

DeKalb Sanitary District  
July 28, 2010  
Special Board Meeting Minutes

A Special meeting of the DeKalb Sanitary District Board of Trustees was held at the office of the District at noon on Wednesday, July 28, 2010, pursuant to Notice as required by law, for the purpose of considering the acquisition of industrial property on the South side of DeKalb to be used in connection with the District's general purposes, and the issuing of a change order for the Biosolids Project. In attendance were Trustees Dennis Collins, Tim Struthers and Carol Zar. Mark Eddington, P.E., District Manager; Janice Tripp, Assistant Manager Administration; Steve Olsen, Plant Foreman; and Betty Jones, Secretary were present. Attorney for the District Timothy J. Conklin, and District Treasurer Wayne Fesler attended, as did Scott Trotter, P.E. and Mike Holland, P.E. of Trotter & Associates.

President of the Board Collins called the meeting to order.

It was noted that the District has been discussing the purchase of property for a future treatment plant on the south side of DeKalb as an agenda item since December 2007, and included in Section Eight of the 2009 Facilities Plan Update a goal of finding property appropriate for that use. More recently, the District's intention to put a sludge storage barn on its old south slope treatment plant property met with negative community feedback and its plans to trade property with the City of DeKalb and site the sludge storage barns at the edge of the airport property was not approved by the Illinois Aviation Board. The construction of a sludge storage barn as part of Williams Brothers current contract with the District and identification of a site quite soon is necessary to the timely completion of the ongoing Biosolids Rehabilitation and Improvements Project. Having been made aware of the availability of a 52 acre parcel of property with Heavy Industrial Zoning on the south side of DeKalb that might be appropriate for placement of the sludge storage barns, the District advertised its interest in the Daily Chronicle on 6/25/10 and began due diligence investigations. Trustee Collins asked Mark Eddington, P.E., District Manager, to report on the results of those investigations.

Mark reported that he has received confirmation in writing from the City of DeKalb that the current heavy industrial zoning would allow use of the property for a wastewater treatment facility. There are no plans to build a treatment facility at this time, but since that might be necessary in the future, the purchase of this property for sludge storage barn placement would provide a potential future benefit in addition to solving the problem of where to put the sludge storage barn needed now. Mark said the Environmental Site Assessment confirmed that the property does not have any identified environmental concerns, and the Geotechnical Report identified soil of a typical nature and bearing capacity. A wetland consultant has been retained by the seller and has identified wetlands along the creek and in the southwest corner of the property. Mark said that further evaluations are planned, and that he will be meeting with the consultant but that he does

not think there would be anything to make the site unusable for the District's immediate and future uses. He said the seller has released the topographic survey for the District's use and has visited the office to offer further information about the site. The seller met with Mark and Janice yesterday and told them that he believes the neighbors to the site would welcome extension of Corporate Drive north as a public street. The seller told them he would like to sell the property to the District and finalize the sale by the middle of August. Mark recommended the purchase of property because of its suitability to the District's needs in location, zoning, size, proximity to truck routes, and proximity to the river as well as the price and the availability of the property quickly so as not to slow down the Biosolids Rehabilitation and Improvements Project any more than it already has been.

Trustee Collins asked Scott Trotter, P.E. if there would be any problems with the current plans for the building in regard to the new location or the zoning requirements. Scott said that there would be no changes necessary in the building, and only some quantity adjustments in the construction of the access road. Trustee Collins asked if our building could be constructed on this property by the time we need it and Scott said that he thought that it could be. Trustee Zar asked whether all the plans for the sludge storage barn on the District's south slope property could just be moved to the property under consideration or whether the project would have to be redesigned, and Scott said it is already within the scope of the plans and the only difference would be some quantity adjustments in road constructions.

Trustee Collins noted how much meeting time has been spent discussing a site for the sludge storage barn. Trustee Struthers said that this is the third option considered, and that given that the proper zoning for the District's uses is already in place at this site and that it is available now, there would be time and money savings in not having the project delayed any longer. It was noted that since there is enough property there for a south plant, buying this property would fit in with the District's intention to purchase land for a new treatment plant well in advance of its construction so as to alert property owners and developers of the District's presence and intentions.

As to financial stewardship on behalf of the users of the District, Trustee Struthers pointed out that the impact of the purchase on the District's operating budget would be minimal (on the order of \$13,000 per year). Trustee Collins noted that there are not that many properly zoned properties available now and the other ones considered offer much smaller properties at three-quarters of the cost of this one. The proposed price of \$1.3 million would be paid from capital funds on hand. The very low interest rate the District's investments are currently earning was also noted as a plus for purchasing the larger property now for cash, as well as the relatively depressed real-estate market at present. After further discussion, the Trustees agreed that the purchase of this property would serve the interests of the users of the District.

Trustee Struthers moved to approve the following resolution:

RESOLUTION # 2010-07-28-01

A RESOLUTION AUTHORIZING THE PRESIDENT TO ENTER INTO ANY AND ALL AGREEMENTS NECESSARY TO EFFECTUATE THE PURCHASE OF PROPERTY FOR THE BENEFIT OF THE DEKALB SANITARY DISTRICT.

Be it resolved by the Board of Trustees of the DeKalb Sanitary District, DeKalb, Illinois as follows:

WHEREAS, the District had an opportunity to review and examine certain real estate located South of I-88 and at the intersection of South First Street and Harvestore Drive; and,

WHEREAS, the District has determined that said property is suitable for development as a sludge storage facility for the District and can serve as a location for a future south side treatment plant; and,

WHEREAS, the Board of Trustees believes it is in the best interests of the residents of the DeKalb Sanitary District to formally bind itself to purchase said property.

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the DeKalb Sanitary District, as follows:

1. The President of the District, Dennis Collins, is hereby authorized and empowered to enter into any and all agreements as may be necessary to effectuate the purchase of the property hereinabove described for the benefit of the DeKalb Sanitary District. Dennis Collins is further authorized to execute and deliver, to the proper parties, any and all documents which may otherwise be necessary to effectuate the agreement to purchase the property and cause said property to be acquired for the benefit of the District. This includes, specifically, the execution of all documents necessary to establish a land trust with Resource Bank, N .A., for the purpose of acquiring title to said property for the benefit of the District.
2. The employees of the District are hereby authorized to expend any sums reasonably necessary for costs, expenses, and fees in connection with the acquisition of this property for the price stated and consistent with the terms and conditions of the agreement presented at this meeting.

Dated: July 28, 2010

Signed: President – Dennis J. Collins

Attest: Clerk – Carol B. Zar

Trustee Zar seconded. All three Trustees voted "aye," and the motion carried.

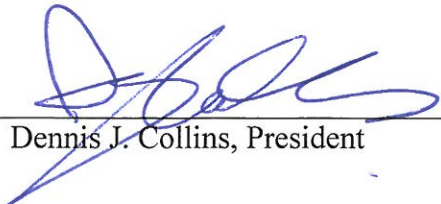
Trustee Collins instructed Mark and Janice to arrange the details of the purchase and questioned Janice about the availability of funds. She showed them which investments would be used for the purchase. There is no problem with liquidity. The amount of closing costs needs to be determined. Because the Board wants to make sure there is full disclosure to the public, the possible use of a land trust to hold title to the property was rejected and the Trustees instructed that when the land is purchased, title should be taken in the name of the District. Mr. Conklin was asked to follow up on this desire by the Board. The legal team and management were instructed by the Board to proceed with arranging the details of the purchase. The District will try to comply with the sellers wishes to have the purchase finalized by the middle of August.

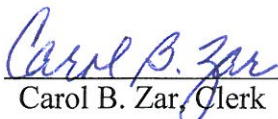
Trustee Collins instructed Scott Trotter to begin the necessary steps to have the sludge storage barn constructed on the property. Scott will survey the owners of adjacent properties about their wishes about the extension of Corporate Drive to the North and will produce new plans for Williams Brothers. Scott said the plans for road construction would have to be submitted to the City of DeKalb. The Trustees instructed that a temporary construction road be installed on District property to ensure that the building of the sludge storage barn will not be slowed by road construction issues. Trustee Collins said "we want to bring the timetable back into alignment with current project needs."

Mike Holland, P.E. presented Change Order #5 to the Phase 1A Biosolids Rehabilitation Project which is an increase of \$9,100.18 for Verizon and electrical rerouting for digester operations building excavation, providing and installing disconnects for primary sludge pumps, and nonpotable water piping modifications. Trustee Struthers moved to approve it. Trustee Struthers seconded. Motion carried.

The Trustees asked for an update from Steve Olsen on the plant and collection systems response to recent rain events and asked him to formalize the report into a one-page summary for the next Board meeting.

Trustee Collins moved to adjourn the meeting. Trustee Zar seconded. Motion carried.

  
Dennis J. Collins, President

  
Carol B. Zar, Clerk