

**MINUTES OF REGULAR MEETING
BOARD OF TRUSTEES
ROCK RIVER WATER RECLAMATION DISTRICT
MONDAY, NOVEMBER 19, 2018**

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
Elmer Jones	Vice President
Rick Pollack	Clerk/Treasurer
John F. Sweeney	Trustee
Ben Bernsten	Trustee

Staff present: Timothy S. Hanson, District Director; Chris Black, Business Manager; Christopher Baer, Engineering Manager; Larry McFall, Plant Operations Manager; Jim Reader, Supporting Services Manager; Joseph Hanley, General Counsel; Michael Robertson, ITS Supervisor; and Susan Skinner, Executive Services Coordinator.

Also in attendance were Dave Koch and Leon Downing from Black & Veatch and Jessica Steinberg from the Rockford Park District.

At 5:15 p.m., President Massier called the meeting to order and stated that the meeting was being recorded.

First on the agenda was a presentation by Black & Veatch. Plant Operations Manager McFall gave a brief introduction explaining that, in 2006, Black & Veatch was charged with developing a comprehensive facilities plan for the District, including addressing requirements for the District to reduce nutrients. In September, 2015, the District asked Black & Veatch to update the plan, which they submitted, including newer technologies. As requirements continue to change, the District again asked Black & Veatch to provide an updated Nutrient Removal Facility Plan. David Cook and Leon Downing from Black & Veatch gave a presentation including the company's background, along with more specifics regarding their proposed plan to address the District's future challenges.

Trustee Pollack moved to approve the minutes of the Regular Meeting and Closed Session of October 22, 2018; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye

John F. Sweeney

Aye

General Counsel Hanley introduced Jessica Steinberg from the Rockford Park District. Steinberg was in attendance to address any questions the Board may have with regard to an Intergovernmental Agreement with the Rockford Park District being proposed for vote later in the meeting. The Board did not present any questions. Steinberg then departed the meeting.

Hanley then referred to a memorandum presented to the Board regarding District activities outside of its corporate boundaries. The impetus of the memo are activities the District wishes to pursue outside of Winnebago County, specifically, future negotiations with the City of Belvidere and, potentially, accepting waste from Advanced Disposal. The memo is based on the assumption that RRWRD Trustees desire to continue to have the Winnebago County Chairman appoint the Board. The Sanitary District Act states that, if the District is located outside of Winnebago County, then the State legislators would appoint the Trustees. The memo addresses activities which may and may not be undertaken in order to maintain the status quo. The memo sites historical activity both inside and outside of Winnebago County. Hanley's conclusion is that the District may not own sewer or sewer facilities outside of Winnebago County or annex property outside of Winnebago County. Trustee Sweeney emphasized that the decision of moving forward should be based solely on the best interest of the District and the people it serves, not the mechanism of Trustee appointment. President Massier concurred. Hanley pointed out that, politically, and environmentally, there is a push for more regionalization. Director Hanson advised that he and members of his staff met with the IEPA the previous week, and that there is agreement that moving toward regionalization is the right thing to do. In the meeting, IEPA advised that a report is due to come out December 10, which may result in more stringent requirements. In that regard, it is presumed that it would be in the best interest of Belvidere to move toward partnering with the District.

Trustee Pollack stated the Investment Report reflected \$31,920,548.30 total funds invested for the month of October, 2018, and earned interest in the amount of \$53,926.96. Report placed on file.

Trustee Pollack moved to approve Total General Fund Expenditures for the month of October, 2018 in the amount of \$4,208,456.78; seconded by Trustee Jones; motion passed upon roll call as follows:

Ben Bernsten	Aye
Elmer Jones	Aye
Donald Massier	Aye

Rick Pollack Aye
John F. Sweeney Aye

Regarding Old Business, Engineering Manager Baer reported no changes to McDonald Creek Trunk South Branch (Machesney Park) or W. State St. Reconstruction, Phase 2.

Trustee Pollack moved to award a contract for a biogas compressor to the low responsive and responsible bidder, NES Company, at a cost of \$27,450.00; seconded by Trustee Bernsten; motion passed upon roll call as follows:

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

Trustee Pollack moved to award a contract for a core switch replacement to the low, responsive, responsible bidder, American Digital, at a cost of \$55,060.92; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

Trustee Jones moved to award a contract for a Laboratory Information Management System (LIMS) to Horizon/ChemWare LIMS, at a cost of \$145,923.00; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

Director Hanson reminded that the December, 2018, Board Meeting will be held on the 21st at 10:00 a.m., followed by the District's Employee Holiday Luncheon at noon.

Trustee Pollack motioned to approve an Intergovernmental Agreement among the Rockford Park District, RPS 205, Winnebago County and certain other units of local government to abate the taxes for Magic Waters, including any future developments on the property made by Six Flags. Business Manager Black added that the actual abatement would be presented at a future date (likely December). The District has not collected any tax revenue from this property in recent history. All other included taxing bodies are in agreement; seconded by Trustee Pollack; motion passed upon roll call as follows:

Ben Bernstein	Aye
Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Sweeney moved to approve the RRWRD Board of Trustees 2019 Meeting Schedule; seconded by Trustee Pollack; motion passed upon roll call as follows:

Ben Bernstein	Aye
Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

General Counsel Hanley reminded the Board that Closed Minutes must be reviewed twice a year. With that in mind, he advised that copies of the Closed Minutes would be provided to Board members within the next week to allow ample time for review and consideration before the December 21 Board Meeting.

Hanley then advised that, per Board vote/direction last month, he has obtained a consultant to conduct an evaluation of District-owned land for a solar farm lease and also to evaluate the business terms of the lease. Hanley advised that he has signed and returned an engagement letter, but not yet paid the retainage amount, for services from CohnReznick, with a cap of \$8,500. The retainage amount is \$4,000. The dialogue continued among Trustees regarding the potential solar farm lease and anticipated turnaround time for the consultant to complete the assessment. President Massier then asked the other Trustees what they would need to hear from the consultant in order to convince them that entering into the lease is the right

decision. Trustee Sweeney replied that a benefit is the objectivity of an independent consultant. Trustee Bernsten added his concern that Samsung has full freedom to take whatever part of the acreage it wishes and questioned the likelihood that the entire acreage will be leased in the five-year option. Samsung also has the freedom to terminate the lease at any time on 180-day notice. Bernsten questioned the risk of paying a broker commission when Samsung could exit the lease before the District's full benefit is realized. The language of the terms is in Samsung's favor. Bernsten stated that he does not have an issue with a solar farm; however, he would like the terms structured in a way that obligates Samsung to take specified acreage. Bernsten wonders whether there is a better way to capture revenue from the land as opposed to putting a variable in play for at least the next five years and have it negatively impact the marketability of the land. Hanley advised that some of the terms may be negotiated, but the option period is not likely to be negotiable due to the amount of variables. Hanley advised that additional restrictions could be added upon exercise of the option. Hanley will move forward with the consultant and ask for a December result date.

Trustee Jones moved to approve updated bonds and completed registration for the following Plumbing Contractors for October 1-31, 2018:

COMPANY		<u>BOND</u>	EXPIRATION
Ewing-Doherty Mechanical, Inc.	Private	8212145	5/31/2019

seconded by Trustee Pollack; motion passed upon roll call as follows:

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

No easements or annexations.

Trustee Pollack moved to approve Fuller Creek Trunk Sewer, Phase D (Willingham Pump Station Elimination), CIP No. 1153, IEPA Project L17-5306, Change Order No. 2 – Final Quantities; resulting in final contract value of \$179,765.73; seconded by Trustee Sweeney; motion passed upon roll call as follows:

Ben Bernsten	Aye
Elmer Jones	Aye
Donald Massier	Aye

Rick Pollack	Aye
John Sweeney	Aye

Trustee Pollack moved to approve Plant Roadway Replacement 2018, CIP No. 1906; Final Quantities, Change Order No. 2; resulting in a contract value of \$428,884.97; seconded by Trustee Bernsten; motion passed upon roll call as follows:

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

Trustee Pollack moved to approve Change Order No. 1, 2018-19 Collection System Repairs, CIP No. 1954; Contractor: N-Trak Group, LLC; resulting in new contract price of \$817,811.90; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

Engineering Manager Baer advised that the contract for clarifier railings for Primary Clarifier Tanks 5-10 was awarded with a completion date at the end of November. The contractor has not yet started the project due to an issue with a supplier which did not deliver the product on time, and will result in the contractor incurring liquidated damages. Staff will continue to work with the contractor while the issues are being resolved. As the contractor has not yet started the project, there is no inherent safety risk to the District at this time. The matter will be re-addressed in December.

Trustee Jones moved to approve direction to staff to obtain appraisals and conduct an Informational Meeting with residents regarding a proposed two-lot Special Assessment in the 4600 block of Charles Street; seconded by Trustee Bernsten; motion passed upon roll call as follows:

Ben Bernsten	Aye
Elmer Jones	Aye

Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Aye

Trustee Jones moved to approve a professional services contract with Black & Veatch Corp. for Phase I of the Nutrient Removal Facility Plan Update in the amount of \$199,819.00; seconded by Trustee Bernsten; motion passed upon roll call as follows:

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

Supporting Services Manager Reader provided status of activity regarding sewer main line cleaning, televising crews, pipe replacement, manhole ticket backlog breakdown and manhole restoration.

Business Manager Black reported total revenue 2% over budget YTD. Operating expenses were 1% over budget YTD, and income statement reflects \$3,871,536 in net operating income through October 31, 2018. Cash increased \$8,125,913 for the 2018-19 fiscal year. General fund cash total at the end of the month was \$30,791,197. Total number of authorized full-time positions is 116; 114 filled as of October 31. Remaining two open positions will be filled by next week.

Trustee Pollack moved to approve Ordinances 18/19-M-04, -05, -06, -07 and -08; all to abate property tax levies for bonds issued in previous years; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

Trustee Pollack moved to approve Ordinance 18/19-B-01, RRWRD Public Benefit, Chlorination and Corporate Tax Levy; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

At 7:05 p.m., Trustee Pollack moved to recess the Regular Meeting to move into the Meeting of the Committee of Local Improvements and Closed Session to discuss Acquisition of Property; Probable Litigation; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

At 7:15 p.m., President Massier re-convened the Regular Meeting and stated that no decisions had been made in Closed Session.

Trustee Sweeney moved to adjourn the Regular Meeting; seconded by Trustee Pollack; motion passed upon roll call as follows:

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

The Regular Meeting of the Board of Trustees adjourned at 7:16 p.m.


Clerk