

January 14, 2009

Minutes of the regular meeting of the Board of Trustees of the North Shore Sanitary District held on Wednesday, January 14, 2009, at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex located in Gurnee, IL.

The meeting was opened with the Pledge of Allegiance.

On roll call, the following Trustees were present:

James E. Swarthout, President
Stephen J. Drew, Vice President
John R. Paxton, Treasurer
Daniel M. Pierce
Effie Wroten

Staff members present were General Manager Brian Dorn, Assistant General Manager Dave Miller, Attorney Greg Jackson, Director of Engineering Services Jai Gupta, Director of Laboratory Services Joe Robinson, Director of Operations Gary Sowma and Director of Technology Services Pete Russo.

President Swarthout asked if there were any comments from the public.

Mr. Martin Meyer from Ferro Pfanstiehl in Waukegan introduced himself and addressed the Board that he has been working with Jim Goettsch of the Compliance Department at NSSD regarding options to get their pretreatment facility to run better. Mr. Meyer stated that Ferro Pfanstiehl is a pharmaceutical industry that purifies sugar and that their wastewater contains sugar which has been a benefit to NSSD. One of the problems occurring is that their pretreatment system periodically fails which causes their product to turn septic or anaerobic causing odor issues to surrounding residents and industries. Mr. Meyer stated that one option they are exploring would be to eliminate their pretreatment plant and directly discharge to the sewer system. Preliminary estimates provided by NSSD indicated that they were facing a connection fee of up to approximately \$1 million which is an unrealistic cost for their company. Mr. Meyer's purpose today was to address the Board to see what kind of a solution could be obtained to work with NSSD on this issue.

General Manager Dorn reported that their problem had been discussed internally and that the District did not have sufficient data to review to make a determination on connection fees at this point. General Manager Dorn stated that Director of Laboratory Services Robinson has set up a sampling schedule to sample their pretreatment plant influent to be able to better determine the connection fee. General Manager Dorn assured Mr. Meyer that NSSD would be in contact with them in the next couple of weeks to discuss the matter.

President Swarthout presented the Consent Agenda, as follows:

- A. Approval of the Minutes of the Meeting held on December 1, 2008.
- B. Approval of the Minutes of the Meeting held on December 12, 2008.
- C. Consideration of Bills.
Wastewater Treatment Fund. \$1,573,314.35
Check No. 143785 through 143822, Check Nos. 143824 through 144031,
Check Nos. 144039 through 144082.
Void Check No. 143823.
- D. Financial Report, November 2008.
- E. Hearing Summary, December 16, 2008.
- F. Illinois Municipal Retirement Fund Financial Status Update.
- G. Surplus Property Disposal via Public Auction.
- H. 2008 Drug and Alcohol Testing Results.
- I. 2008 Plant & Lab Tour Summary.
- J. Correspondence.
 1. 01/05/09 letters to following public officials regarding Economic Stimulus Program and NSSD 'Ready to Go' Wastewater Infrastructure Projects:

- i. President-elect Obama.
 - ii. Senator Richard Durbin.
 - iii. Representative Melissa Bean.
 - iv. Representative Mark Kirk.
- K. Press Articles.
 - 1. Lake County News Sun.
 - i. 'Swarthout now leads sanitary district board', 12/02/08.
 - ii. 'Waukegan lakefront plans move forward', 12/11/08.
 - iii. 'Lakefront luxury', Our View, 12/11/08.
 - iv. '22 vie for two new associate judge posts', 12/26/08.
 - 2. Gurnee Review.
 - i. 'Sanitary District picks new officers', 12/04/08.
 - 3. Gurnee/Wadsworth Journal.
 - i. 'Protecting the lake', Letters, 12/18-24/08.
 - 4. Deerfield Review.
 - i. 'Sanitary district picks new officers', 12/04/08.
 - 5. Highland Park News.
 - i. 'Sanitary District chooses new officers', 12/04/08.
 - 6. Lake Forester.
 - i. 'Presidential Gathering', Your Page, 12/18/08.
- L. Authorize Payroll and Finance Department to issue District checks to meet expenses where necessary for payroll and to avoid interest and/or penalties before the next Board Meeting.

It was moved by Trustee Paxton and seconded by Trustee Drew that the items under the Consent Agenda be approved.

On roll call, all Trustees present voted "Aye". Motion declared carried.

General Manager Dorn gave the Management Report as follows:

- A. Presented Engineering Agreements.
 - 1. Donohue & Associates, Inc., Sewage Storage Basins for Lake Bluff (PS6) and Cary Avenue (PS8) Pump Stations, \$598,586.00.

General Manager Dorn reported that the following engineering agreements are all potential 'ready to go' projects eligible for the proposed stimulus funding package and that NSSD would therefore like to get these projects designed and 'ready to go'. The Sewage Storage Basins for Lake Bluff (PS6) and Cary Avenue (PS8) Pump Stations are similar in concept to the project that was just completed for the Lake Forest Pump Station. This Agreement would be for the initial design phase. General Manager Dorn asked approval for this project in the not to exceed amount of \$598,586.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Engineering Agreement with Donohue & Associates, Inc., Sewage Storage Basins for Lake Bluff (PS6) and Cary Avenue (PS8) Pump Stations in the not to exceed amount of \$598,586.00.

On roll call, all Trustees present voted "Aye". Motion declared carried.

- 2. Donohue & Associates, Inc., Sludge Recycling Facility – Operations Support Planning, \$170,000.00

General Manager Dorn reported that this Agreement is for operating support planning of our Sludge Recycling Facility since the current operating contract with Minergy will end on March 31, 2009. The Operations Support Planning agreement would allow for Donohue & Associates to prepare a plan, retain key personnel, update standard operating procedures currently in place, and at the end of this planning period, prepare a contract for the Owner's consideration to assist with the operation and maintenance of the

Sludge Recycling Facility under the direction of the Owner for a period of 18 to 24 months until a long range solution is identified to operate and maintain the facility. This Agreement would also allow for the Dryer operation to be refined and certain operational issues resolved.

Trustee Pierce stated that he had a problem with this contract. Trustee Pierce did not understand why NSSD would contract Donohue & Associates to offer operating support for the Melter when currently Minergy and other personnel who are responsible for operating it have failed. Trustee Pierce stated that NSSD should look outside of the current people involved and find a third party that may be able to get it running. General Manager Dorn stated that NSSD has looked into other companies to operate the Sludge Recycling Facility and feels at this time the best option would be to retain some of the key personnel who are familiar with the operation of the Melter to run the Facility and participate in the startup of the Vitrification Process once improvements to that system are implemented. The proposed operations contract which will follow this Operations Support Planning contract and which would run for 18 to 24 months would give NSSD that option. Various discussions ensued about the operational system being difficult and that it is important to retain the some of the staff that are familiar with the operation of the Melter, since Minergy will no longer exist after March 31st.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Engineering Agreement with Donohue & Associates, Inc., Sludge Recycling Facility – Operations Support Planning in the not to exceed amount of \$170,000.00.

On roll call, Four Trustees present voted “Aye”. One Trustee voted “Nay”. Motion declared carried

3. Donohue & Associates, Inc., Waukegan Building 240 H&V Retrofit, \$62,379.00.

General Manager Dorn reported that this Agreement would be a good candidate for the stimulus package should funding become available. General Manager Dorn stated the Sludge Screen Project is currently being bid. The Waukegan STP building that would house the sludge screens is inadequate for current ventilation standards. The ventilation in the building was adequate in the 70’s when the building was constructed but that is no longer the case. This Agreement would be for the design to upgrade the ventilation system. The recent odor control study at Waukegan identifies this building as a major odor source. The ventilation improvements to be designed under this contract would be easily integrated with odor control facilities for this building in the future.

It was moved by Trustee Pierce and seconded by Trustee Drew to approve Engineering Agreement with Donohue & Associates, Inc., Waukegan Building 240 H&V Retrofit in the not to exceed amount of \$62,379.00.

On roll call, all Trustees present voted “Aye”. Motion declared carried.

4. Baxter Woodman Consultants, Clavey Road STP Service Water System Replacement, \$19,800.00.

General Manager Dorn reported that the Water System at the Clavey Road Plant was severely deteriorated and needed to be replaced. General Manager Dorn stated that this project, consisting of the design of a new system, would possibly also be covered by the stimulus package should funding become available.

It was moved by Trustee Paxton and seconded by Trustee Pierce to approve Engineering Agreement with Baxter Woodman Consultants, Clavey Road STP Service Water System Replacement in the not to exceed amount of \$19,800.00.

On roll call, all Trustees present voted “Aye”. Motion declared carried.

5. Baxter Woodman Consultants, Clavey Road STP and Waukegan STP Structural Repairs, \$24,610.00.

General Manager Dorn reported that this Agreement with Baxter Woodman Consultants for the design of structural repairs needed at both the Clavey Road STP and Waukegan STP, including the sludge loading

facility truck bay decks at both facilities. The concrete has severely deteriorated in these areas. This Agreement will evaluate the conditions observed, develop repair options and prepare design for rehabilitation for both treatment plants.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Engineering Agreement with Baxter Woodman Consultants, Clavey Road STP and Waukegan STP Structural Repairs in the not to exceed amount of \$24,610.00.

On roll call, all Trustees present voted "Aye". Motion declared carried.

B. Presented Engineering Agreement Amendment.

1. Donohue & Associates, Inc., Zion Sludge Recycling Facility Vitrification Process Upgrades, Contract Amendment No. 1, Increase of \$260,000.00.

General Manager Dorn reported that this Engineering Amendment was to prepare the conceptual design for modification of NSSD Sludge Recycling Facility combustor fuel preparation and feed system based upon information learned from testing performed at Minergy's Winneconne pilot test facility. Trustee Pierce questioned whether NSSD had received a final report from the experts that were hired as part of this project. General Manager Dorn stated that he has seen various portions of the reports but no final report has been generated. Trustee Pierce also questioned whether this increase would be the end of the project and would it possibly cost more? Brian Jensen of Donohue was present and stated that this Agreement would cover the costs of these experts to conceptually redesign parts of the Melter and that he did not know how much it would cost to provide the final design and to construct these improvements.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Engineering Agreement Amendment No. 1, Donohue & Associates, Inc., Zion Sludge Recycling Vitrification Process Upgrades, an Increase of \$260,000.00

On roll call, Four Trustees present voted "Aye". One Trustee voted "Nay". Motion declared carried

C. Presented Amendment No. 1 to Facility Use Agreement between Lafarge North America and NSSD.

General Manager Dorn reported that a contract was executed in 2004 with Lafarge North America in the annual lease amount of \$250,000 for the use of Cell B East to store and manage coal combustion byproduct (CCB). In May, 2008 Cell B East had reached capacity effectively ending Lafarge's ability to manage unsold fly ash production at the landfill. Lafarge is currently interested to operate the dry fly ash storage facility located at the District's Landfill property and to use areas adjacent to the Fludge Processing Facility for the stockpiling, screening and distribution of bottom ash. General Manager Dorn stated that with the reduction in Lafarge's use of the facility the annual lease amount would be reduced to \$50,000, and that this amount would be adjusted by the Consumer Price Index on an annual basis beginning on July 1, 2009 and on the 1st day of each July thereafter. Lafarge would also provide all labor and materials under this Amendment to operate the Fludge Processing Facility at the request of the District in order to provide a temporary sludge disposal alternative during outages of the District's sludge dryer. Lafarge would also be responsible for the final grading and installation of final cover over Cell B East on or before July 1, 2009. General Manager Dorn stated this Amendment would be beneficial to both Lafarge and NSSD.

It was moved by Trustee Paxton and seconded by Trustee Pierce to approve Amendment No. 1 to Facility Use Agreement between Lafarge North America and NSSD.

On roll call, all Trustees present voted "Aye". Motion declared carried.

D. Presented Environmental Assessment of NSSD Property Leased by Mariani Landscape Design.

General Manager Dorn reported that Mariani Landscape Design contracted with the environmental engineering firm of Camp Dresser & McKee Inc. (CDM) to conduct a limited subsurface environmental site assessment in order to evaluate subsurface soil conditions of the compost area owned by NSSD. CDM

prepared a field sampling plan that details the proposed investigation which included taking four borings of the soil. The soil samples were analyzed for pesticides, herbicides, metals and volatile organic compounds. CDM noted no visual evidence of contamination present in the soil and therefore no impact to the District. General Manager Dorn reported that an offer of renewal of the lease has been extended to Mariani with no response as yet. This item was informational only.

Assistant General Manager Miller gave the Administration Division report as follows:

A. Presented Potential Revisions to the NSSD Act – 2009.

Assistant General Manager Miller reported that Attorney Greg Jackson put together a list of possible revisions to the NSSD Act based on a review of other Sanitary District Acts. Assistant General Manager Miller stated some of the items included on this list are:

- Expand current listing of contracts exempt from competitive bidding
- Exemption of Design / Build projects from competitive bidding process
- Clarify Tax Levy due date
- Clarify Self Insurance requirements
- Unlimited authority for unexpected emergencies

Trustee Pierce stated that he thought that all these changes were good and that the District needed to get the draft of these revisions into Springfield as soon as possible. He suggested we work through Chris Ganschow to introduce the revisions to the Legislature. Trustee Pierce stated that the NSSD Act should be looked at approximately every two years and that we should move forward with this. All Trustees present were in agreement. This item was informational only.

B. Presented Request for Waiver of User Charge Fees.

1. Dorothy I. Jackson, 1201 Lorraine Avenue, Waukegan.

Assistant General Manager Miller reported that this request involved a Landlord and Tenant battle with the tenant acting maliciously by leaving water running, which was largely responsible for the account balance of \$717.11. The District received documentation from Mrs. Jackson on January 7, 2009 and reviewed the request. Assistant General Manager Miller stated that the District ordinances, policies and practices do not support the requested adjustment on this account. Assistant General Manager Miller recommends that the \$143.84 fee on the account, which was incurred before the alleged malicious act, should remain on the account. He further recommended that the bill reflecting the large water usage, which totaled \$508.08 be charged at the water rate instead of the combined rate, and that late fees be waived. These recommendations result in a total credit to Mrs. Jackson's account of \$408.39.

It was moved by Trustee Drew and seconded by Trustee Pierce to approve the Request for Waiver of User Charge Fees to Dorothy I. Jackson, 1201 Lorraine Avenue, Waukegan resulting in a total credit to her account of \$408.39.

On roll call, all Trustees present voted "Aye". Motion declared carried.

Director of Engineering Services Gupta gave the Engineering Division report as follows:

A. Presented the following Bid Summaries.

1. Screenings Conveyor Systems Modifications at the Clavey Road STP, Maxim Construction Corporation, Inc. of Volo, IL in the amount of \$67,200.00.

Director of Engineering Services Gupta reported on December 1, 2008, an Official Notice to Bidders was published in the Lake County News-Sun and sent to twenty-nine potential contractors. On December 19, 2009 at 11:00 A.M., the bids were publicly opened and read aloud with the following results.

<u>Contractor</u>	<u>Total Bid Price</u>	<u>Security</u>
Maxim Construction	\$67,200.00	5%
Keno & Sons	\$68,468.00	5%
Camossy Construction	\$71,000.00	5%

AHC Mechanical Services	\$72,800.00	5%
Kovilic Construction Company	\$79,000.00	5%
Budget Amount	\$44,100.00	

Director of Engineering Services Gupta stated that Maxim provided references for similar work done for other organizations. These organizations were contacted and have confirmed that Maxim Construction has completed previous work satisfactorily and on time. It is recommended that the bid be awarded to Maxim Construction, the lowest responsive bidder.

It was moved by Trustee Pierce and seconded by Trustee Drew to award Screenings Conveyor System Modifications at the Clavey Road STP to Maxim Construction Corporation, Inc. of Volo, IL in the amount of \$67,200.00.

On roll call, all Trustees present voted "Aye". Motion declared carried.

2. PS7 Forcemain Cleanout Flange Bolt and Gasket Replacement, Rawson Constructors, Inc. of Sussex, WI in the amount of \$31,000.00.

Director of Engineering Services Gupta reported that on December 24, 2008, a Procurement Proposal Invitation was published in the Lake County News-Sun and sent to seven potential contractors for the Lake Forest Pump Station PS-7 Forcemain Cleanout Flange Bolt and Gasket Replacement Project. On January 7, 2009 at 11:00 A.M., the bids were publicly opened and read aloud. Following is a summary of the results.

<u>Contractor</u>	<u>Bid Proposal</u>
Rawson Contractors	\$ 31,000.00
Camosy Construction	\$ 34,284.00
Elmwood Enterprises, Inc.	\$ 35,000.00
G.W. Kennedy Construction	\$ 41,483.00
Keno & Sons Construction Co.	\$ 46,875.00
Kovilic Construction Co.	\$ 58,650.00
Dominic Fiordirosa	\$ 62,000.00
Bullseye Contractors	\$ 62,400.00
Mosele & Associates, Inc.	\$ 66,500.00
R. Rudnick & Co.	\$120,260.00

The Design & Construction Department recommends that the project be awarded to Rawson Constructors, Inc. of Sussex, Wisconsin, with the low bid for the project in the amount of \$31,000.00.

It was moved by Trustee Pierce and seconded by Trustee Drew to award PS7 Forcemain Cleanout Flange Bolt and Gasket Replacement to Rawson Constructors, Inc. of Sussex, WI in the amount of \$31,000.00.

On roll call, all Trustees present voted "Aye". Motion declared carried.

3. Switchboard Replacement at the Gurnee STP, Reject All Bids.

Director of Engineering Services Gupta reported on November 8, 2008, an Official Notice to Bidders was published in the Lake County News-Sun and sent to seventeen potential contractors and vendors. On December 10, 2008 at 11:00 A.M., bids were publicly opened and read aloud. Following is a summary of the results.

<u>Contractor</u>	<u>Total Bid Price</u>
Powerlink Electric	\$ 92,825.00
Kelso-Burnett	\$128,640.00
Pieper Power	\$154,600.00
Magaw Electric	\$162,422.00
Electrical Systems	\$169,880.00
AMS Mechanical Systems	\$188,900.00

Divane Brothers	\$189,000.00
Benson Electric	\$226,500.00
Engineer's Estimate	\$140,000.00

Director of Engineering Services Gupta reported that Powerlink Electric was contacted to see if they were comfortable with the bid price. Powerlink confirmed that they had missed several details and were unable to do the work at their bid price. Kelso-Burnett, 2nd low bidder, was then contacted. Kelso-Burnett informed us that they had not included the cost of securing OCP insurance in their bid and were unable to sign the contract if NSSD insists on OCP insurance. Director of Engineering Services Gupta reported, based on these responses, it was recommended to rebid the project.

It was moved by Trustee Pierce and seconded by Trustee Drew to Reject All Bids for the Switchboard Replacement at the Gurnee STP and rebid the project.

On roll call, all Trustees present voted "Aye". Motion declared carried.

- B. Presented the following Construction Change Orders.
 - 1. C.O. No. 1, Stabilization of Final Cover at Zion Township Landfill, Fritchens Landscaping and Linden Farms Nursery, Increase of 169 Calendar Days for Substantial Completion and 139 Days for Final Completion.

It was moved by Trustee Drew and seconded by Trustee Pierce to approve C.O. No. 1, Stabilization of Final Cover at Zion Township Landfill, Fritchens Landscaping and Linden Farms Nursery, an Increase of 169 Calendar Days for Substantial Completion and 139 Days for Final Completion.

On roll call, all Trustees present voted "Aye". Motion declared carried.

- 2. C.O. No. 3, Pump Drive Replacement Project at Clavey Road and Waukegan STPs and Cary Avenue Pumping Station (PS8), Pieper Electric, Inc., Increase of 69 Calendar Days for Substantial Completion and 151 Calendar Days for Final Completion.

It was moved by Trustee Drew and seconded by Trustee Pierce to approve C.O. No. 3, Pump Drive Replacement Project at Clavey Road and Waukegan STPs and Cary Avenue Pumping Station (PS8), Pieper Electric, Inc., Increase of 69 Calendar Days for Substantial Completion and 151 Calendar Days for Final Completion.

On roll call, all Trustees present voted "Aye". Motion declared carried.

Director of Laboratory Services Robinson gave the Laboratory Division report as follows:

- A. Presented Current Status of Significant Industrial Wastewater Violation(s) in the Service Area of the NSSD.

Director of Laboratory Services Robinson reported that there have been no significant changes. Director of Laboratory Services Robinson reported that the District issued revised BOD and COD limits to Lambent Technologies of Gurnee which became effective January 1, 2009. The site is in compliance with the new BOD and COD poundage limits which are based upon the pretreatment system reconfiguration as well as the removal of significant quantities of contact cooling water sources.

Director of Laboratory Services Robinson reported that the Popcorn Factory of Lake Forest had discharged an oily and caramel-laden waste from their facility that created an obstruction within the sanitary sewer which in turned caused sanitary wastewater to be released to the environment. Director of Laboratory Services Robinson stated that Popcorn Factory submitted a letter, which describes the actions that a consultant had recommended. The Popcorn Factory's consultant completed a waste characterization for the site and the Popcorn Factory reaffirmed that treatment equipment would be installed by the March 5, 2009 due date.

Director of Operations Division Sowma gave the Operations Division report as follows:

A. Bid Waiver Requests.

1. BW-172, Class 2 Service and Bearing Replacement for Gurnee STP Bldg. 340 Blower #2, - \$26,981.50.

Director of Operations Division Sowma reported that Turblex, Inc. is the only factory authorized service center and distributor of OEM components in North America.

It was moved by Trustee Paxton and seconded by Trustee Pierce to approve BW-172, Class 2 Service Replacement for Gurnee STP Bldg. 340 Blower #2 in the amount of \$26,981.50.

On roll call, all Trustees present voted "Aye". Motion declared carried.

2. BW-173, Repair of Gurnee STP Bldg. 180 Filter Influent Pump #4 - \$71,295.00.

Director of Operations Division Sowma reported that Riley Fluids Handling is the authorized Patterson Municipal Representative in northern Illinois.

It was moved by Trustee Paxton and seconded by Trustee Pierce to approve BW-173, Repair of Gurnee STP Bldg. 180 Filter Influent Pump #4 in the amount of \$71,295.00.

On roll call, all Trustees present voted "Aye". Motion declared carried.

There being no further business to come before the Board, on motion duly made, seconded and unanimously passed, the meeting was then and there adjourned until the next regular meeting to be held on Wednesday, February 11, 2009 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex in Gurnee.

PRESIDENT

SECRETARY