.

Projections were given to the Board of 0%, 3% and 5% so they could see the costs for the next five to ten years and they will be presented with another rate study two years from now. Trustee Childress said that in 2013 when the District raised the rates by 30% it was received very negatively by the customers. Manager Muth said he doesn't want that to happen again. Trustee Sotir said there was very long period of time where Fox Metro did not raise their rates because it was thought that it wasn't deemed necessary

until it ended up in the situation where it had a very high user rate and it affected the District very negatively.

Manager Muth said the District has developed a short and a long range capital improvement plan that are included in these projections that will give the Board the ability to make the best decisions in the future. Trustee Funkey and Childress expressed the concerns with accumulating too much money. That's not fair to our customers. Jimmie Delgado said he recommends a 5% rate increase because it is not known what new mandates are going to be and the District needs to think long term. Trustee Sotir said that unfunded mandates are going to continue.

Trustee Childress said 2016 & 2017 are projected at 5% and he would like to see what 3% projections until 2024 would look like and that it shows what our cash status would be. Jimmie said he can get that information to Trustee Childress as soon as possible. Trustee Childress wanted to confirm that any rate increase after 2017 would be communicated to the customers which would include the percentage of the increase. Manager Muth said that perhaps it would be helpful to have another rate increase model so the Board can make a better decision on future rate increases. Jimmie Delgado said that all the variables are going to change and that is part of the issue because every year we are trying to predict ten years to the future and that is very difficult. Trustee Childress said that it would be interesting to see what the predictions were the last time the last rate study was done and see where it said the District would be and compare where the District actually is now and see if it is in a better or worse position or what if anything has changed. Jimmie asked Trustee Childress if he wanted the two rate studies compared or if he wanted the actual performance compared because they are two different things. He said actual performance would give better answers. Manager Muth said that information will be given to the Board by November.

Jim Savio said assuming a 5% increase every year, the District would still be fine and there would not be any issues as far as cash reserves and unrestricted net position but if the District goes lower than 5% there may be issues.

At 10:00 A.M., Manager Muth opened and read aloud bids received for Inductively Coupled Plasma Mass Spectrometer (ICP-MS) System as follows: Thermo Fisher Scientific – Total Bid \$140,143.19; Perk and Elmer – Total Bid \$130,525.20; It was moved by Trustee Funkey, seconded by Trustee Sotir, put to vote unanimously carried that the low bid of Perk and Elmer, be accepted for \$130,25.20 and purchase the above said system.

Manager Muth opened and read aloud bids received for M4 Cover Replacement Project as follows: Joseph J. Henderson – Total Bid \$1,517,000.00; Manusos General Contractors, – Total Bid \$1,171,960.00; The Engineer's estimate for this project was \$1,300,000.00. It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that the low bid of Manusos General Contractors, be accepted for \$1,171,960.00 and the bid of Joseph J. Henderson, for \$1,517,000.00 be held pending specification review by Fox Metro Water Reclamation District and Walter

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E. Deuchler Engineering Staff.

Manager Muth opened and read aloud bids received for Clarifiers D4 & H3 Mechanism Replacement Project as follows: Joseph Henderson – Total Bid \$216,000.00; Manusos General Contractors – Total Bid \$234,000.00; R J O’Neil – Total Bid \$194,345.00; The Engineer’s estimate for this project was \$175,000.00; It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that the low bid of R J O’Neil, be accepted for \$194,345.00 and the bid of Joseph Henderson, for \$216,000.00 be held pending specification review by Fox Metro Water Reclamation District and Walter E. Deuchler Engineering Staff.

In the Attorney’s Report Manage Muth explained to the Board that the Intergovernmental Agreement Attorney Ingemunson will request approval for an easement through the Oswego Township Road District property which will provide permanent access to the District’s Waubonsee Interceptor easement.

Attorney Ingemunson requested approval of Intergovernmental Agreement between Fox Metro Water Reclamation District and the Oswego Township Road District of Transportation, regarding construction and use of a permanent access roadway through the premises located at 1150 Route 25, Oswego, Illinois, which read as follows:

WHEREAS, FOX METRO and the ROAD DISTRICT have authority to enter into intergovernmental cooperation and intergovernmental agreements; and

WHEREAS, FOX METRO is in the process of constructing the Waubonsie Interceptor Junction Box to be located approximately 700 feet north of the ROAD DISTRICT’s facility located at 1150 Route 25, Oswego, Illinois (herein referred to as the “Premises”); and

WHEREAS, FOX METRO has an existing easement immediately east of the premises that FOX METRO currently uses to access the Waubonsie Interceptor; and

WHEREAS, FOX METRO has applied for and received a loan from the Illinois Environmental Protection Agency for the construction of the Waubonsie Interceptor Junction Box and Interceptor Sewer to the FOX METRO South Wastewater Treatment Facility; and

WHEREAS, construction and maintenance of the Waubonsie Interceptor Junction Box requires permanent access across the Premises to FOX METRO’s existing easement;

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING AND OTHER MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ROAD DISTRICT authorizes FOX METRO and its consultants, contractors, and sub-contractors to construct and use a permanent access roadway through the Premises under the following conditions:

- Provide at least five (5) days advance notice by telephone or fax of the date on which FOX METRO plans to enter onto the Premises for the purpose of performing the work proposed in this Agreement;
- Construct an access roadway and vehicle gate on the Premises, as shown on Exhibit 1, at FOX METRO's expense; and
- Indemnify and hold ROAD DISTRICT, its employees, agents, representatives and assigns, harmless from and against any and all liability, demands, claims, loss, damage, penalties, fines, costs and expense by reason or on account of violation of applicable laws or regulations, property damage, death and personal injury of whatsoever nature or kind, including damage to the property of, death of, and personal injury to FOX METRO employees, FOX METRO's agents, consultants, contractors and subcontractors and their employees, arising out of, as a result of or in connection with the performance of this Agreement; and
- Keep the Premises free from any mechanic's lien claim arising out of the work performed by FOX METRO, its consultants, contractors and subcontractors;
- This Agreement is binding upon and inures to the benefit of each Party to this Agreement and to all officers, directors, employees, beneficiaries, administrators, agents, servants, attorneys, other representatives, insurers, shareholders, partners, principals, affiliates, subsidiary corporations, successors, assigns, and heirs of each Party to this Agreement. This Agreement may not be assigned or transferred by any Party under any circumstances, except upon the prior written consent of all Parties.
- Any notice required or desired to be given hereunder shall, unless otherwise specified, be sufficient if in writing and personally delivered or sent by certified mail, return receipt requested, and sent via facsimile, as follows:

If to Fox Metro Water Reclamation District to:

FOX METRO WATER RECLAMATION DISTRICT

682 State Route 31

Oswego, IL 60543

Attn: JAMES K. DETZLER, PRESIDENT

If to Oswego Township Road District, to:

OSWEGO TOWNSHIP ROAD DISTRICT

1150 Route 25

Oswego, IL 60543

Attn: GARY GROSSKOPF, HIGHWAY COMMISSIONER

or to such other address as the addressee may have specified in a notice fully given to the sender as provided herein.

- Each of the undersigned warrants that he or she has full right, title, power, and authority to execute this Agreement.
- Each of the undersigned warrants and represents that he or she has read this Agreement, and each has, either personally or through his or her attorney or attorneys, fully investigated to his or her full satisfaction the facts surrounding the various claims, controversies, and disputes, and understands the terms of this Agreement.
- Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable laws, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof, supersedes any and all prior written or oral agreements between or among the Parties, and may not be modified in any manner, except by an instrument in writing signed by the Parties.
- This Agreement may be simultaneously executed in two or more counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute a single agreement.
- Exchange of signatures by facsimile shall be satisfactory execution to make this Agreement valid and enforceable.
- This Agreement will be governed by the laws of the State of Illinois.

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It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that Intergovernmental Agreement between Fox Metro Water Reclamation District and Oswego Township Road District of Transportation, be approved as written.

PASSED by the Board of Trustees of Fox Metro Water Reclamation District this 19th . Day of August, 2015, by a voice vote of 5 to 0.

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Philippe Moreau addressed the Board with the Engineer's Report. Mr. Moreau requested approval of Partial Payment No. 13 to Mechanical, Inc., in the amount of \$159,230.36 for Air Main Header Replacement Project. It was moved by Trustee Sotir seconded by Trustee Funkey, put to vote and unanimously carried that payment be made in the amount of \$159,230.36 to Mechanical, Inc., for work completed on Air Main Header Replacement Project.

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Manager Muth addressed the Board with the Manager's Report and requested authorization to seek bids for the Chlorination Improvements Projects to be opened at 10:00 A.M., September 23, 2015 at the Board of Trustees Meeting. It was moved by Trustee Sotir seconded by Trustee Funkey, put to vote and unanimously carried to seek bids for a Chlorination Improvements Project to be opened at 10:00 A.M., September 23, 2015 at the Board of Trustees Meeting.

Manager Muth requested authorization to seek bids for Building P-1 Remodel Phase 3 Projects to be opened at 10:00 A.M., September 23, 2015 at the Board of Trustees Meeting.

Manager Muth said all improvements on Phase 2 are close to being completed and would like to go to Phase 3. Manager Muth said Phase 2 improvements included the Billing Department and it has been moved to a safe environment, a secure window has been installed to take customer payments and bathroom has been constructed in the lobby of the building and the door to come into the offices is kept locked at all times. The pretreatment Department has been moved to the area where the Billing Department used to be. All the heating and ventilation improvements have been completed in those areas along with the area where the lab used to be.

Manager Muth said the heating and ventilation system in the building is thirty five years old and it has reached their useful life. One half of the building has been renovated and the heating and ventilation system is up to code and is working very well.

Phase 3 of the remodel which is what Manager Muth is proposing today includes new heating and ventilation system to the rest of the building. It also includes the reconfiguration of the IT Department. Currently all the computer equipment is out in the open and this part of the building is not up to code. Phase 3 renovations would include taking some walls down and reconfigure the whole space. The old washrooms would be taken out because new washrooms have been constructed in Phase 2. This proposal would add approximately 500 square feet to the IT Department and that would allow all

of the computer hardware to be placed in one area. The large invoice printer would be placed in a single office area where the noise can be isolated. Create a lab area for the IT technicians where they can work on the computers and phones and it would also give them an area where they can store their inventory. The new space would also include desk areas for the employees in the IT Department. The electrical system would also be upgraded in Phase 3 along with the heating and ventilation. The last phase of the renovation would be replacing the roof in the building and it would probably take place in the summer of 2016. The entrance to the building will also have to be made handicap accessible so it is ADA compliant. A ramp to the side would have to be constructed due to the elevation of the building. Trustee Childress asked what the approximate cost of the renovations would be. Manager Muth said it would be approximately \$700,000.00 and it would get us through the next twenty to twenty five year plan.

Trustee Childress asked if there is a plan of other office construction at the plant. Manager Muth said with these improvements completed he would ask for a space allocation plan for the plant. Once that study is complete it will be proposed in next year's budget. The office building at the plant has not been renovated in eighty five years and improvements are needed. Once those improvements are complete then improvements at 1135 S. Lake Street can be discussed but that probably won't be for another two years.

Trustee Childress inquired if the IT equipment was currently in a secured location or an open area. Matt Woodin explained that currently due to the lack of space, all the servers and equipment are in an exposed area and share office space with the employees. He added that with the new renovations security doors will be installed that will only be accessible by codes along with a security camera. Matt said they chose this to be the last phase of the renovations because it is going to be the most complicated to complete.

Trustee Childress asked if fire suppression would be installed in that room. Matt confirmed that fire suppression material would be added to the control room along with a system that would take the oxygen out and help suppress the fire.

Trustee Sotir asked what the time frame of completion would be on this phase. Matt said the completion of this phase would be this budget year. He added that this is a good responsible way to bring the building up to code.

Trustee Childress asked if this is going to be construction Management. Manager Muth said it will involve one general contractor to do all the work and he would have his sub-contractors.

It was moved by Trustee Sotir seconded by Trustee Funkey, put to vote and unanimously carried to seek bids Building P-1 Remodel Phase 3 Projects to be opened at 10:00 A.M., September 23, 2015 at the Board of Trustees Meeting.

Manager Muth said next month bids will be opened for the South Plant and feels that it is important for the District to do be proactive with public relations on that project. There is no one on staff at Fox Metro that has experience in public relations and considering this is the largest project the District has ever done he feels it is important to do things right. In order to do that Manager Muth, Jimmie Delgado and Trustee Sotir have met with a Public Relations expert they feel can help with accomplishing that goal. They were given some proposals to consider and the costs are approximately \$15,000.00 to \$20,000.00. Manager Muth added that a firm has given them three alternatives and the least costly proposal was approximately \$15,000.00. The next expensive option was \$20,000.00. He believes with the assistance of the District's staff and the Public Relations firm, information can be compiled the costs in the area of \$15,000.00 and \$20,000.00. Trustee Childress asked if a scope of the proposed work can be sent to him. The firm will charge at an hourly rate to review the information that is given to them. Trustee Funkey asked how many firms have been contacted. Manager Muth said only one firm has been contacted and that was Sikich. They are out of Chicago and they have done work with IMRF and they have experience. All Board members were in agreement that it is important to hire a PR firm but asked to contact PR firms in the area and get proposals from them before making a decision. Trustee Childress also stressed that the person who addresses the public and contact person should be an internal employee and everyone agreed, Manager Muth and Trustee Sotir said that was the plan and they will assign a person for that task.

For the next item, Manager Muth wanted to congratulate the employees at our lab because they did an outstanding job on receiving a perfect score for annual USEPA Proficiency Testing Study again this year.

Manager Muth reported that a summary of our effluent results for 2014 was submitted to the National Association of Clean Water Agency and based on having two excursions Fox Metro received the Silver Peak Performance Award for 2014. Our goal is to reach the Gold which is no excursions and we are on the path this year to achieve that. This is a testimony to all staff for all the hard work and dedication they do all day every day. In recognition, the District will have an employee appreciation luncheon on Friday, August 21, 2015 and all members of the Board were invited to attend.

Manager Muth requested an Executive Session be held to discuss personnel and any related matters. It was moved by Trustee Sotir, seconded by Trustee Funkey, 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.

In New Business Maintenance supervisor Chris Morphey reported the Plant is running good and it did very well with the heavy rains that came down in the past few days and there were no adverse effects.

Controller Jimmie Delgado reported the employees will be receiving a new app with regard to their medical insurance which is a new tool that will help employees find doctors and clinics from their mobile phone. He added there will be informational

meetings one in September and one in October where employees and their spouses can attend and address any questions or concerns.

Trustee Childress said any improvements that we see coming forward that would affect our peak load contribution to the grid that will drastically reduce because that would drastically affect the recommendation we would have whether long term or long term because we want to capture any savings if we lock into a long term contract. Trustee Childress also wanted to know if the new planned project is going to be metered separately than the north plant. Both Chris Morphey and John Frerich said it will all be new metered.

Trustee Childress asked if the electricity used in the construction of the plant was included in the bid that the contractor would pay for it or would they charge the District back for that electricity. John Frerich is part of their bid and they will not bill back the District.

Trustee Heriaud wanted to thank Trustee Sotir for taking the time and representing the Board in the meetings that have been held with regard to the Public Relations project.

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

The Meeting temporarily adjourned at 11:20 A.M

The Regular Board Meeting reconvened at 11:30 A.M.

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President Detzler announced there were no further decisions reached in Executive Session, therefore it was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that the Board Meeting be adjourned.

Meeting adjourned at 11:31 A.M.
