

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY, FEBRUARY 22, 2017**

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, 2016. 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 Boyd Ingemunson, Philippe Moreau, Manager Thomas F. Muth, John Frerich from Walter E. Deuchler, Controller Jimmie Delgado, Human Resources Coordinator Patrick Divine, Maintenance Supervisor, Chris Morphey, Operations Supervisor, Joel Ilseman, Field Services Manager Matt Woodin, Mike Brown from Cordogan Clark & Associates and Norma Rodriguez.

9251

The bills were presented and read. It was moved by Trustee Sotir that the bills be allowed as read, ratify and approve the checks drawn during the month of January, 2017 in the amount of \$3,979,324.03. Motion was seconded by Trustee Funkey, put to vote and unanimously carried that the bills be paid as presented.

9252

It was moved by Trustee Sotir seconded by Trustee Funkey, put to vote and unanimously carried that the Treasurer's Report for January, 2017 be approved as submitted.

9253

It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that the minutes of the January 17, 2016 Regular Board Meeting be approved with the correction on second paragraph to read "the Board approve the checks drawn during the month of December", each of the Trustees having received and read copies of said minutes before the meeting.

9254

With no Public Comments, It was moved by Trustee Detzler, seconded by Trustee Sotir, 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 9:35.M.

Manager Muth addressed the Board with the Committee of Local Improvements and discussed the proposed O & M Building Project. He advised the Board that approximately one year ago they began to review the issues in the O&M Shop. The O&M Building consists of construction from 1925, 1960 and 1976. The buildings are in need of rehabilitation. When an estimate was received of what the



cost would be for this project, another alternative was considered. The size of the renovation of the existing remodel is 20,235 square feet at a cost of \$6.6 Million.

The new alternative includes building a new shop to replace the existing one, build new office space, break room and lockers, reclaim two digesters as new electrical shop and the demolition of the 1928 original building and shop. This new plan will consist of 45,300 square feet of space at a cost of \$8.5M. Additionally, Manager Muth advised the Board that contaminated soil was discovered at the site and it needs to be remediated. Five digesters need to be filled to provide single level floor surface to avoid any future flooding. This will also set the stage for future expansions.

Manager Muth reviewed with the Board additional future plan designs, cost and their purpose. These decisions that will be made in the future depending on how stringent the Phosphorus limit will be and how many process units will be required. In order to accomplish this, buildings will need to be relocated. All the aforementioned future additions come at an additional cost.

These plans have been split into three phases. Phase I includes removing the unstable soil, removing the digester roof, fill digester floor, demo Building Q and relocate the Utilities. Phase II includes constructing new shop, remodeling of new digesters, construction of new break room, toilets & locker room facility and the new 1st and 2nd floor office space. Phase III consists of the demolition of the existing shop and office space, construction of Stormwater Management Facility, new road work that would lead to the new shop entrance and a parking lot.

Manager Muth summarized the construction phases, the cost and the dates of construction. Phase I site preparation would go out to bid in March 2017, construction would be from April through September 2017. Phase II building addition would go out to bid in October 2017, construction would be from January 2018 through June 2019 and Phase III site work would be from March through July 2019. The total cost of the complete project is \$8.5M and the grand opening will be August 2019.

Trustee Sotir asked what the total square footage would be for this project. Manager Muth said approximately 45,300 square feet and he stated that is twice the size that exists today. Trustee Childress asked what the impending need was for this project. Manager Muth said the current conditions of the building are not good. The employees are working in a structure that was built in the 1920's and was rehabilitated in the 1960's. The heating and ventilation systems is totally outdated, the shop floods in a major rain event and is just not conducive to having the efficiency that is needed, this building has served its useful life.

Architect Mike Brown said they are looking to save some stonework from the original structure and incorporating it into the facade work for historical purposes.



He added that this building has been repurposed several times and it has out lived its usefulness and to remodel it any further would not be financially wise.

Trustee Childress asked for clarification as to how this structure would tie into the new south plant. Manager Muth explained that the new building would be the site for both the north and south plants. The south plant will be operated by technology employee involvement will be minimal. Trustee Childress asked if this facility will be accommodating the District's growth infrastructure expansion and building this facility will help meet that growth. Manager Muth reaffirmed that was the case. Trustee Childress asked if more employees will be needed at some point with this growth. Manager Muth said this is something Management is researching and will bring that proposal to the Board in approximately one year because it will take that long to go through the iterations to have a better understanding of the operations of the South Plant.

Trustee Funkey asked if the cost of this project could have been included in the cost of the South Plant and the application for the grants because this is going to be the control center for the South Plant. Manager Muth said the District has been cash flowing this project and the plan has been to finance it. Trustee Funkey suggested tacking on the cost of the new project to the South Plant loan and using the reserves for other project needs. Manager Muth said it is a long and difficult process to get loan approval from the State of Illinois. Trustee Funkey inquired if the current loan application for the South Plant could be amended. Manager Muth said he would research and would get him an answer but explained that the District will be paying back \$150M in loans within the next three years. This is because the North facility needs to be completed by June in order to treat Phosphorus.

Manager Muth further explained the O&M Building project was not included in the loan but was budgeted for in the cash on hand as part of the rate analysis just like it was accomplished with Buildings G, N and K. All existing facilities are projected as part of the rate study with cash flow. The District has asked the IEPA to help fund the Long Term Control Plan which are NPDES permit requirements. Discussion ensued and Manager Muth explained that it is financially better to cash flow the project because the interest rate is higher on a loan than interest gain from investments.

Trustee Funkey asked how the unstable soil would be removed from the site. Mr. Moreau said that this is an environmental issue and explained the different process and methods in which the unstable soil can be removed and disposed of. He said it was not a difficult process but it was expensive.

At 10:00 A.M., Manager Muth opened and read aloud bids received for Building "K" Odor Control Improvements Project as follows: Manusos General Contracting – Total Bid \$374,400.00; R.J. O'Neil – Total Bid \$373,402.00; The Engineer's estimate for this project was \$480,000.00; 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 \$373,402.00 and the bid of Manusos General Contracting for \$374,400.00 be held pending specification review by Fox Metro Water Reclamation District and Walter E. Deuchler Engineering Staff.

Manager Muth continued with the Committee of Local Improvements and explained to the Board that the discussion of the proposed O&M Building was to answer any questions they may currently have. He reiterated that Management has spent the last year researching to try and bring them the best alternative for this project.

Trustee Childress asked if a bid or Construction Management Process will be used for this project. Manager Muth said Phase 1 is recommended to be abiding process but stated there may be a benefit in using the Construction Management Process in Phase II, if the Board chose to go that route.

Trustee Childress asked what Phase I of construction entailed. Manager Muth explained that it included removal of the roofs from two Digesters, addition of elevation to five Digesters, removal of the unstable soil and demolition of the bar screen building that was built in 1928. Also included was relocation of site utilities. It was agreed that a Motion would be made with regard to Phase I of the O&M Building Project once out of Committee of Local Improvements and the Regular Board Meeting reconvened.

9256

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

The Regular Board Meeting reconvened at 10:30 A.M.

9257

At this time it was moved by Trustee Sotir seconded by Trustee Funkey, put to vote and unanimously carried to seek bids for Phase I of the Proposed O&M Building Project to be opened at 10:00 a.m., March 22, 2017 at the Board of Trustees Meeting.

In the Attorney’s Report Attorney Boyd Ingemunson presented to the Board for their approval Resolution No. 944, Resolution to regulate the Reimbursement of all Travel, Meal and Lodging Expenses of Employees and the Trustees of Fox Metro Water Reclamation District.

9258

It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that Resolution No. 944, Resolution to regulate the Reimbursement of all Travel, Meal and Lodging Expenses of Employees and the Trustees of Fox Metro Water Reclamation District be approved as written.



PASSED by the Board of Trustees of Fox Metro Water Reclamation District this 22nd day of February, 2017 by a voice vote of 4 to 0.

Attorney Boyd Ingemunson presented to the Board for their approval Resolution No. 945, Flood Plain Storage Easement with Kendall County.

9259

It was moved by Trustee Sotir, seconded by Trustee Funkey, put to vote and unanimously carried that Resolution No. 945, Flood Plain Storage Easement with Kendall County be approved as written.

PASSED by the Board of Trustees of Fox Metro Water Reclamation District this 22nd day of February, 2017 by a voice vote of 4 to 0.

9260

Mr. Philippe Moreau addressed the Board with the Engineer's Report. Mr. Moreau requested approval of Partial Payment No. 14 to River City Construction, Inc., in the amount of \$3,512,780.26 for South Waste Water Treatment Facility 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 \$3,512,780.26 to River City Construction, Inc., for work completed on South Waste Water Treatment Facility Project.

9261

Mr. Moreau requested approval of Partial Payment No. 11 to Steve Spiess Construction, Inc., in the amount of \$33,113.70, for Waubonsie Interceptor River Crossing 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 \$33,113.70 to Steve Spiess Construction, Inc., for work completed on the Waubonsie Interceptor River Crossing Project.

9262

Mr. Moreau requested approval of Partial Payment No. 6 to Lite Construction, Inc., in the amount of \$14,623.75 for Building P-1 Remodel Phase 4 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 \$14,623.75 to Lite Construction, Inc., for work completed on Building P-1 Remodel Phase 4 Project

9263

Mr. Moreau requested approval of Partial Payment No. 5 to River City Construction, Inc., in the amount of \$57,956.50 for Clarifiers D5 and H4 – Mechanism Installation 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 \$57,956.50 to River City Construction, Inc., for work completed on Clarifiers D5 and H4 – Mechanism Installation Project.

9264

Mr. Moreau requested approval of Partial Payment No. 1 Whittaker Construction, Inc., in the amount of \$111,073.50 for Building G Improvements 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 \$111,073.50 to Whittaker Construction, Inc., for work completed on Building G Improvements Project.

9265

Mr. Moreau requested approval of Partial Payments No.1&2 to Dahme Mechanical, Inc., in the amount of \$69,845.39 for Chlorination Improvements 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 \$69,845.39 to Dahme Mechanical, Inc., for work completed on Chlorination Improvements Project

9266

In the Manager's Report Manager he requested authorization to seek bids for the Building "J" Pump Procurement Project to be opened at 10:00 A.M., March 22, 2017 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 Building "J" Pump Procurement Project with a bid opening at 10:00 A.M., March 22, 2017 at the Board of Trustees Meeting.

The next item in the Manager's Report, Manager Muth and the Board discussed Ms. Alexander's request from last month to consider reducing the sewer bill to seniors in Oswego. After consideration and discussion the recommendation is to maintain status quo. A letter will be drafted to Ms. Alexander advising her of the Board's decision.

Manager Muth continued with the Manager's Report and updated the Board on the South Plant Notice of Violation. He advised the Board the IEPA and a Kendall County representative visited and inspected the construction site, they reviewed the Compliance Commitment Agreement and it is believed that they were satisfied with what the contractor proposes to do. Trustee Funkey wanted to confirm that what is proposed is to clean the water on site. Manager Muth confirmed and added that the intent is to produce a fully clean discharge and it is being tested to know what it is. In most cases the discharge is less than what the permit allows for processed water.

In the next item in the Manager's Report, Manager Muth discussed the rate study with the Board. He said he would like the Board to review it this month but would like for them to make a decision at next Board's Meeting. Their decision will determine what the rate increase will be for the next two years. Per the last Ordinance, the last rate increase took place last June.

Trustee Childress wanted to confirm that as of now the Board has not authorized a rate increase in June of 2017. Manager Muth confirmed that was correct and that is why the Board is being presented with this rate study so they can review it. Conversation ensued and the different aspects of the Rate Study were discussed and Manager Muth asked the Board how they would like to handle this matter.

Jimmie Delgado advised the Board that a rate study has to be conducted every two years as part of the conditions of the IEPA Loan Program. He advised the



Board that the rate study cannot be performed internally, it has to be performed by a third party. In this case the District engaged Sikich to perform the rate study. They use a model and comparison which produces a report that projects financial statements potentially for the next twenty years.

After lengthy discussion the Board decided they would like to form a Committee which is made up of two Board members to meet with staff and Sikich who performed the rate analysis to review and discuss the rate study, come up with a strategy and potentially make a decision at the next Board Meeting.

9267

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 Trustee Childress asked if the District has researched into converting its truck fleet into propane gas vehicles. Manager Muth said they have not looked at this avenue. Trustee Childress said there is a company that will come in and do a fleet analysis and give a report. He said other counties and municipalities are reviewing this option for their vehicles. Trustee Sotir asked what the advantage of this would be. Trustee Childress said it would lower fuel cost approximately fifty cents per gallon on average. He said this may be a way of lowering the Districts costs and it may be worth to research and perform an evaluation to see if it would be worth converting the current vehicle fleet to propane gas. Manager Muth said he would be happy to review this option.

9268

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

The Regular Board Meeting adjourned at 11:45 A.M

9269

President Detzler announced there were no 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 12:16 P.M.