

**MINUTES OF REGULAR MEETING  
BOARD OF TRUSTEES  
ROCK RIVER WATER RECLAMATION DISTRICT  
MONDAY, SEPTEMBER 25, 2017**

President Massier called the Regular Meeting of the Board of Trustees of the Rock River Water Reclamation District to order at 5:15 p.m. in the Board Room at the Graceffa Administration Building, 3501 Kishwaukee Street, Rockford, Illinois. The following Trustees were present:

Donald Massier	President
Rick Pollack	Clerk/Treasurer
John F. Sweeney	Trustee
Ben Bernsten	Trustee
Elmer Jones	Absent

Staff present: Timothy S. Hanson, District Director; Joseph W. Hanley III, Esq., General Counsel; Christopher Baer, Engineering Manager; Larry McFall, Plant Operations Manager; Chris Black, Business Manager; Michael Robertson, ITS Supervisor/Chief Information Officer; and Deborah Lyons, Executive Services Coordinator.

Also present was Jim Savio, partner with Sikich LLP.

President Massier stated the meeting was being recorded.

Trustee Sweeney moved to approve the minutes for the Public Hearing, Regular Meeting, and Closed Session of August 28, 2017; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack moved to approve the minutes for the Special Meeting of September 12, 2017; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Jim Savio reviewed highlights of the Financial Statements and Independent Auditor's Report and the Auditor's Communication to the Members of the Board of Trustees for the year ended April 30, 2017. Sikich gave the District an unmodified opinion, which is the highest level of assurance they can provide to the District.

# 013999

Mr. Savio stated the Management Discussion and Analysis was prepared by District staff and gives a good overview of the District's financial position and change in financial position for the year. It also indicates any significant changes that may have occurred and provide comparative data not found elsewhere in the report.

Jim Savio stated most balances on the balance sheet remain consistent. The balance of unrestricted assets is up and revenue from user charges is up about \$1 million from last year. The District is covering all operating expenses, including depreciation, in its charges. Total operating income is up about \$2 million. Net increase in cash and cash equivalents is about \$2.5 million. District's IMRF contributions were about 10.81% of covered-employee payroll costs, a slight decrease in percentage from last year's contributions. No material weaknesses or significant deficiencies were found.

There was no WinGIS report.

Trustee Pollack stated the Investment Report showed the District had \$20,502,036.90 Total Funds invested for the month of August and earned interest in the amount of \$16,868.60. Report placed on file.

Trustee Pollack moved to approve Total General Fund Expenditures to Be Approved for the month of August 2017 in the amount of \$5,299,328.69; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Engineering Manager Baer reported no change in the status of the agreements for McDonald Creek Trunk South Branch; W. State Street Reconstruction, Phase 2; or McCurry Road Trunk Sewer Phase 4. Manager Baer presented the history and background of the Swedish American Hospital Sanitary Sewer Vacation Agreement. The Agreement has been submitted to the Hospital for review and approval and is on the agenda later in the evening for the Board's consideration.

Trustee Pollack moved to reject all bids for Large Diameter Sewer Trunk Cleaning 2017-2018, Project No. 8010; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Bernsten moved to award the contract for Brookview Road Sewer Rehab, CIP No. 1801, to the low responsive and responsible bidder, Stenstrom Excavation & Blacktop Group for the sum of \$268,885.50; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack asked whether staff anticipates the recent hurricanes will have a negative impact on the price of pipe. Manager Baer stated because the Fuller Creek project was held up in court previously, the cost of pipe for the project will be greater than it was at the time the bid was awarded. Also, the District is under a time restraint with the EPA to complete it. The hurricanes may impact both price and availability of materials; therefore, the District acted quickly to protect this project's progress and directed the contractor to release all of the required pipe.

Trustee Pollack moved to schedule the December Regular Meeting for December 22, 2017, at 10:00 a.m.; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Staff reported that a manager has retired. Staff would like to post the position and will request the Board authorize hiring for that position.

Counsel Hanley stated he brought the MercyHealth Variance Agreement to the Board for informational purposes. The Agreement has been fully executed.

Counsel Hanley stated a Petition to Levy has been filed with the Circuit Court in the Ralston Road Special Assessment matter. A hearing date has been set; staff does not expect there will be any objection and expects a Confirmation Order will be issued to allow the District to proceed. The Board will be asked to approve the bid at the next Regular Meeting.

Trustee Bernsten asked the difference in the Public Benefit Fund versus the Special Assessment Fund. Manager Baer stated the Special Assessment Fund is used when there is a shared project. The Public Benefit Fund is used when there is a long distance between existing pipe and a Special Assessment area or when the homeowner's portion of the cost exceeds the value public sewer adds to the property.

Trustee Pollack moved to approve the Plumber Bond Report for August 2017 as presented; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

<b>Company</b>	<b>Type</b>	<b>Bond</b>	<b>Expires</b>
J & R Herra Inc.	Private	6052225	5/31/2018

# 014001

Trustee Sweeney moved to approve the easements as presented; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

<b>Project</b>	<b>Grantor(s)</b>
Brookview Road Sanitary Sewer Rehab	Gerard Derango
Brookview Road Sanitary Sewer Rehab	Luke & Tammy Herman
Brookview Road Sanitary Sewer Rehab	Lynda Marks

Trustee Sweeney moved to approve the Swedish American Hospital Sanitary Sewer Vacation Agreement as presented, and to authorize the Director to approve up to \$90,000 for the required repair of the existing subject sewer; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack moved to approve the Request to Reduce Connection Fee for 8110 Ravere Street; seconded by Trustee Bernsten.

Trustee Pollack stated the realtor or title search should have revealed this fee. Manager Baer stated the title search would not have revealed it because this area was not done as a Special Assessment project. If the Board grants the request, it will set a precedent. After additional discussion, the motion on the floor failed upon roll call as follows:

Ben Bernsten	Nay
Donald Massier	Nay
Rick Pollack	Nay
John Sweeney	Abstain

Trustee Sweeney moved to authorize staff to hire a Plant Maintenance Electrician Replacement and to fill any positions left vacant as a result of upward movement of employees; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Staff presented a succession plan for filling maintenance positions that staff anticipates will be vacated due to retirement of electricians and mechanics in the next few years. Staff will approach local schools to propose possible apprenticeship/internship arrangements for these areas of expertise.

Trustee Sweeney moved to confirm purchases for the Emergency Replacement of the Biosolids Dewatering Building's Boilers for an amount not to exceed \$70,000; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Manager Black stated the District has boiler coverage, so this loss will be submitted to insurance for possible coverage of this loss.

District Director Hanson presented the Collection System Update. Crews cleaned 168,492' of sewer mainline, significantly higher than the monthly average of 103,976'. Crews have completed 831,815' preventative maintenance year-to-date of the scheduled 989,887' for the year, leaving 158,072' balance. Crews televised 70,074' in August, a high for this year, as they have been averaging 40,653' per month. Staff training in the new TV trucks occurred in June and July, so staff averaged about 28,000' during those months. Staff replaced 693' of pipe in August: 219' of main pipe, 115' on a CIP project on Oak Lawn, and 474' of eighteen 6" clean-outs (roots). We have added 29 manhole tickets to the backlog list this year, giving us 228 total tickets. We are going to evaluate that number for accuracy. Crews repaired 30 manholes in August: 18 reconstructions, 7 laminated, 2 installed, 1 casting cover replaced, and 2 raised manholes. Manholes on 11<sup>th</sup> Street were reconstructed (manually dug). We had an emergency dig on State Street near Avon in which a large section of the top of the pipe was missing; repair took crews about 3 days to complete. We had no backups, with a total of 20 year-to-date, putting us on par with last year.

Business Manager Black stated for the month ending August 31, 2017, the Income Statement shows total revenue 2% over budget month to date, 2% over budget year to date. O&M expenses are 2% under budget year to date. The Income Statement shows \$2,559,747 net operating income through August 31, 2017. The Statement of Cash Flows shows \$5,362,214 decrease in cash for the 2017-2018 fiscal year. General Fund cash ended the month at \$16,897,896. District had 115 full time employee positions and 115 employees on staff.

There being no other business to come before the meeting, Trustee Sweeney moved to adjourn; seconded by Trustee Bernsten; meeting adjourned at 6:40 p.m.

  
 Clerk

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