

DeKalb Sanitary District
Wednesday, January 16, 2013
Board Meeting Minutes

The January meeting of the DeKalb Sanitary District Board of Trustees was held at the office of the District at noon on Wednesday, January 16, 2013. In attendance were Trustees Dennis J. Collins, Tim Struthers and Carol B. Zar, Treasurer Janice Tripp, Attorney Keith Foster, District Manager Mark Eddington, Operations Manager Steve Olsen, Assistant to Manager/Human Resources Diana Foust, Finance Director David Storey and Wastewater Operator Ben Meier attended.

President of the Board Collins called the meeting to order.

Trustee Collins moved approval of the January agenda. Trustee Struthers seconded. Motion carried.

The December Meeting Minutes were approved in a motion made by Trustee Struthers, seconded by Trustee Zar and carried.

Trustee Collins moved approval of the amended transfer funds:

- \$ 185,000.00 to the O & M Fund for Operations from the Revenue Fund
- \$ 11,730.03 to the O & M Fund from the Dedicated Tax - IMRF Account
- \$ 5,832.42 to the O & M Fund from the Dedicated Tax - FICA Account
- \$ 10,000.00 to the O & M Fund to fund Flexible Spending – Dependent Care for two employees from Revenue Fund. Amount will be paid back by employee withholdings throughout 2013.

Trustee Zar seconded; the motion carried.

Trustee Struthers moved to pay bills as presented. Trustee Zar seconded. The motion carried.

Mark Eddington and Steve Olsen discussed reasons why the 2012 NIU Secondary Meter Refund was significantly higher than in 2011. Trustee Collins moved to approve the NIU Secondary Meter Refund in the amount of \$90,421. Trustee Zar seconded, motion carried.

During Public Input and Communications, Mark Eddington introduced Ben Meier, Wastewater Operator.

Janice Tripp gave the Treasurer's Report and discussed investments made this month and those coming due soon. Mark Eddington discussed various options for alternatives to investing in traditional CD's due to low rates of return; pay off unfunded portion of IMRF liability, pay down current loans, invest in municipal bonds. The Trustees directed management staff present an account of how District's IMRF funds are "segregated" from other member associations' funds at the February Board Meeting.

Mark Eddington also noted that he would like the Trustees to authorize a general holistic look at the District's finances, including bringing an expert in to look at rates, fees, investments, etc.

Mark Eddington and David Storey presented a status report of expenditures by the District 2/3 of the way through the fiscal year.

Diana Foust discussed Employee Health Insurance transition and IRS regulations regarding HSAs prohibiting employees from using both Aetna and Blue Cross while coverage overlapped.

Mark Eddington and Keith Foster discussed the Illinois Transparency & Accountability Portal and their understanding the law currently only applies to cities and villages, not special districts such as DSD.

Mark Eddington presented the Board with information on several potential TIFs that the City is considering to spur economic growth.

No annexations or pre-annexations.

Diana Foust has received the signed copy of the call in policy from the union and will be integrating it into the final employee handbook.

The Board moved into a discussion on Steve Bemis' request last month for financial assistance for work required on a new building service for his property at 111 S. 9th Street to the public main. Janice Tripp noted that as the building was not owner occupied, the City had no obligation to assist. After discussion, Board agreed it was the owner's responsibility, but decided the District would abandon the building's old service connect during the 2013 sewer lining project.

No plan reviews.

An agreement to accept landfill leachate from Waste Management is complete at 2.35 cents per gallon, up to 1.8 million gallons; amounting to two trucks a day, four days a week. Authorization was previously given for Mark Eddington to sign the agreement.

The District continues to look into the demand response program and Mark Eddington will provide the Board a recommendation as to the best provider for the District at the February Board Meeting.

The Board would like resolution on the animal control nuisance issue on the South First Street property.

Mark Eddington has negotiated a new Farm Lease Agreement with MTR Farms; \$325 per month for the next two years. Trustee Zar moved to accept lease, Struthers seconded. Motion passed.

Steve Olsen reported that the screw pump rehabilitation is complete.

Trustee Zar moved to approve the following Catastrophic Loss request, which was approved by the City of DeKalb as meeting the policy criteria:

- Kacia Volden of 295 Larking Avenue, \$177.00 loss due to running toilet.

Trustee Struthers seconded. Motion carried.

Scott Trotter supplied the written Engineer's Report and loan summary, and deferred discussion until the individual agenda items.

Mark Eddington gave an update on the progress of the SCADA Improvements Project. The project is done except for training. The District will roll out conversion (from night shifts to all day shifts) in early February.

Trotter will have a presentation for the Facilities Plan sometime in the next couple of months.

The District received a check from the State of Illinois for Williams' Brothers final payment of \$102,377.00. The District will exchange final payment for final waivers. The District was presented with Environmental Project of the Year Award Between \$5 and \$25 million by the APWA.

The Board of Trustees congratulated management and staff for achieving the Public Works Project of the Year Award.

Madison Construction has completed the majority of the project work, but there are still some punchlist items remaining related to the building grating and materials. Liquidated damages continue to accrue. Mark Eddington and Mike Holland discussed the ongoing negotiations with Madison Construction relating to liquidated damages. Madison has signed Change Order and No Prejudice Agreement agreeing to a credit of \$89,000 to reimburse the District for excess engineering costs. Madison is pushing to get paid \$35,842.99 from Pay Request #10, but has not submitted appropriate paperwork and has subcontractor liens in excess of that amount. Board decided that no payments would be made while there are liens in excess of requested amounts and directed Mike Holland and Mark Eddington to contact Madison's bonding agent if no progress toward closing out this project occurs during the next 30 days.

Intermediate LS Pump Rehab is still ongoing. Steve Olsen expects pumps back in 6-8 weeks.

The Design of the Meadow Trails Lift Station Upgrades is ongoing. The District and TAI are working to "locate" a generator on an existing utility easement in the rear yards of the properties adjacent to the lift station.

The District is waiting on punchlist items for Lining Project. Mark Eddington is expecting the project to be complete and final payout to be approved at the February Board Meeting.

The Board approved Payment #2 for the WWTP Pavement Project in the motion to pay bills. Trustee Struthers moved to approve Change Order #1, Trustee Collins seconded. Motion passed.

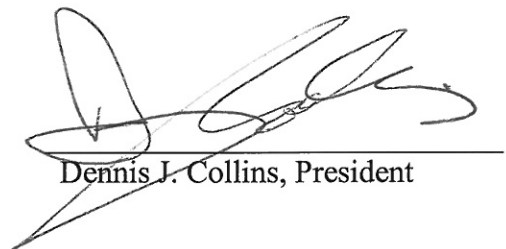
Mark Eddington discussed and inquired on any changes to regularly scheduled Board Meetings for CY 2013. The Board discussed moving the May meeting from May 15th to May 22nd as well as the September meeting from September 18th to September 11th. Formal motion to approve Board Meeting dates will occur in April of 2013.

New Business – Steve Olsen discussed surprise bi-annual EPA plant inspection; went well. Olsen discussed Tertiary Filter Building roof drain

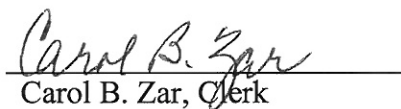
Trustee Collins made a motion to go into Executive Session to discuss personnel and property. Trustee Struthers seconded. The motion carried. The Board went into Executive Session.

After the Board returned from Executive Session, Trustee Collins moved to purchase Bessinger property for \$200k and \$6k commission to the District's real estate agent (Milner) per Foster and Buick's contract and pursuant to an intergovernmental agreement with the Park District to swap land in a mutually beneficial manner. Zar seconded. Motion carried.

Trustee Collins moved to adjourn, Trustee Zar seconded. Motion carried.



Dennis J. Collins, President



Carol B. Zar, Clerk