

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
OF FOX METRO WATER RECLAMATION DISTRICT
HELD WEDNESDAY, MAY 21, 2025**

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 May 21, 2025. 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, Attorney Bryan Wellner, 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.

11474 It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and unanimously carried that Attorney Bryan Wellner be appointed temporary Chairman of the Board of Trustees for the purpose of reorganizing the Fox Metro Water Reclamation District Board of Trustees for the fiscal year 2026, beginning June 1, 2025 and ending May 31, 2026.

Elected District Trustees Randall H. Brown and Scott R. Gryder were sworn in for District 3 and 4 by Attorney Bryan Wellner.

11475 Chairman Wellner called for the nomination and election of President of the Board
11476 of Trustees for the fiscal year 2025/2026. Trustee Funkey nominated Judith S. Sotir as President of the Board of Trustees for the fiscal year 2025/2026. With no other nominations, it was moved by Trustee Brown seconded by Trustee Gryder, put to vote and unanimously carried, that nominations be closed. It was moved by Trustee Brown seconded by Trustee Gryder put to vote and unanimously carried aforesaid nomination be approved. Attorney Bryan Wellner announced that Judith S. Sotir is duly declared the President of the Board of Trustees for fiscal year 2025/2026.

11477 Chairman Wellner called for the nomination and election of the Vice-President of
11478 the Board of Trustees for fiscal year 2025/2026. Trustee Sotir nominated Michael C. Funkey as Vice-President of the Board of Trustees for Fiscal year 2025-2026. There being no other nominations, it was moved by Trustee Sotir, seconded by Trustee Brown that nominations be closed. It was moved by Chairman Wellner seconded by Trustee Brown, put to vote and unanimously carried that aforesaid nomination be approved. Chairman Wellner announced that Michael C. Funkey is duly declared the Vice-President of the Board of Trustees for fiscal year 2025/2026.

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Chairman Wellner called for the nomination and election of the office of Clerk of the Board of Trustees for Fiscal year 2025/2026. Trustee Funkey nominated Trustee Nelson as Secretary and Clerk of the Board of Trustees for fiscal year 2025/2026. There being no other nominations, it was moved by Trustee Funkey seconded by Trustee Gryder, put to vote and unanimously carried that the nominations be closed. It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and unanimously carried that aforesaid nomination be approved. Chairman Wellner announced that Trustee Chuck Nelson is duly declared Secretary and Clerk of the Board of Trustees for fiscal year 2025/2026.

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Chairman Wellner called for the nomination and election of the office of Assistant Clerk of the Board of Trustees for fiscal year 2025/2026. Trustee Funkey nominated Karen K. Clementi as Assistant Clerk of the Board of Trustees for fiscal year 2025/2026. There being no other nominations, it was moved by Trustee Funkey, seconded by Trustee Brown that nominations be closed. It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and unanimously carried that aforesaid nomination be approved. Chairman Wellner announced that Karen K. Clementi is duly declared the Assistant Clerk of the Board of Trustees for fiscal year 2025/2026.

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Chairman Wellner called for the nomination and election of the office of Treasurer of the Board of Trustees for fiscal year 2025/2026. Trustee Funkey nominated Randall H. Brown as Treasurer of the Board of Trustees for fiscal year 2025/2026. There being no other nominations, it was moved by Trustee Funkey, seconded by Trustee Gryder that nominations be closed. It was moved by Trustee Funkey, seconded by Trustee Gryder, put to vote and unanimously carried that Trustee Randall H. Brown be appointed Treasurer of the Board of Trustees for fiscal year 2025/2026.

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Chairman Wellner called for the nomination of the Attorney for the Board of Trustees for Fiscal year 2025/2026. Trustee Funkey nominated the Law Firm of Mahoney, Silverman & Cross as Attorney for the Board of Trustees for the fiscal year 2025/2026. With no other nominations, it was moved by Trustee Funkey, seconded by Trustee Gryder, put to vote and unanimously carried that the slate of candidates be closed. It was moved by Trustee Funkey, seconded by Trustee Gryder, put to vote and unanimously carried that the Law Firm of Mahoney, Silverman & Cross be appointed Attorney for the Board of Trustees for the fiscal year 2025/2026.

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It was moved by Trustee Brown, seconded by Trustee Gryder put to vote and unanimously carried that the Board of Trustees of Fox Metro Water Reclamation District establish a Committee of Local Improvements.

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It was moved by Trustee Brown, seconded by Trustee Nelson put to vote and unanimously carried that the Board of Trustees Meeting adjourn for the Committee of Local Improvements Meeting. Meeting adjourned at 9:40A.M.

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It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and unanimously carried that Attorney Bryan Wellner be appointed temporary Chairman for purposes of organizing the Committee of Local Improvements.

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Chairman Wellner called for the nomination and election of the office of President of the Committee of Local Improvements for the fiscal year 2024/2025. Trustee Funkey nominated Judith S. Sotir as President of the Committee of Local Improvements for fiscal year 2025/2026. There being no other nominations. It was moved by Trustee Funkey, seconded by Trustee Nelson that nominations be closed. It was moved by Trustee Funkey seconded by Trustee Nelson, put to vote and unanimously carried that Judith S. Sotir be appointed to the office of President of the Committee of Local Improvements for the fiscal year 2025/2026.

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Chairman Wellner called for the nominations and elections of the offices of Vice-President, Clerk and Assistant Clerk of the Committee of Local Improvements for the Fiscal Year 2025/2026. Trustee Brown nominated Trustee Michael C. Funkey as Vice-President, Chuck Nelson as Clerk and Karen K. Clementi as Assistant Clerk for the Committee of Local Improvements for fiscal year 2025/2026. With no other nominations, it was moved by Trustee Brown, seconded by Trustee Gryder, put to vote and unanimously carried that nominations be closed. It was moved by Trustee Brown, seconded by Trustee Gryder, put to vote and unanimously carried that the aforesaid officers be appointed to the Committee of Local Improvements.

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Trustee Sotir nominated Trustee Randall Brown as Treasurer of the Committee of Local Improvements for the fiscal year 2025/2026. With no other nominations, it was moved by Trustee Funkey seconded by Trustee Nelson, put to vote and unanimously carried that the nominations be closed. It was moved by Trustee Funkey seconded by Trustee Nelson, put to vote and unanimously carried that Trustee Randall Brown be appointed Treasurer of the Committee of Local Improvements for the fiscal year 2025/2026.

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Trustee Brown nominated the Law Firm of Mahoney, Silverman & Cross as Attorney of the Committee of Local Improvements for the year 2025/2026. With no other nominations, it was moved by Trustee Funkey, seconded by Trustee Nelson, put to vote and unanimously carried that the nominations be closed. It was moved by Trustee Funkey, seconded by Trustee Nelson, put to vote and unanimously carried that the Law Firm of Mahoney, Silverman & Cross be appointed Attorney of the Committee of Local Improvements for the fiscal year 2025/2026.

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With no Public Comments, it was moved by Trustee Brown, seconded by Trustee Gryder, put to vote and unanimously carried that the meeting of the

Committee of Local Improvements be adjourned and the Regular Board of Trustees Meeting be reconvened.

The Regular Board Meeting reconvened at 9:45 A.M.

The regular Board Meeting was called to Order by Trustee Sotir at 9:45 A.M.

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The bills were presented and read. It was moved by Trustee Brown that the bills that have been presented and paid during the month of April 2025 be approved in the amount of \$2,693,519.52. Motion was seconded by Trustee Gryder, put to vote and unanimously carried that the bills be paid.

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It was moved by Trustee Brown seconded by Trustee Nelson, put to vote and unanimously carried that the Financial Report for April 2025 be approved as submitted.

Controller Linnea Scherer addressed the Board with the Controller's Report. She advised the Board that the rate study scenarios have been finalized and an informational memo has been provided to them as part of the Board Packet. The rate studies continue to show staff's strength in planning and fiscal responsibility.

Ms. Scherer gave an investment update and advised the Board that the earned income from the Meeder Portfolio is \$175,596.00 and the earned income from IMET Investments is \$86,978.00 for a total earned income for April of \$262,574.00.

Ms. Scherer said that it appears thus far that the tariff impacts on the District's investments has been minimal. Meeder and herself will continue to meet to discuss potential future impacts.

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It was moved by Trustee Brown, seconded by Trustee Funkey, put to vote, and the Motion was unanimously carried to approve the Controller's Report as presented.

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It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote, and the Motion was unanimously carried that the minutes of the April 23, 2025 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 addressed the public and asked for any public comments. Hearing none, she continued and on behalf of the Board congratulated all of the employees who celebrated birthdays in the month of May.

Plant Manager Joel Ilseman introduced Field Maintenance Technician Miguel Gonzalez as the Union representative at this month's Board Meeting. Miguel has been employed by the District approximately seven years, he does a great job and is a great asset to the District. Miguel is a member of the Union Negotiating Committee and did a great job at the bargaining table.

Manager Clementi introduced Customer Service Representative Sonia Martinez as the non-union representative this month. She is here today because the Rate Study discussion in today's Committee of Local Improvement is very relevant to her in dealing with Fox Metro customers on a day-to-day basis.

With no other Public Comments, it was moved by Trustee Brown, seconded by Trustee Funkey, 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 9:50 A.M.

In the Committee of Local Improvements, Manager Clementi discussed the results of the Rate Study and reviewed a memo sent to the Board. She began her discussion by saying that traditionally the District received the vast majority of funding through user rates, which are based on potable water consumption. This method incentivizes water conservation and creates fairness to all classifications of ratepayers (residential, commercial, industrial and institutional). It is commonplace for other public utilities to have non-residential users pay a higher rate than residential users. Although the District has the authority to tax real estate, the District has not chosen to do so in many years.

The District increased rates by 30% in August 2013 and then increased its user fees by 3 to 5% each year thereafter. The only exception was during the pandemic when the District forewent the annual rate increase for 2.5 years from June 2020 to January 2023. The next 5% yearly rate increase is set to take effect on June 1, 2025. Discussion ensued.

Industrial users are charged for excessive strength compatible pollutants and HEM (grease). Charging for these parameters is required by the U.S. EPA as part of the Industrial Pretreatment Program regulations. These surcharge fees have not been increased since 2013. Pretreatment permit fees, sampling fees, and laboratory fees for the industrial users have not been increased since that time either.

The model was built intentionally with some conservancy. Namely, staff did not account for revenue from the interest-bearing investments or paybacks from the resource recovery projects. This decision was made because of the variable timing of when these items will start paying back and the uncertainty of the



amount. Additionally, all modeled scenarios use cash and investments to pay for everything without any increase in debt.

Manager Clementi said there are five (5) different rate increase scenarios. She presented and explained all scenarios to the Board in detail. She explained that all scenarios modeled have increases beginning on June 1, 2026, and extend for 9 years. In summary, all scenarios forecast the District in a good financial position. The modeling shows that there will be sufficient cash on hand to cover the budget, and even a 0% increase does not draw the District's financial reserves down below the recommended minimum threshold until at least 2035. Trustee Gryder inquired regarding the District's cash reserves and Ms. Scherer gave him a breakdown of same. He asked what the year-to-date interest the District has earned in investments. Ms. Scherer said the interest earned for the whole fiscal year is \$2,265,095.00. Extensive discussion ensued.

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It was moved by Trustee Brown, seconded by Trustee Nelson, put to vote and the Motion was unanimously carried that the Committee of Local Improvements be temporarily adjourned for the 10:00 A.M. Bid Opening and Public Hearing.

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At 10:00 A.M. Manager Clementi opened and read aloud bids received for the Renewable Natural Gas (RNG) Equipment Installation and Associated Appurtenances at the Wastewater Treatment Plant Building E Project as follows: Whittaker Construction, Inc., - Total bid \$11,097,500.00; Williams Brothers Construction, Inc., - Total bid - \$11,260,000.00; IHC Construction Companies LLC., - Total bid \$11,718,533.22; Boller Construction Company, Inc., - \$12,991,100.00. The Engineer's estimate was \$12,750,000.00. After Discussion, it was moved by Trustee Funkey, seconded by Trustee Nelson, put to vote and unanimously carried to accept the bid from Whittaker Construction and Excavating, Inc., for \$11,097.500.00 and hold the bid from Williams Brothers Construction, Inc., in the amount of \$11,260,000.00 pending review from staff.

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Elected District Trustees Randall H. Brown and Scott R. Gryder were re-sworn in for District 3 and 4 by Trustee Sotir.

It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and unanimously carried to open the Public Hearing on the 2025/2026 Fiscal Year Budget.

Trustee Funkey called for a Public Hearing at 10:00 A.M. regarding the 2025/2026 Fiscal Year Budget. Notice of said Public Hearing was duly published in the Beacon News. The Board of Trustees approved Appropriations Ordinance No. 940 in tentative form at the April 23, 2025 Board Meeting.

Trustee Sotir asked for comments from the public regarding the 2025/2026 Fiscal Year Budget. Trustee Nelson asked for an overview of the budget.

Manager Clementi said staff is projecting a deficit of approximately \$6,000,000.00 for fiscal year 2025/2026 and the majority of that is being offset by a surplus revenue of the past few years that include developer fees and user rate fees to pay for the improvements.

After addressing all questions from the Board and hearing no comments from the public, Attorney Wellner presented Appropriations Ordinance No. 940 to the Board for their approval.

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It was moved by Trustee Nelson, seconded by Trustee Brown, put to vote and unanimously carried that the Public Hearing be adjourned and Appropriations Ordinance No. 840 for 2025/2026 Fiscal Year Budget, be approved as written.

ADOPTED by the Board of Trustees of Fox Metro Water Reclamation District this 21st day of May, 2025 by a voice vote of 5 to 0.

11508

It was moved by Trustee Funkey, seconded by Trustee Brown, put to vote and unanimously carried to conclude and close the Public Hearing and continue the meeting of the Committee of Local Improvements.

Manager Clementi continued with the Committee of Local Improvements and continued reviewing with the Board the rate increase scenarios. She presented five scenarios and they were as follows: Scenario #1 a 5% increase through 2035, Scenario #2 a 3% increase through 2035, Scenario #3 a 0% increase through 2035, Scenario #4 a 0% increase from 2027-2029 and 2% increase from 2030-2035 and Scenario #5 a 1% increase through 2035.

Trustee Sotir said the concern she has with scenario #3 that shows 0% increase through 2035 is the District will put itself in the same position down the road of placing a large rate increase. If the District places a minimal increase each year, she believes staff will have a better chance of keeping the budget in check.

Trustee Funkey stated there was a discussion about considering an increase in industrial rates that would play into this and would change the figures. Manager Clementi said it would only change the figures a little bit because the user rates are the largest revenue source by far.

Trustee Nelson asked if the Board was to move forward with an industrial rate increase, what would Manager Clementi's recommendation be. Manager Clementi said she does not have that data at this time, but when she obtains that information, she will come to the Board with a proposal and her proposal would be to include some sort of escalator. Extensive discussion ensued regarding the industrial pretreatment program, industrial users in the District's program and fees that have not been raised since 2013.



The Trustees have asked if Fox Metro's rates are comparable to other wastewater rates in District's area and NewGen has provided a summary. The figures presented were last updated in fall 2024 and does not reflect recent changes. Notably, the Yorkville-Bristol Sanitary District has changed to a bimonthly minimum residential fee of \$99, and the Fox River Water Reclamation District (Elgin) has changed to an availability charge plus volumetric billing model that charges non-residential users more than residential users. It is also notable that it was challenging to truly compare different rates because all agencies assess rates differently. A key consideration is that Fox Metro owns the sanitary sewers 15" and greater in diameter, while some other wastewater agencies do not own any of the collection system infrastructure and therefore, do not have to fund those associated capital improvements. Fox Metro is also one of the few wastewater agencies with its own billing department and incurs those costs related to that service that are often paid by the municipalities as part of their budget. The District's rates are lower than average for the area and are right in the middle of all other wastewater agencies. A list was provided to the Trustees that showed the user fees all other wastewater treatment facilities charge in the area. Discussion ensued.

Manager Clementi said local residents will pay more for drinking water and municipal sanitary sewer conveyance over the next several years. For the Village of Oswego, the Village of Montgomery, and the United City of Yorkville, these rate increases primarily help fund the Lake Michigan water project. Some folks, especially those in lower-income areas, already struggle to pay their existing wastewater bills, and some rate relief would be welcomed.

Manager Clementi said staff's recommendation is to evaluate other District fees to keep up with inflation and reduce or forego rate increase to ease the burden of water and wastewater services to the local ratepayers. One or two percent a year added to the existing rates should be enough to keep up with inflation due to the large ratepayer base or a larger 5% increase can be considered in the future.

Trustee Gryder said that he did not believe the Trustees could set revenue adjustments beyond the length of their terms as Trustees because they are elected. Attorney Wellner said this is something that would have to be researched but he said municipalities often build in rate increases annually.

Trustee Sotir suggested that the Board agree on a conceptual increase and review it on an annual basis and decide whether a rate increase is necessary or not based on EPA mandates. This would allow the District to have the ability to anticipate expenses and decide to have a rate increase in order to cover those costs.

Manager Clementi said she and staff will work on some surcharge recommendations and other scenarios. She asked if the Board would like to see information regarding base fees or meter rates. Staff does not have a strong opinion as long as the District is in a good financial position. Discussion ensued.

Trustee Funkey stated that based on the graphs Manager Clementi showed them today, the Board has to decide if they want to set some guidelines and reach figures five or ten years out. He believes the Board has to decide where they want the District to be in five or ten years and then it is up to staff to bring recommendations on how to get there. The first thing the Board has to do is to decide how much they think the District should have on reserve in its interest bearing accounts at the end of whatever period they choose. Manager Clementi stated that the Board can amend rates at any point within reason and public notice. Trustee Sotir asked Manager Clementi for her and staff to work on five year recommendations and present them at the next Board meeting.

Trustee Nelson commended staff on creating a solid report that contained very good information for the Board to review and make an educated decision in the next coming months.

11509

With no other matters to come before the Committee of Local Improvements, it was moved by Trustee Brown, seconded by Trustee Funkey, 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 10:44 A.M.

11510

In Action Items, Manager Clementi requested authorization to advertise for bids for the 2025 Interceptor Televising to be opened at 10:00 A.M., at the July 23, 2025 Board of Trustees Meeting. it was moved by Trustee Funkey seconded by Trustee Brown, put to vote and the Motion was unanimously carried that based on recommendation of staff authorize to advertise for bids for the 2025 Interceptor Televising to be opened at 10:00 A.M., at the July 23, 2025 Board of Trustees Meeting.

11511

Manager Clementi presented Ordinance No. 943 for approval for the Kenpoint I LLC, Benderson Retail Development Annexation of the 5.03-acre development located at the southwest corner of US Rt 34 and Kendall Point Drive in Oswego, Illinois. After discussion, it was moved by Trustee Funkey, seconded by Trustee Gryder, put to vote and the Motion was unanimously carried that Ordinance No. 943 be approved for the Kenpoint I LLC, Benderson Retail Development Annexation of the 5.03-acre development located at the southwest corner of US Rt 34 and Kendall Point Drive in Oswego, Illinois.

Senior Project Engineer James Kerrigan addressed the Board with the Construction Project Report. Mr. Kerrigan requested approval of Partial

Payment No. 10 to Williams Brothers Construction, Inc., in the amount of \$231,037.10 for the North Waste Water Treatment Plant Bar Screen Replacement Project. The project is 24% complete and the pay request was reviewed by Trotter and Associates. Underground electrical work is continuing across the site, and staff is coordinating for upcoming electrical shutdowns with the contractor. Demolition of the upper level of the existing building has commenced in preparation for delivery of the new screens later this summer.

Mr. Kerrigan reported that the Solar Field #2 Project is 90% complete and there is no pay request this month. The south array is ready for ComEd to approve connection to the grid and go live. The North panel installation is complete and waiting for the last equipment to be delivered. Site clean-up is also underway.

Mr. Kerrigan reported that the Building K Plug Valve Replacement Project is 21% complete and there is no pay request this month. The contractor continues to wait for delivery of the remaining valves and equipment.

Mr. Kerrigan reported that the Battery Install Project with General Energy is 10% complete and there is no pay request this month. Staff and the contractor have met to discuss the 30% design of the system, and the developer is currently working through review comments.

Mr. Kerrigan requested approval of Partial Payment No. 2 to RJ O'Neil, Inc., in the amount of \$87,184.80 for the P1 Server Room HVAC Project. The project is 82% complete and the pay request was reviewed by staff. Pay request No. 1 in the amount of \$9,450.00 was sent to the contractor previously. The work on installing the new HVAC system is continuing and is scheduled to be completed later this week.

Mr. Kerrigan requested approval of Partial Payment No. 1 to Helm Service in the amount of \$58,626.00 for the DCM 3 Air Handling Unit Replacement Project. The project is 99% complete and the pay request was reviewed by staff. The project is complete, the new air handling unit has been installed, and is now operational. Final payment will be requested at the next Board meeting.

11512

It was moved by Trustee Funkey, seconded by Trustee Gryder, 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 Brown inquired regarding the Farnsworth Avenue property the District has listed for sale. He asked if it should be taken off the market and perhaps readdress it once staff knows if the District can reuse the current pump station to refit in order to sell the whole property instead of in separate pieces. Manager Clementi said she and Mr. Mike Ott had a discussion regarding the current pump station yesterday located at this property and what is needed. Discussion ensued regarding businesses that have shown interest in purchasing the property and



zoning the City of Aurora would not approve. Manager Clementi said this property has been listed for sale for a while and has been aging in the market so there would be no issue taking it off the market and review where the pump station can be located to minimize impact on residential properties.

Trustee Sotir requested an Executive Session to discuss 5 ILCS 120/2(c)(11) pending and probable litigation and 5 ILCS 120/2(c)(1) employee, employment, compensation discipline, performance or dismissal of a specific employees, including independent contractors and legal counsel.

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It was moved by Trustee Brown, seconded by Trustee Nelson put to vote by roll call and it was unanimously carried to temporarily adjourn the regular Board Meeting for an Executive Session to discuss 5 ILCS 120/2(c)(11) pending and probable litigation and 5 ILCS 120/2(c)(1) Employee, employment, compensation discipline, performance or dismissal of a specific employees, including independent contractors and legal counsel.

The Regular Board Meeting temporarily adjourned for Executive Session at 10:57A.M.

11514

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

Regular Board Meeting reconvened at 12:28 P.M.

No decisions were made in Executive Session.

11515

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

Meeting adjourned at 12:29 P.M.

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