

DeKalb Sanitary District
May 11, 2011
Minutes

The May meeting of the DeKalb Sanitary District Board of Trustees was held at noon on May 11, 2011. Trustees Dennis Collins, Timothy Struthers and Carol Zar were present. District Manager Mark Eddington, P.E., Assistant Manager Administration Janice Tripp, Operations Manager Steve Olsen, Operator Chris Stika and Secretary Betty Jones attended. Keith Foster, Attorney for the District was present. Scott Trotter, P.E. and Mike Holland, P.E. of Trotter and Associates and Jaime Smirz, City of DeKalb Community Development attended. Lisa Sharp of Sharp Architects was present for a portion of the meeting.

President of the Board Collins called the meeting to order.

Trustee Zar moved and Trustee Struthers seconded approval of the May agenda with the presentation by Lisa Sharp moved forward. Motion carried.

Trustee Collins moved approval of the April minutes. Trustee Struthers seconded. Motion carried.

Janice Tripp, Assistant Manager Administration, explained the transfers. After discussion of each item Trustee Collins moved to approve the transfer of:

- \$200,000.00 from the Revenue Fund to the O & M Fund
- \$ 53,088.38 from the Bio Solids and Country Club Account to the Revenue Fund for engineering
- \$ 89,620.42 from the Revenue Fund to the BioSolids and Country Club Account

Trustee Struthers seconded. Motion carried.

Trustee Collins moved and Trustee Struthers seconded approval to pay the bills presented today. Motion carried.

During the Public Input portion of the meeting, Mark Eddington introduced Chris Stika and Trustee Collins welcomed him to the meeting.

In the absence of a Treasurer, Janice Tripp reviewed the investments that matured and the ones made this month. She said that having Steve Olsen on the current check signatories list created a problem with checks and balances in that he authorizes payment of most of the invoices. After discussion of the problems presented by having fewer signatories, Trustee Collins moved to remove Steve Olsen from the list and allow Mark Eddington and Janice Tripp to sign together

on checks less than \$1,000.00 if that is necessary. Mark and Jan are not to sign together on checks larger than that without Trustee approval in advance. Trustee Struthers seconded. Motion carried. Trustees Collins and Struthers said they want the District to move towards electronic check processing which would allow offsite Trustee check approval.

Trustee Zar moved and Trustee Struthers seconded the approval of new bank Resolutions for the Fiscal Year 2011 to 2012, and the adoption of that policy to the following depositories with the stated depository limits:

1. Set a limit of \$2,150,000.00 for total deposits each at The Northern Trust, Castle Bank, National Bank and Trust Company of Sycamore, Resource Bank and American National Bank. Any amount deposited over the amount which is insured under FDIC is to be collateralized at 100%.
2. Set a limit of \$1,150,000.00 for total deposits at Old Second Bank. Any amount deposited over the amount which is insured under FDIC is to be collateralized at 100%.
3. Set a limit of \$1,000,000.00 for total deposits at PNC Bank. Any amount deposited over the amount which is insured under FDIC is to be collateralized at 100%.
4. Set a limit of \$500,000.00 for total deposits at Fifth Third Bank. Any amount deposited over the amount which is insured under FDIC is to be collateralized at 100%.
5. Set a limit of \$250,000 plus interest for total deposits each at Farmers & Traders State Bank, Citizens National Bank of Genoa and Waterman State Bank. Any amount deposited over the amount which is insured under FDIC is to be collateralized at 100%.
6. Set a limit of \$250,000 plus interest for total deposits each at Illinois Community Credit Union and DeKalb County Credit Union. Any amount deposited over the amount which is insured under NCUA institution rules is to be collateralized at 100%.
7. Authorization to invest in individual certificates of deposit of an amount up to but not exceeding the FDIC-insured limit each, but not to exceed a total of \$2,000,000.00 to be purchased through Northern Trust and to be held in safe keeping at Northern Trust. No more than the FDIC-insured limit is to be invested at any one bank.

8. The BIOSOLIDS-CCLIFT (1000G03) account at Resource is a non-interest bearing account that is fully insured without limit under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program. In the event the Temporary Liquidity Program ends and the DeKalb Sanitary District needs additional collateral, Resource Bank will provide to the district fully acceptable collateral above the FDIC insured limit.

The above amounts are deposit limits, and on occasion interest will be added to an investment causing it to go over the authorized bank limit. This would be allowed until the investment matured. The limits set are to be adhered to except in special circumstances.

Collateralization of investments at all banks shall be with treasury bills, notes or bonds or agencies of the Federal government. Collateral is to be held by a third party bank.

It was noted by Trustee Collins that he is a director of Resource Bank. It was noted by Trustee Struthers that he is President and a Director of Castle Bank. Trustee Collins noted that he owns stock in The National Bank & Trust Company of Sycamore.

The motion on the above carried.

Lisa Sharp of Sharp Architects gave a presentation on the results of the architectural needs assessment she completed for the District. After discussion the Trustees requested District Manager Mark Eddington, P.E. to get the City of DeKalb Engineering Department's input on traffic patterns in the area.

Trustee Collins moved that officers for the 2011-2012 Fiscal Year be Dennis Collins as President, Timothy Struthers as Vice President, Carol Zar as Clerk and Janice Tripp as Assistant Clerk. Trustee Zar seconded. Motion carried. Trustee Collins moved to appoint Janice Tripp as Treasurer. Trustee Zar seconded. Motion carried.

Appointment of Engineer for Fiscal Year 2011-2012 was deferred.

A Public Hearing on the Fiscal Year 2011-2012 Budget will be held at 4:15 p.m. on June 15, 2011 at the June Board of Trustees meeting. The Trustees asked Janice to prepare a graph of revenue over the last ten years.

There were no requests for annexation of pre-annexation this month.

Trustee Collins moved to direct Steve Olsen, Operations Manager, purchase a pickup truck and a skidster from the Illinois Joint Purchasing Program vendors, as per previous discussion and budgeting. Trustee Zar seconded. Motion carried.

Mark Eddington reported that progress is being made on resolving the City of DeKalb Utility Billing Agreement. The City will be invoicing the District for the remainder due on the current intergovernmental agreement, and Keith Foster is preparing a new one.

Janice Tripp applauded Jaime Smirz work on the City/District sewer repair grant and loan administration, and said the program needs to be advertised so that reputable contractors are aware of it and make the possibility of funding known to their customers before the work begins.

Mark Eddington has spoken with the IEPA about the District's objection to the Town of Cortland's petition to land apply effluent to the City of DeKalb Airport Property. He has not been contacted by Cortland, but IEPA protocol will require their response to the District's objection.

The District has not heard anything more from the USEPA about approval of the District's Pretreatment Ordinance.

Trustee Collins moved to approve the Catastrophic Water Loss Relief Requests of Louise Derix of 1134 East Locust Street, Michael Proctor of 302 Ash Court Apartment A, George Kourvetaris of 109 Andresen Court, Angela Dreessen of 918 Dawn Court and Martha Snyder of 211 Thornbrook Road. Trustee Struthers seconded. Motion carried. Mark will be meeting with the City to work on a new Catastrophic Loss Policy.

Mark filled the Trustees in on his current investigations for an expanded IT Professional Services Contract, and the Trustees asked him to look into the availability of fiber optic cable for the District.

In Plan Review, Mark said that the NIU First Year Residence Hall Intergovernmental Agreement has been signed, and that NIU West Campus Expansion work will begin next week. The Trustees asked him to bring a visual to next month's meeting to explain to them what is being done there. There was nothing new on plans for CVS Pharmacy or NB&T. 3M provided the District with written assurance that they will meet the District's remaining requirements for project approval on their expansion project.

In the Engineer's Report, Scott Trotter P.E. predicted that the United States Environmental Protection Agency's increased focus on watershed resources will

impact on municipalities like DeKalb. He also said that the older fixed media treatment plant here at DeKalb will be hard pressed to meet the ammonia criteria the U.S.E.P.A. is likely to demand. The Facilities Plan calls for the construction of an Activated Sludge Plant to replace the antiquated equipment in the future, and that kind of a plant can meet the criteria.

In Projects, Scott had nothing to report on the Facilities Plan Update.

Trustee Collins moved to approve Williams Brothers Change Order #13 on the Biosolids Rehabilitation Project in the amount of \$29,045.11 for design provisions for a centrifuge, modifications of gas regulators and screw conveyor breaker specifications, adjustment for unsuitable soils and exterior bricking of the old digester control building. Trustee Zar seconded. Motion carried. Trustee Struthers moved to approve Pay Request #17 contingent upon receipt of Loan Disbursement #18. Trustee Collins seconded. Motion carried.

Accrual of liquidated damages on the Country Club Lift Station Project has started again. Trotter and Associates and the District met with Williams Brothers about the three manholes that are leaking and provided options for correcting the problem by lining or redoing the manholes which passed testing but were probably damaged later by construction activities.

The weather is still preventing work on the 322 Greenwood North Project.

Bids on the Tertiary Filter Rehabilitation Project were opened May 5, 2011. Madison Construction of Orland Park, Illinois was the lowest of eight bidders. Trotter and Associates asked the Trustees to defer the Notice to Award until all of the reference checks have been completed. The Trustees asked Trotter and Associates to contact the three lowest bidders and ask them to extend the time period that their bids are valid to allow the Board to continue its deliberation and consider the Notice to Award at the next meeting.

It was reported that Irving Construction, who was the second lowest bidder, has made a written request that the District award the contract to them because they are a local business. In discussion, the Trustees voiced their preference for supporting local businesses who form part of the District's user base whenever that is possible. They asked Keith Foster for an opinion, and asked that the issue of a local contractor preference policy be placed on the agenda for next month's meeting. They asked to see copies of the Sycamore and DeKalb local contractor preference policies to inform their decision making.

Mark Eddington asked that the Trustees authorize him to sign a contract with Baxter and Woodman to begin Phase 1 of the GIS implementation plan at a cost

of \$98,300.00. Trustee Collins moved to approve this. Trustee Zar seconded. Motion carried.

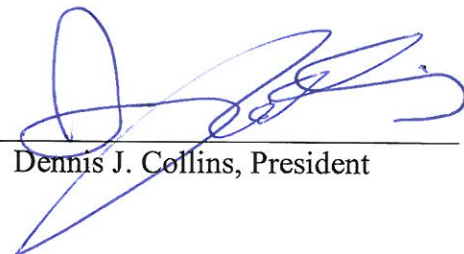
There was no New Business.

Trustee Collins moved to go into Executive Session to address personnel issues and possible litigation. Trustee Struthers seconded, and the motion carried. The Board went into Executive Session.

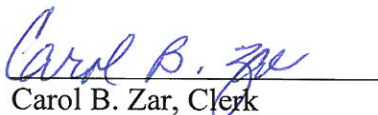
After the Board returned from Executive Session, Trustee Collins moved to sign an employment contract with Diana Foust for the position of Assistant to the Director/HR. Trustee Zar seconded. Motion carried.

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

President of the Board Collins adjourned the meeting.



Dennis J. Collins, President



Carol B. Zar, Clerk