

DeKalb Sanitary District
May 19, 2010
Board Meeting Minutes

The May meeting of the DeKalb Sanitary District Board of Trustees was held at the office of the District at noon on Wednesday, May 19, 2010. In attendance were Trustees Dennis Collins and Tim Struthers. 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 Keith Foster and District Treasurer Wayne Fesler attended, as did Scott Trotter, P.E. and Mike Holland, P.E. of Trotter & Associates. Jaime Smirz of the City of DeKalb Community Development Department and Paul Borek of the DeKalb County Economic Development Corporation attended. Managing partner James Jendruczek and other representatives of Trim-Rite Food Corporation; and Joe Inderhees, DSD operator, attended for a portion of the meeting.

President of the Board Collins called the meeting to order.

Trustee Struthers moved to approve the May agenda. Trustee Collins seconded. Motion carried.

Trustee Collins moved to approve the April minutes. Trustee Struthers seconded. Motion carried.

After Janice Tripp, Assistant Manager Administration, explained the reasons for the transfers, Trustee Collins moved to approve the transfer of:

- \$225,000.00 from the Revenue Fund to the O & M Fund
- \$ 9,422.88 from the Dedicated Tax IMRF Fund to the O & M Fund
- \$ 5,401.03 from the Dedicated Tax FICA Fund to the O & M Fund
- \$ 60,957.34 from the Revolving Loan Biosolids & CC to the Revenue Fund
- \$ 22,575.00 from the Revenue Fund to the Connection Fees Fund

Trustee Struthers seconded. Motion carried.

Trustee Collins moved to approve payment of bills as presented. Trustee Struthers seconded. Motion carried.

Trustee Collins moved that officers for the 2010-2011 Fiscal Year be Dennis Collins as President, Timothy Struthers as Vice President, Carol Zar as Clerk and Janice Tripp as Assistant Clerk. Trustee Struthers seconded. Motion carried.

There was no one wishing to give Public Input or Communications.

Steve Olsen introduced Joe Inderhees to the meeting. Joe recently passed the certification examination to become an IEPA Collection System Operator. Trustee Collins congratulated Joe and confirmed his value to the District, presenting him with the bonus check offered to employees who receive that certification.

Paul Borek of the DeKalb County Economic Development Corporation explained the changes in the Intergovernmental Tax Abatement Agreement being presented for signature and the benefits of such an agreement to DeKalb County. He also discussed the tax abatement policies of neighboring areas who compete for the same employers. After requesting and receiving feedback from Scott Trotter, P.E., District Engineer and Attorney Keith Foster, District legal counsel, Trustee Collins stated that as the District is supported by User Fees the tax rebates requested would be a small percentage of the overall budget. Both Trustees noted their desire to cooperate with other governmental entities in DeKalb County. Trustee Collins noted he is a member of the Board of DeKalb County Economic Development Corporation, and Trustee Struthers stated that he is a member and past president of that organization. Trustee Collins moved to approve the tax abatement agreement. Trustee Struthers seconded. Motion carried.

Mr. James Jendruczek of Trim-Rite Food Corporation described for the Board the history of the company and the reasons behind their request for permitting to allow them to use the plant that formerly housed Cavel International to perform hog slaughtering to supply meat to the company's Carpentersville processing operation. He asked that the District reexamine the connection fee quoted to him by Mike Zima, former District Manager and allow his company to pay a lesser fee to be followed by monitoring and fee adjustment if he was not able to meet effluent limits. He introduced representatives of his company who discussed maintenance and engineering issues and assured that Board that they believe the company would be able to meet stringent effluent standards. After discussion, Trustee Collins asked Mr. Jendruczek to supply Trotter & Associates with engineering calculations to support the above claims, and asked Scott Trotter, P.E. to come to the June 2010 meeting with a recommendation on appropriate connection fees and Industrial User permit conditions. Both agreed to do so.

Treasurer Fesler gave the Treasurer's Report and discussed investments.

Janice Tripp reported on the Fiscal Year 2009-2010 now being conducted by Sikich LLP, Certified Public Accountants.

Treasurer Fesler provided the Trustees with his recommendations on the Depositories for Fiscal Year 2010-2011. After discussion, Trustee Collins

moved and Trustee Struthers seconded the following policy as to depositories and 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 \$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%.
4. Set a limit of \$250,000 plus interest for total deposits each at Farmers & Traders State Bank and Waterman State Bank. Any amount deposited over the amount which is insured under FDIC is to be collateralized at 100%. Other local banks may be approved by the Trustees for deposits with these same limits.
5. 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%.
6. 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.
7. Change the BIOSOLIDS-CCLIFT (1000G03) account at Resource from an interest bearing account to a non-interest bearing account that will be 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 has committed to provide to the District fully acceptable collateral above the FDIC insured limit. Resource is to supply the District written evidence of current program participation no less frequently than once each year and commit in writing to notifying the District in writing if Resource opts out of the program.

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. Treasurer Fesler noted that he owns stock in The National Bank & Trust Company of Sycamore. Trustee Collins noted that he owns stock in The National Bank & Trust Company of Sycamore.

The motion on the above carried.

A motion was made by Trustee Collins and seconded by Trustee Struthers that two signatures be required on all checks. Authorized signers of checks during the Fiscal Year from May 1, 2010 through April 30, 2011 are Trustee Dennis J. Collins, Trustee Timothy A. Struthers, and Trustee Carol B. Zar, along with Wayne Fesler, Mark Eddington, and Janice Tripp. Mark Eddington and Janice Tripp were directed by the Board not to sign together unless in case of an emergency. Motion carried.

In the Engineer's Report, Scott Trotter noted that he will have the EPA replacement account explanation ready for the June 2010 meeting and that he had included with his written report to the Trustees for the month of May his recommendations for connection fee increases to reflect what it would cost to replace plant capacity. The Trustees slated discussion on that for the June meeting.

In Plan Review, Mark Eddington described a proposed new facility for 3M in Park 88 on Macom Drive and Paul Borek said that a request for tax abatement should come before the Board in June.

Scott Trotter and Mike Holland updated the Board on the progress of the Biosolids Rehabilitation and Improvements Project. Work on the Sludge Handling Building continues. Stewart Spreading has emptied Digesters 1A and 1B for Williams Brothers to begin work, and work on the Digester Operations Building will begin soon. Trustee Collins moved approval of Payment Request #5 for \$610,733.20 to be paid after receipt of Loan Disbursement #6. Trustee Struthers seconded. Motion carried.

After an update on construction progress at Country Club Lift Station Project, Trustee Collins moved to approve Payment Request #2 for \$189,041.85 to be paid after receipt of Loan Disbursement #6. Trustee Struthers seconded. Motion carried.

Mike Holland told the Trustees that a preconstruction meeting for the Moraine Terrace Sanitary Sewer Improvements Project was held on May 3, 2010 between DuPage Topsoil, Inc., the District, City of DeKalb and Trotter & Associates. At the request of a Moraine Terrace resident, all parties agreed that a contract extension of 3 weeks would be granted to allow for construction to commence on Monday, May 31, 2010 (after a neighborhood day-care center closes).

A preconstruction meeting for the 2010 Spot Repair Improvements Project was held on April 28. Elliott and Wood started work the week of May 10th.

Michels Corporation, the low bidder on the 2010 Sewer Lining Project has provided the necessary bonds and insurance. Trustee Collins moved and Trustee Struthers seconded issuing the Notice to Proceed. Motion carried.

The Board will await written documentation from the City of DeKalb about the reasons for the requested increase in the amount paid by the District to the City for issuing bills, and discuss the issue at next month's meeting. The Board gave Mark a list of the information it particularly wants prior to that time.

Mark Eddington and Steve Olsen reported on the removal of the sewer plug at the Northern Illinois University Chiller Plant after the University met the District's requirements for sewer connection.

Steve Olsen requested permission to have the defective security gate opener replaced and discussed his rationale in pursuing quotes only from vendors other than the one that installed the gate which has given problems since installation. Trustee Collins moved to approve the purchase of the gate opener from Northern Illinois Fence at a cost of \$4,200.00. Trustee Struthers seconded. Motion carried.

There were no requests for Catastrophic Loss relief this month.

In New Business, Mark Eddington suggested putting a plaque on the Biosolids Building dedicating it to Mike Zima, retired District Manager. The Trustees agreed to this idea but want to add Janice Tripp, Assistant Manager Administration, who will be retiring in December 2010 to the dedication. This will be discussed further at the June meeting.

Mark noted that DeKalb Sanitary District will be hosting the Central States Water Environment Association meeting in June. This will be the third year the meeting has been held here.

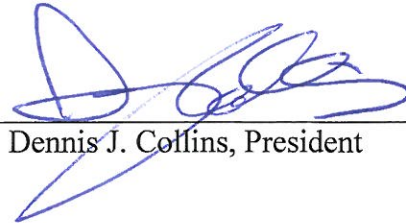
Janice explained the premium and reimbursement policy for new earthquake insurance the District will be purchasing and got feedback from the Board.

Trustee Collins moved to go into Executive Session to address personnel issues and discuss land acquisition. 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 agreement with Voorhees Associates LLC to conduct an executive search for a replacement for Janice Tripp's Assistant Manager Administration position upon her retirement. Trustee Struthers seconded. Motion carried.

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

Trustee Collins adjourned the meeting.



Dennis J. Collins, President



Timothy A. Struthers, Vice President