

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY APRIL 17, 2019**

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, April 17, 2019. Present were, Trustee Judith S. Sotir, Trustee Michael C. Funkey, Trustee Christopher F. Childress and Trustee David Krahn. Also present were Attorney Gregg Ingemunson, Manager Thomas F. Muth, District Engineer, John Frerich from Deuchler, Human Resources Coordinator Patrick Divine, Accountant, Linnea Scherer, Maintenance Supervisor Chris Morphey, Operations Supervisor Joel Ilseman, A&E Supervisor, Mike Petersen and Norma Rodriguez.

10446

The bills were presented and read. It was moved by Trustee Funkey that the bills be allowed as read, ratify and approve the checks drawn during the month of March 2019 in the amount of \$1,642,057.01. Motion was seconded by Trustee Childress put to vote and unanimously carried that the bills be paid as presented.

10447

It was moved by Trustee Funkey seconded by Trustee Childress, put to vote and unanimously carried that the Treasurer's Report for March, 2019 be approved as submitted.

10448

It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the minutes of the March 20, 2019 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 congratulated the Fox Metro employees who celebrated birthdays in the month of April.

The Board congratulated Jeff Fullone for his 10 years of service at the District. Manger Muth added that Jeff has been a Maintenance Mechanic for 10 years and his main duties include working in the garage. He takes a great deal of pride in his job and the District is lucky to have him. The Board also congratulated Adam Wynn for his 10 years at the District. Manager Muth said Adam is a Class 4 Operator and one of the Plant's more knowledgeable Operators. He is always willing to train and assist the new employees and the District appreciates Adam's excellent job.

With no other Public Comments, it was moved by Trustee Funkey, seconded by Trustee Childress, 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 9:40 A.M.

In the Committee of Local Improvements Manager Muth introduced the team involved in the O&M Building Construction project. Members of the team are: Dan Caceres and John Frerich from Deuchler, Michael Perez from Cordoganclark, Kevin Bomstead from Whittaker Construction, Plant Manager Matt Woodin, Operations Supervisor Joel Ilseman, Maintenance Supervisor, Chris Morphey and A&E Supervisor, Mike Petersen. Michael Perez began the presentation by illustrating aerial slides of the O&M Building post stage I demolition. He also showed the Board slides of the current design of the proposed O&M Building. Mr. Perez said they have gone through an extensive value engineering process as part of the project estimate. He illustrated slides that showed the significant changes to the original design the building will undergo that will make the project more cost effective. Mr. Perez described the building design in detail and shared with the Board samples and colors of the new materials that will be used on the outside of the building.

Trustee Funkey inquired about preserving as much of the old building as possible including the façade and build around it. Mr. Perez said some thought was given to the design and they are looking to relocate some of the historic elements and is proposing to salvage as much as possible and incorporate the old facade into the building.

Trustee Funkey questioned the number of public guests that visit the building for meeting and conferences and questioned the need for conference rooms. Manager Muth explained that the conference rooms are used for staff and team meetings, project meetings with contractors, public tours, for vendors who visit the plant and for employee training and testing. Long discussion ensued regarding the location, the purpose of the conference rooms, the need and advantage to have them in the building. Also discussed were parts of the old building that are going to be preserved and incorporated into the building and how some pieces cannot be salvaged or preserved due to the deterioration and the cost associated in trying to preserve them.

Manager Muth addressed the Board and said that in September of 2018, Management requested qualifications from different construction firms for Construction Management at Risk. At that time, EP Doyle was chosen and in November they presented Fox Metro with an Opinion of Construction Cost. Their Opinion of Construction Cost was very high and it was rejected. Management then contacted Whittaker Construction for their Opinion of Construction Cost and they did extensive research and collected information from staff. Whittaker brought forth some very good value Engineering, Management reviewed it, considered it and that is what is being discussed and proposed today.



Whittaker has brought in a guaranteed maximum price and is looking at bid packages this month, construction phasing should begin in May and it would be a two-year construction process.

EP Doyle's Opinion of Construction Cost was \$17.7. An itemized list of costs was shared with the Board at the February Board Meeting and the Board was also advised that this Opinion was rejected. Management then contacted Whittaker and their Opinion of Construction Cost was \$14.8M. Mr. Kevin Bomstead from Whittaker has performed a significant amount of detailed research and has had discussion with staff. His packet of \$14.8M also includes value engineering. This has been a two-year iteration and at last month's Board Meeting the cost increase had been explained to the Board by presenting them with a summary detailing the reasons behind the increase in cost. The value engineering included removal of existing historical truss reuse, change in roofing materials, resized mechanical units, change in exterior panel materials, elimination of jib crane, redesign of front entrance and revisions to interior finishes. There were a total of 45 items resulting in \$400,000 plus cost savings and Whittaker has brought in a Guaranteed Maximum Price of \$14.4M. Manager Muth is asking for the Board's approval of the project because if construction is delayed, the roof of the building may not be completed by winter. Extensive discussion ensued regarding the original cost of the project and reasons for the increase in price. Projects that are connected to the building that were not added to the original price were discussed in detail.

Trustee Funkey is uncomfortable approving the project at this time. He wants more clarification of the reason the original price and why the cost of the project significantly increased. Long discussion ensued explaining in detail the aspects of the increase.

At 10:00 A.M. Manager Muth opened and read aloud bids received for Large Sludge Storage Cover Bracing Replacement as follows: Light Construction, – Total Bid \$26,970.00; Whittaker Construction, – Total Bid \$37,515.00. The Engineer's Estimate for this project was \$50,000.00. It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the bid from Light Construction for \$26,970.00 be accepted and the bid from Whittaker Construction for \$37,515.00 be held pending specification review by Fox Metro Water Reclamation District and Deuchler Staff.

The Committee of Local Improvements continued and extensive discussion ensued regarding the O&M Building, specifically the significant increase in the price of the of the project. It was explained that the new price includes three added projects that were not included in the original cost of \$7.8M from January 2017. These projects are electrical improvements, demolition of the original building and parking lot and removal of contaminated soil. Construction Cost index escalation of 9.8% since January 2017 has to be calculated into the new cost as well. Discussion ensued regarding the new added projects and how it affected the new cost of the project and what the cost per square foot would be for the new building. There was



extensive discussion and detailed explanation was given regarding the projects and the costs associated with them. After addressing all concerns and answering many inquiries, all Board members unanimously agreed to approve the project

10451

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 unanimously carried that the Regular Board Meeting reconvene.

The Regular Board Meeting reconvened at 11:00 A.M.

10452

Attorney Ingemunson addressed the Board with the Attorney's Report. Attorney Ingemunson requested approval of the Contract for Construction Management Services with Whittaker and Guaranteed Maximum Price of 14.4M for the O&M Project. It was moved by Trustee Childress, seconded by Trustee Khran put to vote and unanimously carried to approve the contract of Construction Management Services with Whittaker for the Guaranteed Maximum Price of \$14.4M for the O&M Project based on legal review of the AIA contract.

10453

Attorney Ingemunson addressed the Board with the Attorney's Report. Attorney Ingemunson presented Resolution No. 971, Annexation of Hudson Crossing Park Annexation, to the Board for their approval. It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that Resolution No. 971, adopting Ordinance No. 882, Annexation of Hudson Crossing Park, be approved as written.

PASSED by the Board of Trustees of Fox Metro Water Reclamation District this 17th. Day of April, 2019 by a roll call vote of 3 to 0, Trustee Krhan abstained.

Mr. John Frerich addressed the Board with the Engineer's Report and updates on Construction projects. Mr. Frerich requested approval of Partial Payment No. 40 to River City Construction, Inc., in the amount of \$1,712,525.19 for South Waste Water Treatment Facility Project.

Mr. Frerich requested approval of Partial Payment No. 17 to Whittaker Construction, Inc., in the amount of \$103,382.24 for the North Plant Improvement Project.

Mr. Frerich requested approval of Partial Payment No. 9 to Whittaker Construction, Inc., in the amount of \$71,410.50 for Primary Sludge Valve Vault and Piping Improvements Project.

Mr. Frerich requested approval of Partial Payment No. 5 to Lite Construction, Inc., in the amount of \$19,800.00 for the Oswego Pump Station Generator Building Replacement Project.

Mr. Frerich requested approval of Partial Payment No. 3 to Valley Electrical Contractors in the amount of \$81,700.00 for the Raw Sewage Pump VFD Improvement Project.

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

In the Manager's Report Manager Muth requested tentative approval of the Fiscal Year 2019/2020 budget.

Manager Muth gave an overview of the preliminary budget for the 2019-2020 fiscal year. He said management is projecting an operating deficit of approximately \$11,825,000. Prior fiscal year reserves will be used first to offset costs for projects. Total billing revenues are expected to be higher by 4.6 % or \$1,819,000. This is typical of a rate increase of (5%) levied annually. Other revenues are expected to be significantly lower mainly due to the anticipated completion of the South Plant, and corresponding reduction in revolving loan funds received for this project.

Operating expenses are expected to be approximately \$47,942,000, fiscal year 2019 was \$42,576,000.

PLANT OPERATIONS

The department is projected to have a budget increase of \$225,000. Two new apprentice operators were hired in Fiscal Year 2019 to maintain staffing levels after some promotions. Overall chemical costs are expected to be similar to last year, with the exception of polymer which will be slightly higher due to the change from emulsion to Mannich polymer. There is a slight increase in natural gas costs. This is expected due to some necessary upgrades to the biogas recovery system creating the need for more natural gas use.

PLANT MAINTENANCE

Numerous capital projects are proposed. Construction of the \$14 million O&M project should begin soon with completion in Fiscal Year 2021. Other projects for maintenance in this year include: Aeration Tank railing, grating, and concrete rehab, Clarifier H-5 Drive replacement. Equipment purchases scheduled are replacement of semi-dump trailers, a telehandler purchase, 2 pickup trucks, an HPX Gator replacement, and furniture for the O&M building.

AUTOMATION & ELECTRICAL

Major projects include: A Secondary Vault improvement, fiber infrastructure project, O&M Substations, a SCADA Data center, and P-3 HVAC controls.

SEWER MAINTENANCE

The 2019 CIPP lining project has \$2.65M to complete in the 2019-2020 fiscal year budget. North Aurora Pumping Station rehabilitation is expected to cost \$1.5M with an approximate \$150,000 for property purchase. Proposal for expansion of Field Operations facility is \$830,000. Additional projects include Sugar Grove MCC, Oswego L.S. Phase II, Orchard Road Pump 3 replacement, Phase 2 of 3 in the Dearborn, Eastern Ave area and Unit 16 replacement.

ENGINEERING

Engineering expenses are expected to be slightly lower than last year due to the South Plant Project completion.

LAB & PRETREATMENT

Overall budget decrease of \$281,000. This decrease is due to staffing changes as well as a decrease in anticipated Capital Expenditures.

ADMINISTRATION

The overall administrative budget has decreased \$279,000 or 5.4%. The decrease is primarily due to cost reduction in Health Insurance costs under the new HST program. There was also a decrease in professional fees for one-time costs of implementing a new accounting system in Fiscal Year 2019.

Manager Muth requested the Board for approval of the tentative budget and authorization to hold a Public Hearing on May 22, 2019 at 10:00 A.M. at the Board of Trustees Meeting to discuss the Budget and Appropriations Ordinance.

It was moved by Trustee Funkey, seconded by Trustee Childress, put to vote and unanimously carried that the figures prepared which highlighted expected revenues and expenditures for the various departments for the

fiscal year 2019/2020 be released for publication in preparation for the Public Hearing on May 22, 2019 at 10:00 A.M.

10456

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.

Mr. Frerich reported that GRNE received initial approval from the Illinois Power Authority for SREC's for the solar project. Next step requires GRNE to pay a bond deposit of \$200,000.00 by June. They have also responded to the Village of Montgomery to their review comments regarding engineering plans and they currently waiting for a response from the Village of Montgomery for final approval of their site permit.

Operations Supervisor Joel Ilseman reported that by next month's Board Meeting, there should be flow going through the new south plant.

Human Resource Coordinator, Divine reported that Fox Metro participated in the One Day Clean-up of the Fox River and it was a complete success. There were approximately 537 volunteers that came out to help clean the Fox River and Indian Creek. Numerous large dumpsters were filled along with 27 car tires and other miscellaneous large items. Fox Metro has participated in this event for the past 12 years and Mr. Divine thanked all of the Fox Metro employees who volunteered their time and helped make this event a success.

Meeting temporarily adjourned for Executive Session at 11:25 A.M

10457

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 12:19 P.M.

There were no decisions made in Executive Session.

Meeting adjourned at 12:20 P.M.