

KANKAKEE RIVER METROPOLITAN AGENCY
MINUTES
October 15, 2019 - 3:00 P.M

In attendance:

Board of Directors:

Mayor Chasity Wells-Armstrong, City of Kankakee
Mayor Paul Schore, Village of Bourbonnais
Mayor Brian Stump, Village of Aroma Park
Robert Romo, Representative, Village of Bradley
Carl Brown, Alderman, City of Kankakee
Marc Wakat, Representative, City of Kankakee
Elizabeth Kubal, Representative, City of Kankakee

Administration:

Dave Tyson, KRMA Executive Director
Larry, Ohm, Smith, Koelling, Dykstra & Ohm, P.C.
Karen Benson, Smith, Koelling, Dykstra & Ohm, P.C.
Jayne Frahm, Smith, Koelling, Dykstra & Ohm, P.C.

Attorney: Neal Smith, Robbins Schwartz

KRMA Staff:

Arthur Strother, Superintendent
Dustin Scheppler, Asst. Superintendent, Operations
Melanie Gossett, Asst. Superintendent, Technical Services

Chairperson Mayor Wells- Armstrong called the meeting to order.

I. **Roll Call**

Roll Call was taken. All Board members were present.

II. **Public Comment**

None.

III. **Approval of Board Minutes**

A. **September 17, 2019 – Regular Board Meeting** – Motion to approve the September 17, 2019 Regular Board Meeting minutes was made by: Dir. Brown and seconded by: Dir. Wakat. Motion carries.

IV. **Reports**

A. **Operations & Maintenance Report**

1. **Monthly Report**

Art voiced acknowledgement to Asst. Superintendent, Melanie Gossett and other KRMA employees that participated in the Scarecrow Hollow Contest and the River Clean Up. Dir Schore asked why the Bourbonnais & Kankakee calibration reports are late again, are there issues with the meters, and he stressed concerns about the financial flow graphs and rather the village of Bourbonnais has over paid KRMA for the % of usage. Dustin answered, Bourbonnais & Kankakee are scheduled to be read on Wednesday, October 16, 2019. Dustin explained there's a discrepancy with Bourbonnais & Kankakee within 3% last month. Art stated KRMA will continue to try to resolve this issue. I have stated in the past, trying to get accuracy in flows is very difficult, however, it's noted that there are some things need to be corrected. Dir. Wakat stated KRMA has gone through great expense to try to run this down. Dir Wakat asked, what is the average common margin of error. Dustin answered, total 8%,

4% each meter. Dustin stated Bourbonnais meter consistently read 200,000 gallons low and we're trying to get it as accurate as possible.

B. Executive Director Report

1. Water, Gas & Electric Use/Cost

Exec. Dir. Dave Tyson presented the water, gas, & electrical usage. KRMA's energy & electrical is running consistent, we haven't received anything from Hydro for the last two months due to low water levels, our water usage was down, and the Natural gas was down, pointing out, it's August bill, due to KRMA doesn't receive the current bill in time for the board meetings. KRMA utilities cost is running very consistent.

2. NACWA Updates: No updates.

3. Hauled In Waste Summary

Exec. Dir. Tyson stated our loads are consistent. Although some of them were down, the landfill for Newton county stormwater was up which made up the difference.

4. Operations Report

Exec Dir Dave Tyson stated a couple generators are up for annual maintenance. There have been some repairs completed on several equipment at the plant. Nevertheless, everything is working okay. KRMA received a resignation from one of our operators, therefore, Melanie has placed an ad in various newspapers within our county, the surrounding counties, on KRMA website and Daily Journal website for new Operator.

C. Financial Report

1. Reports

Larry Ohm presented the monthly financial statement for September 30, 2019, stating our balance sheet is strong and our cash position at the end of September is showing higher than 2018.

2. Hauled in waste report

Larry Ohm stated hauled in waste continues to be in line with budget and slightly more. Our sludge removal was higher than budget, budget might have been understated on this item. As of Friday, October 18, 2019 Homestar will complete the merger to Midland, therefore, our accounts will be converted.

3. Flows Graphs

Larry Ohm stated there are some sufficient variances that have been continuing in the month of September, reasoning, September being a wet month and the rain events were much heavier in the north than the south. City of Kankakee & Village of Bradley are sufficiently lower than what we projected, whereas Bourbonnais is continuously out of range. However, the daily flows look to be fairly consistent with other communities. I'm not discounting the fact; we do need to study the Bourbonnais situation. All flows in general are much higher than they were last year because of the heavy rain every month.

4. Audit Status Update

Larry Ohm explained Wipfli draft audit report, highlighting specific pages regarding the financials; balance sheet for the year in, cash position double from 2018, unrestricted fund balance is positive, stating that KRMA financials are in strong sound position. Revenues are less than they were in 2018 and that covered our requirements of the bond issues as well as our expenses. Also, KRMA operating expenditures were higher than 2018 due to depreciation & amortization and repairs. However, our change in net income is positive and just a little less than last year.

D. Communications

Exec. Dir Dave Tyson recapped congratulations to KRMA for winning the 2nd Prize for the Nonprofit Scarecrow Hollow Contest, making KRMA active in our community.

V. Old Business

A. Flow meter update

Previously discussed

B. Status of dispute with Atlas Copco concerning blowers

Attorney Neal Smith stated, Dan from Strand Association, is hammering out some engineering odds and ends issues that still needs to be addressed.

C. NPDES Permit update

Art stated, KRMA has reached out to the state again to find out if they are willing to discuss the Special Condition 16(CMOM) & 20(NARP). State has yet to give any comments. Therefore, KRMA is still working under old permit, until we receive response regarding our concerns about CMOM & NARP Program.

D. **Motion to authorize execution of Software License and Professional Services Agreement with Data Transfer Solution, LLC**

Attorney Neal Smith stated he received the contract from Mary Smith, who negotiated the contract, however, Attorney Smith had a few changes and DTS agreed to the changes. Exec Dir Tyson stated what's all included in the cost of the asset management program: modules, implementation service, and training. Hosting fee and annual support and maintenance is recurring for the next 4 years. Mayor Wells-Armstrong asked, what are we looking at regarding implementation time. Dustin stated, about 1 year to implement. Mayor Schore asked, where does the cost fit into the budget. Larry answered, it's a capital item, therefore, it's a non-budgeting item, however our cash position is good and it's a program that's really needed. Art agreed. Motion to approve the execution of Software License and Professional Services Agreement with DTS, LLC by Dir Schore and seconded by Dir Wakat. Dir. Romo asked for a listing of all capital items for next year. Larry Ohm responded, are you talking about the capital asset plan, which is usually long-term goals, because it's impossible to anticipate major equipment break down. No other discussion. Motion Carries.

E. **E-Waste update**

Exec. Dir Dave Tyson informed us that Regency Technologies, KRMA e-waste contractor, notified KRMA that there will be an increase in cost for the e-waste pick-up due to the increase in cost for them to process the e-waste, since most of the e-waste being retrieved is non-recyclable. KRMA does not have a contract with them, therefore, we are in process of putting together a contract that will be sent to Attorney Smith for approval and KRMA will bid this next year. Mayor Wells-Armstrong asked, how long have we been partnering with them, Art answered approximately 5 years. Dir Romo asked, have Exec Dir Tyson talked to the county, Mr. Wheeler. Exec Dir Tyson stated yes, this has been discussed and Mr. Wheeler would like to meet with all the Mayors of the County, because he feels everybody should be a participant in the e-waste. Exec. Dir Tyson requested an invite to the Mayor Association that meets every other month. Mayor Wells-Armstrong, stated, moving forward for new fiscal year, May 1, 2020, KRMA will work with Attorney Smith & team make to sure we have something in writing & we are looking at other vendors who can provide this service. Attorney Smith stated it's not KRMA's legal obligation to have an e-waste. Dir Brown stated, we are already involved, therefore we need to continue until a resolution with the County and Mayors. Exec Dir Tyson mentioned, E-waste is grant funded, isn't just a reimbursement, you must have a site, specific carrier, it must be manned all the time, and there must be personnel there. There are costs to it. We need to balance all the cost and compare to what we get from the grant to see if we are better to do it ourselves. Dir Brown also stated, developing a fee where everybody pays into could be a solution.

F. **PILOT fee Adjustment Update**

Exec. Dir. Tyson stated, Art and himself have talked to Pete from Public Works. Pete wanted to converse with his assistant superintendent and Mayor Wells Armstrong about the concerns they may have before he gives KRMA any answer regarding our list.

VI. **New Business**

A. **Electronic Delivery of Boards Packets**

Exec. Dir Dave Tyson gave update that KRMA would still like to submit board packets electronically by the end of the year.

B. **Modification of Website**

Tawonda, Office Coordinator for KRMA, gave a synopsis of the upcoming website for KRMA.

C. **Road Repair**

Exec Dir Tyson stated, everything went smoothly. We added additional slab, therefore, there is a 5,000 to 6,000 additional cost. KRMA is happy with it.

D. **Lab Fees**

Chairperson Wells-Armstrong stated that there is no information on how the calculation was calculated for the lab fees. There's no records and Mr. Simms is unable to be reached.

E. **Plant Capacity**

1. **Pretreatment Proposal**

Exec. Dir. Tyson stated KRMA is at our plant capacity. We need to start charging the industries for their waste and loadings. We need to get number together to submit to these industries. Therefore, they can see the cost saving of KRMA pretreating their waste instead of pretreating it themselves. Exec Dir Tyson refer to Art. Art talked to Steve Zehner, from Robinson Engineering, to get a general idea on the cost of constructing pretreatment facility from the bottom up. It's about 150,000 gallons a water per day, which will cost an industry about half a million to a million & half dollars to even construct a pretreatment facility. CSL sends KRMA a million gallons a day. Steve Zehner has the expertise to see where they are at right now to give us actual numbers as to what that cost will be for them to pretreat their own waste vs. send it to a treatment facility. Art is suggesting we look into letting someone with his expertise to complete this task. We have used Strand in the past, when Strand did this for the previous upgrade of the plant, they constructed it for 245,000 people for next 20 years. KRMA is at that amount now when you add in the industries. The plant has already met the capacity for 20 year, we are only 10 years into the 20 expected year capacity. We need to be proactive and at least start to look at what is going to be needed to accommodate industries that we have already given permission to pretreat their waste. With the board approval I would like to give Steve Zehner a try. Exec. Dir Tyson stated, we need this information as part as our report when we go to these plants and inform them why we are charging, we prefer to do that, instead of telling the plants, KRMA is not going to take their waste anymore. Larry asked, is Mr. Zehner going to estimate what improvements KRMA will have to make if the plants don't pretreat and how that will be amortized and repaid. Art answered, yes, Mr. Zehner will inform KRMA what needs to be done here on site to meet our requirements. All industries are told by the state they must pretreat, they do not have a choice. Motion to approve proposal for Robinson Engineering pretreatment was made by Dir Schore and seconded by Dir Romo. No discussion. Motion Carries.

Chairperson Wells-Armstrong stated let the record show Dir. Schore left the board meeting.

F. **S&P Global Ratings**

Larry Ohm stated, he received an email informing KRMA their S & P rating remains unchanged at A-; however, the City of Kankakee rating has been suspended, pending the submission of the audit report. This has no impact on KRMA. Dir Kubal updated everyone on the progress on the City of Kankakee audit.

VII. **Executive Session**

Motion to go into Executive Session to discuss Personnel, and probable or imminent litigation pursuant to Sections 2(C)(11) of the open meetings act, was made by: Dir. Brown and seconded by: Dir. Stump. Motion carried.

Roll call was taken, and all Board Members were present except for Dir. Schore.

The Board went into Executive Session to discuss Personnel and probable or imminent litigation.

Motion to return to Open Session was made by: Dir. Kubal and seconded by: Dir. Romo. Motion carried.

Roll call was taken, and all Board Members were present except for Dir. Schore.

VIII. **Next Meeting**

Next Regular Board Meeting- **Tuesday, November 19, 2019 (3:00 P.M. in the KRMA Boardroom)**

Chairperson Wells-Armstrong will call in for the board meeting.

Motion to Adjourn was made by: Dir. Wakat and seconded by Dir. Brown. Motion carried.