

**MINUTES OF REGULAR MEETING  
BOARD OF TRUSTEES  
ROCK RIVER WATER RECLAMATION DISTRICT  
MONDAY, SEPTEMBER 24, 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 Allan Lyon, Sikich, LLP, and Daniel R. Peterson, Broker.

President Massier stated that the meeting was being recorded.

Allan Lyon, Senior Manager, Sikich, LLP (auditors for the District), gave a presentation regarding the District's first Comprehensive Annual Financial Report (CAFR). Lyon explained that the CAFR goes above and beyond the minimum requirements and provides much more information and transparency than the District's previous year's Financial Statements and Independent Auditor's Report.

Trustee Pollack moved to approve the minutes of the Regular Meeting and Closed Session of August 27, 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

Trustee Pollack stated the Investment Report reflected \$26,979,691.84 total funds invested for the month of August, 2018, and earned interest in the amount of \$42,742.38. Report placed on file.

Trustee Pollack moved to approve Total General Fund Expenditures for the month of August, 2018 in the amount of \$4,608,173.50; seconded by Trustee Sweeney; motion passed upon roll call as follows:

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

No Disconnect Hearings.

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 Jones moved to award a three-year contract for Natural Gas Management and Procurement Service to CenterPoint Energy at a price per therm of the monthly NGI minus \$0.003; and for Board to authorize the District Director to sign the applicable agreements; 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 Sweeney moved to award contract for Polymer Tank Replacement, CIP No. 1850, to the low, responsive, responsible bidder, Ceroni Piping Company, at a cost of \$35,558.00; seconded by Trustee Jones; 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 contract for Mulford Road Sanitary Sewer Extension, Special Assessment no. 131, to the low, responsive, responsible bidder, Northern Illinois Service Co., for the sum of \$229,728.00, subject to Court confirmation of the project; 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

Trustee Jones moved to award a contract for Clarifier Railings (Primary Tanks 1-4 & Parshall Flume), CIP no. 1706, to the low, responsive, responsible bidder, Civil Constructors, Inc., for the sum of \$239,904.40; 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

Director Hanson advised that, per his report last month, Mike Swan, Maintenance Mechanic, will retire October 19 after 27 years of service. A reception in Swan's honor will be held on October 19 at 2 p.m. in the Maintenance Building. Since the initial announcement, the position has been posted, and a strong internal candidate has been identified.

Hanson announced that employee Steve Peterson began his new position of Pre-Treatment Program Group Leader today. Peterson's previous position, now open due to his promotion, brings the total open positions at this time to three, all of which will likely be filled by internal candidates. Hanson wished to alert the Board that the next month will bring personnel changes to Supporting Services and Plant Operations due to promotions and shifting of employees filling open positions. Hanson intends to have the positions in place before the onset of the winter season.

Trustee Pollack moved to approve updated bonds and completed registration for the following Plumbing Contractors for the District's 2018-19 Plumber Registration:

<u>COMPANY</u>	<u>TYPE</u>	<u>BOND</u>	<u>EXPIRATION</u>
Atlas Plumbing & Heating Inc.	Private	LSM0067660	5/31/2019
Design Plumbing & Piping Inc.	Public	62706058	5/31/2019
Design Plumbing & Piping Inc.	Private	62704068	5/31/2019
Viridian Enterprises, Inc.	Contractor	1069668595	5/31/2019

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 1) an Easement for Machesney 173 LLC, PIN: 08-14-400-011, Plat 3 of Park 90 Subdivision, Developer Project; and 2) an Easement Vacation for property owner Timothy R. Fitzgerald, PIN: 12-17-128-013, Brookview Road Reroute, CP No. 1801; 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

Trustee Pollack moved to approve Fuller Creek Trunk Sewer, Phase C, CIP No. 1153, IEPA Project L17-5214, Change Order No. 5; approval result is net contract deduction of \$5,727.45; 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 Sweeney moved to approve Change Order No. 2, 2018-19 Sanitary Sewer Service Repairs, Capital Project 1901, to N-Trak Group, LLC. Approval result is net contract deduction of \$5,622.56; 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

Trustee Pollack moved to approve Change Order No. 1, Milford Avenue/IL Rte. 251 Sanitary Sewer Reroute, Capital Project 1935, to Stenstrom Excavation & Blacktop Group. Approval result is net contract addition of \$14,875.31; seconded by Trustee Jones; 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, Capital Project No. 1906, Change Order No. 1. Approval result is a net increase of \$13,728.52; seconded by Trustee Jones; motion passed upon roll call as follows:

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

Trustee Sweeney moved to approve District enrollment in NRG PowerPay Demand Response Program; 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. Reader also reported that there was one mainline back-up in August.

Business Manager Black reported user revenue fee was almost equal to budget MTD and 4% under budget YTD. Total revenue is 2% under budget MTD and 1% under budget YTD. Operating expenses were 2% over budget YTD, and income statement reflects \$2,071,984 in net operating income for August, 2018. Cash increased \$1,801,392 for the 2018-19 fiscal year. General fund cash total at the end of the month was \$24,466,676. Total number of authorized full-time positions is 116; 113 filled as of August 31. Pretreatment Program Group Leader began work today; remaining open positions are for two Treatment Plant Operators.

Black advised that Winnebago County has increased a fee charged to municipalities and special districts for filing and releasing a lien. In order for the District to recover its cost due to this increase, staff is requesting approval to increase its Lien Processing Fee, Lien Filing Charge and Lien Release Charge from \$35 to \$45 effective November 1, 2018. Accordingly, Trustee Pollack moved to approve an Amendment to Combined Rate Ordinance 17/18-R-02.; seconded by Trustee Jones; motion passed upon roll call as follows:

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

John Sweeney

Aye

Black advised that the District conducted a competitive bond sale in September for series 2018 refunding bonds. The 2018 series refunds a portion of outstanding principal on 2009 series bonds. Refunding the existing bond issues at a lower interest rate reduces District principal and interest payments over the remaining life of the bonds. Seven firms submitted bids. The winning firm, Hilltop Securities, submitted a low bid interest rate of 2.782%. Total savings in future debt service costs is \$321,775 and a present value savings of \$272,086, which equals approximately 7.7% of the refunded principal. The bonds will close on September 27.

Black advised that the 2018 property tax levy request must be approved by the Board of Trustees and submitted to the Winnebago County Clerk by December 21, 2018. Black provided Trustees with a presentation regarding property tax information and the levy process, requested direction from the Trustees and invited any questions/discussion.

Trustee Bernsten departed the meeting at 6:15 p.m.

At 6:15 p.m., President Massier asked for a motion to recess the Regular Meeting to enter into Meeting of the Committee of Local Improvements, then Closed Session to discuss pending litigation, 5 ILCS 120/2(c)(11) and Possible Lease of District Property, 5 ILCS 120/2(c)(5). Trustee Pollack presented said motion; seconded by Trustee Jones; motion passed upon roll call as follows:

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

The Regular Meeting of the Board of Trustees reconvened from closed session at 7:08 p.m.

President Massier stated that no votes had been taken nor decisions made during the closed session.

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

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

The Regular Meeting of the Board of Trustees adjourned at 7:08 p.m.



Jim Solbeck

Clerk

