



**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF TRUSTEES  
OF FOX METRO WATER RECLAMATION DISTRICT  
HELD WEDNESDAY, NOVEMBER 20, 2024**

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 November 20, 2024. Present were Trustee Judith S. Sotir, Trustee Michael Funkey, Trustee Chuck Nelson, Trustee Randall Brown and Trustee Scott Gryder. Also present were District Manager Karen Clementi, Regulatory Manager Tim Rubis, Human Resources Supervisor Dan Rivera, Plant Manager Joel Ilseman, Senior Project Engineer James Kerrigan, IT Supervisor Dan Vargas, Controller Linnea Scherer and Senior Administrative Assistant Norma Rodriguez. Also in attendance were Attorney David Silverman from Mahoney, Silverman & Cross, LLC and Jim Savio from Sikich, LLC.

11396 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 October 2024 be approved in the amount of \$4,102,946.79. Motion was seconded by Trustee Gryder, put to vote and unanimously carried that the bills be paid.

11397 It was moved by Trustee Funkey seconded by Trustee Brown, put to vote and unanimously carried that the Financial Report for October 2024 be approved as submitted.

Controller Linnea Scherer addressed the Board with the Controller's Report. She advised the Board that Mr. Jim Savio from Sikich is in attendance in today's Board Meeting to discuss the annual audit.

Ms. Scherer stated that in order to help the District investing strategy and increase returns, staff has made some additional transfers from the District's bank account, which makes no interest, over to the District's managed investment account. These funds have been spread out over the next few years to take advantage of the current interest rate returns since it is expected that the Fed's will cut rates over the next 12 months. She said the information comes through the quarterly meetings she has with the District's investment advisor at Meeder.

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Trustee Funkey inquired the date the District began investing with Meeder. Ms. Scherer said it was in 2022 and the District has made approximately \$1.5M in interest since that time. After discussion and addressing the Trustee's questions, it was moved by Trustee Funkey, seconded by Trustee Brown, put to vote, and the Motion was unanimously carried that the Controller's report for October 2024 be approved as presented.

Trustee Funkey said that in the last meeting there was a long discussion and a proposal regarding the installation of batteries for the storage of power from the solar field. There have also been discussions regarding solar power, renewable gas and other items. He would like staff to prepare a report regarding the progress each one of the categories discussed in the Board Meetings in order to make it easier for the Trustees to see the progress in one report. Manager Clementi said this has been on her to do list for a while. She said there is something on the District's website that is similar to what Trustee Funkey is looking for. Trustee Funkey said he would like to see a status report on each of the projects and supplement it periodically.

11399

It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote, and the Motion was unanimously carried that the minutes of the October 23, 2024 Regular Board Meeting minutes 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 November.

Plant Manager Joel Ilseman introduced Maintenance Technician, Sal Garcia who is the Union representative at today's Board Meeting. Sal has been at the District for 11 years.

Ms. Scherer introduced Accountant Jenise Esparza is the non-union representative at today's Board Meeting. Jenise joined the District in May 2022 and she has been a tremendous asset to the District with her work ethic and diligence. She is always ready and willing to help with any task including during the audit when she is given a number of

unique tasks. Jenise handles it all in stride and the District is lucky to have her. Jenise is attending today's Board meeting for the audit presentation and it is a perfect opportunity to see some of her work in action.

With no other Public Comments, it was moved by Trustee Funkey, seconded by Trustee Brown, 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 9:43 A.M.

In the Committee of Local Improvements Manager Clementi introduced Mr. Jim Savio from Sikich. Mr. Savio reviewed in detail the highlights of the Independent Auditors Report and the Management's Discussion and Analysis with the Board. He also reviewed the Financial Highlights, basic Financial Statements, Financial Information, Economic Factors and Future Rates. He thanked the Fox Metro staff for their professionalism and preparedness. He said the audit went very well this year and explained in detail the specifics of the Audit.

Mr. Savio reviewed the Current Asset section of the audit and explained that cash went down and that was due mainly to purchasing investments. Investments went up and restricted assets investments stayed consistent. Total assets and deferred outflows or resources increased by approximately \$14M.

Mr. Savio explained that the total current liabilities stayed pretty much the same year over year. Long term liabilities went down and that is due to the District paying down outstanding debts. The net investment in capital assets increased slightly, restricted stayed the same and unrestricted increased slightly due to operations.

Mr. Savio explained that the operating revenues increased mainly due to the rate increase. Operating expenses were consistent year over year. Operating income came in at \$24M. Non-Operating income increased from prior year due to investments, annexation and related fees. Mr. Savio stated that cash flow was much lower this year than it was in

previous years, the cashflow from investments increased this year and the IMRF for Fox Metro is 95% funded. Discussion ensued.

Mr. Savio noted that the Audit contained a clean opinion and that means that the financials were presented fairly in all aspects and the auditors did not have concerns regarding the District's audit. No material weaknesses were found, no significant deficiencies and there were no instances of non-compliance.

With no other matters to come before the Committee of Local Improvements, it was moved by Trustee Funkey, seconded by Trustee Brown, 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 10:05A.M.

Manager Clementi addressed the Board with Action Items. She requested authorization to increase Infrastructure Fees for the Sugar Grove sub service area. She said the District does not assess real estate taxes, does not have the authority to leverage TIFs, nor any other mechanisms that other local agencies have to recapture costs. This is the only opportunity the District has to have developers pay their fair share of necessary infrastructure.

Fox Metro passed Ordinance #906 where the Trustees authorized to increase the annexation fees annually by the Construction Cost Index starting in June 2023. This Ordinance was adopted at the November 2021 Board Meeting. At that time, Trustee Funkey suggested that both the infrastructure fees and annexation fees both increase each year based on the local Construction Cost Index (CCI). However, the final Ordinance only authorized the CCI increase for the Annexation fees.

Manager Clementi said staff's recommendation for the Sugar Grove East Service Area Infrastructure Fee to change back to what the fees originally were prior to #906 passing in 2021 is because we are seeing rapid increases in both labor and equipment costs. Staff asked H.R. Green and Baxter and Woodman to independently update the planning infrastructure spreadsheet with current anticipated costs. Staff then used these figures to update the Infrastructure Fee for this subarea as it has customarily been done in the past. Because fees have not been



raised since 2021, staff's recommendation is to change the Infrastructure Fee for this subarea from \$4,720.00 per acre to \$6,090.00 per acre. This recommendation was developed by averaging the 2 consultant estimates.

Manager Clementi stated that it makes more sense to raise fees periodically as things change because it is based on real anticipated costs.

Trustee Funkey said he thinks what is needed is a Motion to correct Ordinance #906 nunc pro tunc (now as of then). Attorney Silverman said it will be easier to write a new Ordinance and make sure that the District's records are clear. Trustee Funkey said he still believes Ordinance #906 should be corrected nunc pro tunc and then a new Ordinance should be prepared. Trustee Gryder stated that action item would have to be an Agenda item and no Motion can be made today. Also, a number is needed in the Agenda under Action Items. Attorney Silverman stated the more specific the Agenda the better but an exact number is not necessary. It would be a lot cleaner if a new Ordinance is brought to the Trustees at the next Board Meeting, that way the records are clear and there is no issue with regard to the Agenda.

Trustee Funkey said Ordinance #906 has different fees for different areas. Manager Clementi explained that staff spent a lot of time reviewing the sub areas throughout the District and created a spreadsheet indicating all the infrastructure it takes to build the sewer system and what the costs would be for each. She showed an example to the Board of the spreadsheet that has been prepared with the updated costs. Trustee Funkey inquired if the additional funds that are needed for different projects are required because of different factors, and are they charged to the project. Manager Clementi said it is not, it is part of what the developer has to pay the District to build the sewer. Trustee Gryder inquired if this has the effect of making Sugar Grove more costly than other areas. Manager Clementi said it absolutely does because the further a service area is from the Plant, the more costly it is to develop in general. Manager Clementi said there are pros and cons to having different rates for different areas. Trustee Sotir said we are talking about Annexation Infrastructure and that applies to everyone. Discussion ensued.



Trustee Funkey stated that Manager Clementi is in a position where she deals with the Developers and with the Board and advise them the figures are accurate. He would like Manager Clementi to tell the Board the best way she would like this to be handled. Manager Clementi said for now she would recommend that the Sugar Grove East area be increased as recommended in the memo she presented to the Board. This is due to the Crown Development considering annexation in and the District does not have enough funds at the current infrastructure rate to make ourselves whole. The District has enough money in the bank but right now the District would be subsidizing their development at the current rate. Trustee Gryder inquired if the new rate would affect everyone, including new homeowners. Manager Clementi said it would not affect someone who is building a new home because they would already be annexed into the District and they would only have to pay the connection fee of \$1,650.00. The new infrastructure rate only affects new mass residential, commercial and industrial developments that are coming in and those fees are collected up front.

Trustee Gryder inquired if this puts the District at a disadvantage when its competing with DeKalb and other counties that are trying to get the same business. Manager Clementi said it is hard to quantify it. The Developers don't always agree but at the end they don't really pay those fees because they build it into the cost of the house or building. Fox Metro's rates are high but compared to other municipalities they are lower. Trustee Funkey said the District is not making a profit on this, we just want to be made whole. Manager Clementi said that is the reason why this is so complicated because the developers have to pay their share for what it takes to maintain their lift station now and later. Discussion ensued.

Trustee Funkey stated all the trustees agree where they want to be, but the question is if the District is better off getting there with one standard fee plus addons for individual annexations? Trustee Gryder said he is trying to think of the unintended consequences. Manager Clementi said basically the District is putting the Infrastructure fee back to where it was. Trustee Gryder said one thing he hears in Kendall County is that the Fox Metro fees are too high and on the other hand he knows the District does not levy property tax or any other tax mechanism. Trustee Sotir said if the District does not

charge the costs to install the sewer than the fee goes to the rate payers in a form of a rate increase and she does not think that is fair.

Trustee Sotir said this can be reassessed down the road but right now the Board needs to pass a new Ordinance because this project is going to cost the District a lot of money. Manager Clementi said this topic can be revisited conceptually at a different time and put more thought into it.

Trustee Nelson said for years in communities that have experienced rapid growth, it has always been the established part of the community that has been paying for the impact fees to counter the cost of growth. The model the District has now shows the growth paying for itself and he understands the concern regarding overall costs. Manager Clementi said the ordinance shows the consideration in terms that it is a hybrid model and the Impact Fee and the Infrastructure Fee is the proportionate share of what it takes for the District to build the sewer.

Trustee Sotir inquired what would be the best way to address this logically right now? Attorney Silverman said nothing needs to be done today but the Sugar Grove sub service area Infrastructure Fees increase needs to be resolved and the error in the prior Ordinance needs to be corrected right way and bring back to the Board next month for approval. He said if the District tries to just go to one fee, it is going to be a pretty big study to determine what that fee should be and the impact that it will have.

11402

It was moved by Trustee Funkey, seconded by Trustee Gryder, put to vote and the Motion was unanimously carried to approve staff's recommendation to direct the preparation of an Ordinance to increase the Infrastructure Fees for the Sugar Grove East Subservice Area from \$4,720 per acre to \$6,090 per acre as requested and that increase will apply to all applications presented to Fox Metro for approval after November 20, 2024. Trustee Nelson wanted noted that this is a large increase but is due to the District not having an increase since 2021.

11403

The next Action Item, Manager Clementi requested Authorization to seek bids for the P1 Server Room HVAC Project to be opened at 10:00 A.M., at the December 18, 2024 Board of Trustees Meeting. After discussion, it was moved by Trustee Funkey, seconded by

Trustee Nelson, put to vote and the Motion was unanimously carried to authorize to seek bids for the P1 Server Room HVAC Project to be opened at 10:00 A.M., at the December 18, 2024 Board of Trustees Meeting.

Manager Clementi requested approval of the Holiday Schedule and Board Meeting Dates for 2025. It was established in the May 1, 2024 Board Meeting to hold the Reorganization Meeting at the beginning of the regular Board Meeting in May each year and not have two May meetings. After discussion, it was moved by Trustee Brown seconded by Trustee Gryder, put to vote and unanimously carried that the Holiday Schedule and Board Meeting dates for 2025 be approved as submitted.

Senior Project Engineer James Kerrigan addressed the Board with the Construction Report. Mr. Kerrigan reported that the 111<sup>th</sup> St. Pump Station project with Vissering Construction is 95% complete and there is no pay request this month. Final punch list items are currently being completed.

Mr. Kerrigan reported that the Orchard Road Pump Station Generator Replacement Project with Newcastle Electric, Inc., is 86%, and there is no pay request this month. The contractor is now completing project closeout documentation to obtain final payment.

Mr. Kerrigan Reported that the North Aurora Pumping Station Watermain Installation Project with J&S Construction Sewer and Water, Inc., is 1% complete and there is no pay application submitted for this project this month. Staff continues to coordinate with the Park District and the Village of North Aurora to determine the next steps of the project.

Mr. Kerrigan requested approval of Final Payment No. 7 Steve Spiess Construction in the amount of \$258,534.78 for the Boulder Hill Sanitary Sewer Repairs Project. The Project is 100% complete and the pay request was reviewed by Trotter and Associates. The project is complete.

Mr. Kerrigan requested approval of Partial Payment No. 4 to Williams Brothers Construction, Inc., in the amount of \$326,855.45 for the

North Waste Water Treatment Plant Bar Screen Replacement Project. The project is 8% complete and the pay request was reviewed by Trotter and Associates. The majority of the exterior utility relocations have been completed. Coordination of bypass pumping operations of the Bar Screen building for equipment installation is ongoing.

Mr. Kerrigan reported that the Solar Farm #2 with General Energy Corporation is 10% complete. There is no pay request this month. Construction has commenced, and the contractor is establishing the layout of the solar panels for installation later this winter. All the solar panels and support rack materials have been delivered to the site and are ready for installation.

Mr. Kerrigan requested approval of Partial Payment No. 1 to Dahme Mechanical Industries, Inc., in the amount of \$71,923.50 for the Building K Plug Valve Replacement Project. The project is 3% complete and the pay request was reviewed by Trotter and Associates. The contractor has started to receive delivery of various materials for the project and initial preparatory work for installation will be later this winter.

11405

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

Trustee Sotir requested an Executive Session to discuss personnel, and litigation matters.

11406

It was moved by Trustee Brown, seconded by Trustee Funkey, put to vote and unanimously carried to temporarily adjourn for an Executive Session.

The Regular Board Meeting temporarily adjourned for Executive Session at 10:51 A.M.

11407

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 11:20 A.M.

No decisions were made in Executive Session.

Attorney Silverman stated that the Open Meetings Act states that any time Committees are formed, they are subject to the Open Meetings Act and notice has to be given and the Public is allowed to attend the meetings.

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 the Regular Board Meeting be adjourned.

Meeting adjourned at 11:21 A.M

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