



NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT

113 Timber Trail, Island Lake, Illinois 60042

REGULAR MEETING MINUTES

March 14, 2023

Present in person: Trustees: Timothy Brunn, Ken Michaels, John Ragland, Caretina Tellez
District Manager: Mohammed Haque; District Clerk: Elisa Fisher; District Attorney Bob Pickrell; Scott Trotter, Trotter & Associates

Guests Present: Village of Island Lake Mayor Richard McLaughlin
Village of Island Lake Clerk Georgine Cooper
Village of Island Lake Trustee Will Ziegler
Village of Island Lake Dan Hughes
Village of Island Lake Chris Carlsen
Lincoln Avenue Capital VP Hume An
Retired Village of Island Lake Mayor Chuck Amrich
Resident of Fox River Grove Dan Hughes

President Michaels called the meeting to order at 7:30 p.m.

1. CALL TO ORDER:

Roll Call: Timothy Brunn – Present
John Ragland – Present
Caretina Tellez - Present
Ken Michaels – Present

2. PLEDGE OF ALLEGIANCE:

Those present stood and pledged allegiance to the flag.

President Michaels asked the Board for permission to address Agenda Item 10 a. Beech Street Senior Lofts as the next item as guests were in attendance concerning this agenda item.

10A. BEECH STREET SENIOR LOFTS

Mr. Hume An, Vice President & Regional Project Partner from Lincoln Avenue Capital, went over the Beech Street Senior Lofts development. He stated that this was a 52 senior unit. He advised that they received some funding from Illinois Housing Authority for this development for seniors and that they expected to close in May and start construction shortly after. Mr. An expressed that this apartment complex was going to be 100% affordable for seniors and would have military preference. Mr. An indicated that this is quality senior housing and that there was a market survey done regarding senior citizen living. The market survey concluded that Senior occupancy rate is over 99% and there are long waiting lists for seniors. Mr. An indicated that this project will bring in about 50 construction jobs and 2 full time jobs. Mr. An reported that Beech Street Senior Lofts would open for civic activities, such as a polling place for election day.

Mr. An and Lincoln Avenue Capital were shocked at Northern Moraine's \$313,852.80 connection fee, which included the Darrell Road special connection fee and the District's standard connection fee. Mr. An stated that his company did research of neighboring wastewater facilities and found the connection fees for North Shore Water Reclamation District (\$832.00 per PE for a total of \$81,000.00) and Fox River Water Reclamation District (\$2520.00 per PE for a total of \$131,000.00); he stated that neither of these locations have a high connection fee like Northern Moraine.



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Mr. An advised that Lincoln Avenue Capital did not budget for this huge amount to connect to sewer. Mr. An stated that they are also dealing with a budget crunch for construction costs and rapidly rising interest rates. He is requesting some kind of relief for this project to move forward.

President Michaels stated that he didn't know all the figures from the other wastewater facilities, but thanked Mr. An for the report. President Michaels also stated that there was a FOIA request from the mayor of Island Lake, Richard McLaughlin, regarding the District's connection fees. He stated that the Darrell Road fees have been in effect since 2020. He also stated that this is one of the biggest projects that has come into Island Lake.

President Michaels introduced Bob Pickrell, the District's Attorney from Filippini Law Firm, to go over the project as it is considered affordable housing. Mr. Pickrell clarified that the Darrel Road connection fees are assessed to developments that are directly and indirectly a tributary. Mr. Pickrell explained the District is constrained on what they can do and what is authorized under the Sanitary District act of 1917.

He further explained that the Sanitary District act of 1917 allows the District to charge connection fees or other fees based on anticipated flow or actual flow, but not based upon other considerations like the income of those producing the flow. In summary the District isn't allowed to waive or discount fees, but that there are other options that the Board can consider. For instance, the Board can finance the connection fees over a period of time. Mr. Pickrell stated that the fees could be stretched over five years and that details could come later for this. Mr. An stated that any relief would be welcome, and he recognized that it may not be statutorily possible, but paying in installments would be helpful. President Michaels suggested that the Board should consider adopting a new policy regarding connection fees of more than \$100,000 for the future. This policy would have provisions and a five-year term payment plan. The policy would also have provisions regarding default of payments and possible foreclosures.

Mrs. Georgine Cooper from the Village of Island Lake had a question regarding the ordinance. She stated that she couldn't understand the ordinance as there was already an existing building there. She wanted to know if there was any credit that was available for this project. President Michaels stated that the sewer was disconnected and that there would need to be a new connection. He also stated that the original permit fee payment of \$10.00 was to the Village of Island Lake, not the District.

The Mayor of Island Lake, Richard McLaughlin, stated that he had a couple of questions in regards to the connection fees. Mayor McLaughlin wanted to know why Woodman's connection fee was smaller than the Beech Street Senior Lofts. Mayor McLaughlin also stated that if these fees are going to be this high they will deter other potential business that want to come in to the Village of Island Lake. District Manager Haque stated that Woodman's is a commercial building and that the fees are based off the meter size. Beech Street Senior Lofts are residential, and they are based off the PE, and housing units. District Manager Haque stated that Beech Street Senior Lofts would be calculated similar to a 52-unit subdivision, but receives discounted rates because of the 1 bedroom and 2 bedroom multi-family building units. President Michaels and Mr. Pickrell stated that this is a normal calculation in the industry and it is not unique to the District. Mayor McLaughlin also stated that there was another potential business that wanted to come to the Village of Island Lake at the corner of Route 176 and Darrel and that they were deterred because of the potential cost. District Manager Haque stated that there was a prospective purchaser that wanted to put a storage unit on that corner and he was just looking for location information. The District provided him our standard language regarding sewer connections from our Ordinance, which included extending sewer to the far property line to accommodate future extensions of the main line, a standard for sewer extensions that is done by all public utilities.

District Manager Haque reiterated that the Village of Island Lake and the Village of Lakemoor's commercial entities calculations are the same. He also stated that the calculations are based off the meter size. District Manager Haque stated that Dollar General was a new business to the Village of Island Lake, and they used the same meter size basis for sewer permit fee calculations as Woodman's.



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Mayor McLaughlin reiterated that he is afraid the Village of Island Lake is going to lose businesses due to the connection fees.

President Michaels advised that the interceptor which is being funded by the Darrel connection fee isn't just being done for the Village of Lakemoor, it is also being done for the Village of Island Lake. The interceptor will free up the flow coming from Lakemoor as well as to the Village of Island Lake. President Michaels said it could either be funded by the connection fee or the District could charge all residents and the user rates would continue to rise.

Mayor McLaughlin repeated that he is afraid the Village of Island Lake is going to lose businesses due to the connection fees. He states that all the Villages around the Village of Island Lake have developed and the Village of Island Lake has stayed stagnate. President Michaels stated that they will work with any business that wants to come into the Villages. Mayor McLaughlin asked if the same fees would apply to a gas station that wants to come to the Village of Island. Trustee Brunn stated that it would depend on the water flow and the hook up. Trustee Brunn stated that the gas station would be a different calculation fee than the Beech Street Senior Lofts since it would be a commercial connection. It would be based on the water meter size per the District's ordinance.

Mrs. Georgine Cooper reiterated the new plan that President Michaels is going to initiate in the future for fees over \$100,000.00.

President Michaels motioned for the Board to instruct the District's Attorney to prepare term sheets and take necessary and desirable action to implement a policy for payment of connection fees in excess of \$100,000.00 including the Darrell Road interceptor fees over a period of time of five years with the interest rate of 4%.

2nd by Trustee Ragland

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

President Michaels advised the Board that they would continue with the normal agenda.

3. PUBLIC COMMENTS: None

4. PRESENTATION & APPROVAL OF MINUTES:

a. Regular Meeting February 14, 2023

Motion by Trustee Brunn to approve the Regular Meeting minutes of February 14, 2023, as presented.

2nd by Mr. Ragland

4 ayes 0 nays 0 absent

MOTION CARRIED



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5. TREASURER'S REPORT:

- a. Approval of the Monthly Treasurer's Report for month ending January 31, 2023

Motion by Mr. Ragland to approve the Treasurer's Report for the month ending January 31, 2023, as presented.

2nd by Mr. Brunn

4 ayes 0 nays 0 absent

MOTION CARRIED

6. MANAGER'S REPORT: None

7. TRUSTEE REPORTS:

Mr. Ragland stated that he was contacted by the Mayor of Island Lake, Mr. Richard McLaughlin, and that the Mayor stated he was going to be attending the Board meeting. President Michaels stated that he was contacted by Senators and other politicians regarding the Beech Street Senior lofts.

8. LEGAL BUSINESS: None

9. OLD BUSINESS: President Michaels stated that Trustee appointments are coming up on May 1st, 2023. President Michaels also stated that he updated his resume and added all the new articles he has written. President Michaels asked District Manager Mohammed Haque if there was any action that needed to be taken on the Trustee appointments. District Manager Haque stated that normally the Board recommends forwarding the resumes to the Legislators.

Motion by Mr. Brunn to recommend forwarding the applications of Ken Michaels and Cari Tellez to our representative legislators.

2nd by Mr. Ragland

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

10. NEW BUSINESS:

- a. Beech Street Senior Lofts
See notes above.

- b. Public Hearing: IEPA Preliminary Impacts Determination for Proposed Wastewater Project

Motion by President Michaels to conduct a Public Hearing for the IEPA Preliminary Impacts Determination for Solar Array project, UV Disinfection project and the Garage Replacement projects.

Public Hearing opened by President Michaels at 8:12pm and closed at 8:13pm.
No Public comments.



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c. Approve Pay Request #10 by Trine for the Holiday Hills Project

Motion by Mr. Ragland to approve Pay Request #10 to Trine Construction for the Holiday Hills/Le Villa Vaupell Sewer Extension – Phase 1 Project in the amount of \$313,652.40.
2nd by Mr. Brunn

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

d. Payment Request #2 and Change Order #1 – Lakemoor Lift Stations Modifications (Lift Stations 1 & 6)

Motion by Trustee Tellez to approve Pay Request #2 to Boller Construction for the Lakemoor Lift Station Modifications Project in the amount of \$8,398.57 and Change Order #1 for a credit of (\$10,222.30).
2nd by Mr. Ragland

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

e. Approval of Phosphorus Removal Chemical Bid

Motion by Mr. Ragland to award the bid to the lowest responsible and responsive bidder, Chemtrade Chemicals US, LLC, in the amount bid for phosphorus removal chemical for the 2023-24 Fiscal Year and adopt a resolution authorizing the District Manager to execute a one-year agreement with Chemtrade Chemicals US, LLC to supply phosphorus removal chemical for a one-year period beginning on May 1, 2023
2nd by Mr. Brunn

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED



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f. Approval of Lawn Maintenance Bid

Motion by President Michaels to award the bid to the lowest responsible and responsive bidder, Accent Landscaping in the amount bid for lawn maintenance for the 2023-24 Fiscal Year and adopt a resolution authorizing the District Manager to execute a one-year service agreement with Accent Landscaping for lawn maintenance beginning on May 1, 2023, and authorize the District Manager to extend the contract for up to two additional years.

2nd by Mr. Brunn

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

g. Diesel Fuel Delivered

No Board action required.

h. Approval of Chlorination and Dechlorination Chemicals Bid

Motion by Mr. Brunn to award the bid to the lowest responsible and responsive bidder, Viking Chemical Company, in the amount bid for sodium hypochlorite and for sodium bisulfite for the 2023-24 Fiscal Year and adopt a resolution authorizing the District Manager to execute a one-year agreement with Viking Chemical Company to supply chlorination and de-chlorination chemicals for a one-year period beginning on May 1, 2023.

2nd by Mr. Ragland

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

i. Approval of Generator Maintenance Bid

Motion by Mr. Ragland to award the bid to the lowest responsive and responsible bidder, Midwest Power Industry, Inc., in the amount bid for generator maintenance for the 2023-24 Fiscal Year and adopt a resolution authorizing the District Manager to execute a one-year service agreement with Midwest Power Industry, Inc. for generator maintenance beginning on May 1, 2023, and authorize the District Manager to extend the contract for up to three additional years.

2nd by Mr. Brunn

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent



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MOTION CARRIED

j. Agreement with Direct Energy Business for Electricity

Motion by Mrs. Tellez to approve a commodity master agreement with Direct Energy Business for the procurement of electricity for a period of 30 months at the rate of the supplier adder of \$0.015 per kWh and current hedge pricing managed by Gig Energy.

2nd by Mr. Ragland

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

k. Professional Services Agreement with McGuireWoods Consulting

Motion by President Michaels to approve a Professional Services Agreement for Federal Government Relation Services with McGuireWoods Consulting.

2nd by Mr. Ragland

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

l. Ordinance 23-02, User Rate Fee Ordinance

Motion by Mr. Ragland to Adopt Ordinance 23-02, an Ordinance Restating and Amending Ordinance 14-02 Establishing Sewer User Service Charges for Users of NMWRD.

2nd by Mr. Brunn

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

m. Presentation on the FY 2023-24 Annual Budget Proposal with Final Action scheduled for May 9
Informational only – no Board action taken. Mr. Haque presented an overview of the budget. The proposed budget will be posted and noticed at the District office and required publications with the intent of passing it at the May 9 board meeting.



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11. MISCELLANEOUS CORRESPONDENCE: None

12. APPROVAL OF BILLS

Motion by Mr. Brunn to approve payment of bills for February 14, 2023, as presented, in the amount of \$1,182,457.24.

2nd by Mrs. Tellez

Roll Call: Timothy Brunn – Aye
John Ragland – Aye
Caretina Tellez – Aye
Ken Michaels – Aye

4 ayes 0 nays 0 absent

MOTION CARRIED

13. OTHER BUSINESS: None

ADJOURNMENT

Motion by Mr. Michaels to adjourn the meeting at 8:37 p.m.
Unanimously approved on a voice vote