

March 25, 2009

Minutes of the regular meeting of the Board of Trustees of the North Shore Sanitary District held on Wednesday, March 25, 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
Effie Wroten

Trustee Dan Pierce was present via telephone.

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.

Ms. Suzanne Simpson, 17801 Washington, Gurnee, IL introduced herself. Ms. Simpson, Warren Township Supervisor, is representing a coalition of taxing bodies receiving taxes from the Key Lime Cove Resort property located in Gurnee. Ms. Simpson stated that Key Lime Cove was initially appraised by Warren Township at \$65 million but that a private appraisal conducted by Key Lime Cove resulted in an appraised value of \$35 Million, which was accepted by the Lake County Board of Review. The coalition is initiating legal action to fight the Board of Appeal decision and requested that the District participate in a legal fee – sharing arrangement and to pass a resolution in support of this effort.

Trustee Swarthout stated that the District was sympathetic to Ms. Simpson's cause but that the District has historically stayed out of municipal business and has never entered any similar agreement. Trustee Drew asked Ms. Simpson to have her party's attorney discuss the matter with the District's attorney. Trustee Drew also asked Ms. Simpson if she knew on what basis the Board of Review accepted the lower appraisal. Ms. Simpson explained that the Township appraisal was based on the cost method of appraisal, but that the Key Lime Cove appraisal was based on the income method of appraisal, and only used ten months of revenue instead of the normal three years. Assistant General Manager Miller added that, based upon what he had been told, if the appeal was successful, the District would receive approximately \$37,000 more in tax revenue. However, he noted that he had not yet seen any information. Trustee Paxton asked what attorney fees would cost for an appeal. Attorney Jackson said it could range from a simple case to a more complex which would end up costing tens of thousands of dollars in legal fees. Trustee Pierce commented that the Board needed to review the information before making a decision. Ms. Simpson said she would email information on the case to Assistant General Manager Miller.

President Swarthout presented the Consent Agenda, as follows:

- A. Approval of the Minutes of the Meeting held on February 11, 2009.
- B. Approval of the Minutes of the Meeting held on March 6, 2009.
- C. Consideration of Bills.
Wastewater Treatment Fund. \$782,113.76.
Check Nos. 144637 through 144769,
Check Nos. 144776 through 144826.
- D. Financial Report, January 2009.
- E. Fair Lending Violation Review.
- F. Hearing Summary, February 10, 2009.
- G. 2008 Uncollectible Accounts Receivable Summary.
- H. IMRF 03/03/09 Memorandum regarding Impact of 2008 Investment Return on Future Employer Contribution Rates and Preliminary Phase-In Notice for 2010.

- I. Employee Assistance Plan Summary.
- J. Illinois State Treasurer's Office 02/17/09 Notice that Prime Fund and Money Market Fund will be merged into one Money Market Fund.
- K. North Shore Gas Co. 02/27/09 Notice of Filing Natural Gas Delivery Rate Increase Request with ICC.
- L. NACWA 2009 National Environmental Achievement Local Public Service Award – James Swarthout.
- M. Correspondence.
 - 1. 02/11/09 letter from Fred Prillaman of Mohan, Alewelt, Prillaman & Adami with article attached from January 2009 edition of "Leading Lawyers Network" Magazine.
 - 2. 02/13/09 letter to City of Zion regarding Plat of Dedication to County of Lake.
 - 3. 03/10/09 letter from Patrick Litzinger regarding Delinquency Notice on NSSD User Charge Invoices and 03/18/09 NSSD response.
- N. Press Articles.
 - 1. Lake County News Sun.
 - i. 'The smell', Talk of the County, 02/12/09.
 - ii. 'Hair clogging NSSD sludge recycling plant', 02/13/09.
 - iii. 'Bringing relief', Talk of the County, 02/17/09.
 - iv. 'Hair clogs', Talk of the County, 02/19/09.
 - 2. Chicago Sun-Times.
 - i. 'District has hair-drained idea for recycling', 02/13/09.
 - 3. Pioneer Press.
 - i. 'New team to bring jobs to county', 02/12/09.
 - 4. Zion-Benton News.
 - i. 'News of ballpark awakens hope and pride', 02/12/09.
 - ii. 'Who's on Ninth??', 03/12/09.
- O. 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., Sludge Recycling Facility Operations Support.

General Manager Dorn reported the contract was to retain Donohue to perform operation and maintenance services for the Sludge Recycling Facility under the direction of the District on an interim basis not to exceed 24 months unless mutually agreed upon by both parties until identified Vitrification system modifications, which are being undertaken pursuant to a separate agreement, have been completed and the NSSD can identify a long-term operations strategy. Donohue would provide up to 10 staff persons to operate and maintain the SRF on a 24/7, 52 week per year basis. Trustee Paxton mentioned Brian Jensen of Donohue & Associates, Inc. gave him a tour of the SRF and that it was a good opportunity to view the melting unit since it was not operating and was open for inspection. Trustee Swarthout also mentioned that the District's granulate had been tested by Minergy at the melter in Winneconne, WI and stated the results were favorable. General Manager Dorn confirmed this.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Engineering Agreement with Donohue & Associates, Inc., Sludge Recycling Facility Operations Support.

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

- 2. Rezek, Henry, Meisenheimer and Gende, Inc., Pump Station Surge Tank Lining Rehabilitation, \$15, 900.00.

General Manager Dorn reported that this Agreement is for design and bidding services associated with the repair or replacement of the deteriorated surge tank linings in ten surge tanks – two each at PS-4 and PS-5, four at PS-6, and one each at PS-7 and PS-8. General Manager Dorn asked for Board approval of this Agreement with Rezek, Henry Meisenheimer and Gende, Inc., in the not to exceed amount of \$15,900.00. Trustee Drew asked if this agreement was in the budget or if the District was relying on federal stimulus funding. General Manager Dorn replied that the work is in the budget but that the District is also looking at funding from a possible State Capital Bill.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Engineering Agreement with Rezek, Henry, Meisenheimer and Gende, Inc., Pump Station Surge Tank Lining Rehabilitation in the not to exceed amount of \$15,900.00.

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

3. Rezek, Henry, Meisenheimer and Gende, Inc., Gurnee Building 410 Hypochlorite Tank Replacement and Gurnee Building 240 Access Platform, \$34,700.00.

General Manager Dorn reported that this Agreement is to provide design and bidding services associated with the replacement of the east and west hypochlorite storage tanks in Building 410, including provisions to access the tank level sensors from the top of the tanks via a common platform. This Agreement also includes design and bidding services associated with the installation of an access platform in the lower level of Building 240 to enable access to existing valve operators and equipment. General Manager Dorn asked for Board approval of this Agreement with Rezek, Henry Meisenheimer and Gende, Inc., in the not to exceed amount of \$34,700.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Engineering Agreement with Rezek, Henry Meisenheimer and Gende, Inc., Gurnee Building 410 Hypochlorite Tank Replacement and Gurnee Building 240 Access Platform in the not to exceed amount of \$34,700.00.

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

B. Presented Engineering Agreement Amendments.

1. Donohue & Associates, Inc., Evaluation of NSSD Sludge Management Program and Sludge Screen Project, Contract Amendment No. 1, Increase of \$291,112.00.

General Manager Dorn reported that the original agreement related to this project was for design and bid services only and that this amendment is to provide construction-related services. General Manager Dorn asked for Board approval of this Agreement Amendment with Donohue & Associates, Inc., an increase of \$291,112.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Contract Amendment No. 1, Donohue & Associates, Inc., Evaluation of NSSD Sludge Management Program and Sludge Screen Project, an Increase of \$291,112.00.

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

2. Rezek, Henry, Meisenheimer and Gende, Inc., Clavey Road STP Raw Sewage Pump #6 Addition and 36” Air Line Replacement, Contract Amendment No. 3, Increase of \$17,702.00.

General Manager Dorn reported that this Contract Amendment is due to changes in VFD control drawings to accommodate improvements suggested by the District; review of revised VFD shop drawings and change order submitted by the Contractor; an inordinate amount of time spent in processing Contractor’s Pay Requests and providing technical support services; and additional work done due to the project extending beyond the original completion date. General Manager Dorn reported that the project took longer than estimated and that the District plans to have the contractor pay the additional costs for that

portion of the additional engineering costs that are attributable to his actions. General Manager Dorn asked for Board approval of Contract Amendment No. 3, an Increase of \$17,702.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Contract Amendment No. 3, Rezek, Henry, Meisenheimer and Gende, Inc., Clavey Road STP Raw Sewage Pump #6 Addition and 36" Air Line Replacement, an Increase of \$17,702.00.

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

C. Presented Status of Sewage Storage Basin Projects – Lake Bluff & Cary Avenue Pumping Stations.

General Manager Dorn reported that the following was for informational purposes only and that he was not seeking any Board approval at this time. Donohue & Associates, Inc. has been contracted to design storage basins at Lake Bluff and Cary Avenue Pumping Stations similar to the basin constructed at the Lake Forest Pumping Station. The District has applied for federal stimulus funding for both of these projects.

The average daily flow at the Cary Avenue Pumping Station is four million gallons per day. The site location cannot accommodate construction of a storage basin large enough to contain the average daily flow so Donohue is designing a redundant forcemain and an upgrade to the existing pumping station to make it as robust as possible and to minimize any chance of overflow due to equipment or forcemain failure. The redundant forcemain would allow the District to proactively test the existing forcemain.

At the Lake Bluff Pumping Station, Donohue is planning to design a one to one and a half million gallon storage basin located either south or north of the existing pumping station. The District staff met with the Lake Bluff Park District who expressed their desire for the basin to be constructed east of the existing pumping station. General Manager Dorn explained to the Lake Bluff Park District that constructing the basin on the eastward side into Lake Michigan would be prohibitively expensive with many permitting hurdles which would make meeting the federal stimulus funding deadline impossible. These projects are currently not in the District's capital budget so without federal stimulus funding, the projects will likely not be constructed.

Trustee Swarhout requested that the District look at downsizing the proposed basin at the Lake Bluff Pumping Station to one million gallons of storage capacity. Trustee Swarhout reported that the largest overflow from the pumping station was around 750,000 gallons. General Manager Dorn reported that the storage basin will be designed based on several criteria, including to allow for two days of storage in the event of a station or forcemain failure, and to allow adequate time to drain and test the forcemain. General Manager Dorn also added that Donohue & Associates, Inc. would prepare a design memo that will be presented to the Board.

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

A. Presented 2009 Casualty Insurance Renewal.

Assistant General Manager Miller reported that the District's insurance renewal will be due May 1, 2009. A letter dated February 26, 2009, from Brad West of West Insurance states that the District has secured a multiple year policy for the casualty coverage with the OneBeacon Insurance Company. The three year policy issued May 1, 2008 guarantees the rates for the three year term if the District's loss ratio is 50% or less. The District's loss ratio for 2008 is currently 0%. The renewals for 2008 were at a lower cost than the 2007 premiums while providing significantly better coverage. The three year policy is of great value to the District at this time. The insurance industry combined loss ratio for 2007 was 93.8%, and the industry's investment income was down 92%. The District, with the current three year program, will not be affected by the industry's recovery attempts until May of 2011, when the current policy expires, unless the District chooses to change carriers. The property coverage which is currently underwritten by Chubb is an annual policy.

Assistant General Manager Miller recommended that the District forego obtaining alternative proposals and retain the 3-year rate guarantee as recommended by West's Insurance Agency.

It was moved by Trustee Paxton and seconded by Trustee Drew to retain OneBeacon Insurance Company as its casualty insurance provider.

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

B. Presented Request for Waiver of Delinquent Account Fees.

1. Bobby Man, 29 properties in Zion and Waukegan.

Assistant General Manager Miller reported that the District is in receipt of a letter from Mr. Bobby Man of 23012 Galilee, Zion dated March 10, 2009. Mr. Man is requesting the removal of late fees totaling \$267.49 on his unpaid invoices. Mr. Man is the property owner of 29 properties. Mr. Man stated that he would pay the balance of the 29 properties in full if the District would waive the late charges. Historically, Mr. Man has paid outstanding invoices once a year and the District has not waived the penalties.

Assistant General Manager Miller stated that pursuant to the District's policy and guidelines for removing penalties as approved by the Board of Trustees on Sept. 19, 1996 and revised on September 14, 2005, the District may waive a penalty if the customer has no more that 2 delinquent invoices during the previous 24 months or if the owner is paying all delinquent charges incurred by a tenant if the account is in the tenant's name. In this case, the District ordinance, policies and past practices do not support the requested adjustment on this account.

Assistant General Manager Miller reported that District staff recommends not waiving the fees.

It was moved by Trustee Paxton and seconded by Trustee Drew to deny the Request for Waiver of Delinquent Account Fees for Bobby Man for 29 properties in Zion and Waukegan.

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

C. Presented Request for Waiver of User Charge and Delinquent Account Fees.

1. Mrs. Romero, 103 Lakeview, Waukegan.

Assistant General Manager Miller stated the District received a letter on March 16, 2009 from Mrs. Romero addressed to Mr. James Swarthout. Ms. Romero stated that she owns rental property at 103 Lakeview, Waukegan. One of Mrs. Romero's former tenants incurred wastewater treatment charges for the period of February 2006 through May 2008 which totaled \$236.06. The tenant moved out in May 2008 and left these charges unpaid. Mrs. Romero stated that the District should have notified her of these charges in a timelier manner.

Ms. Romero received a lien intent letter from the District in February 2009 which stated that the District intended to file a lien on the property unless the charges were paid. Mrs. Romero contacted the District in March 2009 and was offered a payment agreement in which she could pay monthly installments for up to 12 months for the balance. Mrs. Romero signed the payment agreement on March 12, 2009 and agreed to pay the debt in 4 monthly payments.

Pursuant to Section 5.11 of North Shore Sanitary District Ordinance Establishing a User Charge System, all user charges levied under the provisions herein shall become a lien upon the lands. The District processes hundreds of lien intents and liens each year. The District's policy on the order of lien selection is based on the dollar amount owed and the age of the bills. Therefore, the District files liens on the largest balances as well as the oldest past due balances.

Assistant General Manager Miller reported that District staff recommends not waiving fees. Trustee Paxton stated that it is the landlord's responsibility to pursue payment from tenants. Assistant General Manager Miller suggested the District publish an information sheet for landlords. Trustee Paxton recommended this information sheet be distributed to the local landlord associations.

It was moved by Trustee Drew and seconded by Trustee Paxton to deny the Request for Waiver of User Charge and Delinquent Account Fees for Mrs. Romero, 103 Lakeview, Waukegan.

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

D. Presented the following Bid Summaries.

1. Bid No. 1301, Oil Analysis Services – Predict, Inc., \$12,503.34.

Assistant General Manager Miller stated the Bid was advertised in the paper and mailed to eight potential vendors. The three responses were opened Tuesday, February 24, 2009 at 10:30 a.m. with the following results.

<u>Vendor</u>	<u>4/12/09 to 4/11/10</u>	<u>4/12/10 to 4/11/11</u>	<u>4/12/11 to 4/11/12</u>	<u>Total</u>
Predict, Inc.	\$ 4,046.10	\$ 4,166.01	\$ 4,291.23	\$12,503.34*
ANA Laboratories, Inc.	\$ 5,288.00	\$ 5,288.00	\$ 5,288.00	\$15,864.00
Analysts, Inc.	\$ 6,430.00	\$ 6,675.50	\$ 6,921.00	\$20,026.50

*Predict Inc.’s Bid Offer Acceptance Sheet reflects mathematical errors. Predict, Inc. was contacted and made aware of the calculation errors and indicated they intend to honor their unit prices listed on the Bid Offer Acceptance Form. Pursuant to NSSD’s Bid Terms and Conditions, in case of error in the extension of prices in the bid, the unit prices will govern.

Predict, Inc. is the lowest qualified bidder. Several references were contacted, and all confirmed that Predict, Inc. provided quality work, prompt service and is a reliable vendor. The Purchasing Department recommends awarding a three-year contract to Predict, Inc. to provide Oil Analysis Services to NSSD.

It was moved by Trustee Paxton and seconded by Trustee Wroten to award Bid No. 1301, Oil Analysis Services to Predict, Inc., in the amount of \$12,503.34, for a three year contract.

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

2. Bid No. 1303, Heating, Ventilating and Air Conditioning Equipment Maintenance – Cooling Equipment Services, Inc., \$46, 700.00.

The Bid was advertised in the paper and mailed to eleven potential vendors. Four responses were opened Wednesday, February 25, 2009, at 10:30 a.m. with the following results.

<u>Vendor</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Total</u>
*Cooling Equipment Service, Inc.	\$15,116	\$15,572	\$16,012	\$ 46,700
M.G. Mechanical Contracting, Inc.	\$15,376	\$17,078	\$18,970	\$ 51,424
Highland Park Mechanical, Inc.	\$22,800	\$23,550	\$24,300	\$ 70,650
McDonough Mechanical Services, Inc.	\$44,017	\$44,731	\$46,831	\$135,579

*Cooling Equipment Services, Inc. miscalculated their Total Semi-Annual Costs on the Bid Offer Acceptance Sheet for the Sept. 2011 maintenance. Pursuant to NSSD’s Bid Terms and Conditions, in case of error in the extension of prices in the bid, the unit prices will govern.

District staff recommends awarding a three year contract for Heating, Ventilating and Air Conditioning Equipment Maintenance Bid No. 1303 to Cooling Equipment Services, Inc., lowest bidder meeting specifications.

It was moved by Trustee Drew and seconded by Trustee Paxton to award Bid No. 1303, Heating, Ventilating and Air Conditioning Equipment Maintenance to Cooling Equipment Services, Inc., in the amount of \$46,700.00, for a three year contract.

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

E. Presented Bid Waiver Request.

1. BW-175, Engagement of Swarztrauber & Co. for Accounting Services and Audit of District's Combined Annual Financial Statements for FY Ending 04/30/09, \$49,400.00.

Assistant General Manager Miller reported that the cost for the audit of the fiscal year ending April 30, 2009 shall not exceed \$46,700 (FY08=44,500). The Auditor has also proposed a conditional allowance of up to \$2,700 for services relating to work that may be required as part of the District's triennial capital project reimbursement submittal to the Navy. Assuming that District personnel can accurately complete this work in advance of the established deadline, total FY09 audit charges will be limited to the \$46,700 not to exceed proposal. Assistant General Manager Miller asked for Board approval of this Bid Waiver Request.

It was moved by Trustee Drew and seconded by Trustee Wroten to approve Bid Waiver Request BW-175, Engagement of Swarztrauber & Co. for Accounting Services and Audit of District's Combined Annual Financial Statements for FY Ending 04/30/09, in the not to exceed amount of \$49,400.00.

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 Construction Change Order.
 1. C.O. No. 1, Clavey Road STP Raw Sewage Pump #6 Addition and 36" Air Line Replacement, Rawson Contractors, Inc., Increase of \$1,624.35.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve C.O. No. 1, Clavey Road STP Raw Sewage Pump # 6 Addition and 36" Air Line Replacement, Rawson Contractors, Inc., an Increase of \$1,624.35.

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

- B. Presented Status of Testing on Waukegan STP Effluent Pumping Station and Lake Forest Pumping Station Forcemains.

Director of Engineering Services Gupta reported that the Waukegan STP Effluent forcemain is a 54 " diameter prestressed concrete cylinder pipe approximately 5.6 miles in length which conveys treated effluent from the District's Waukegan Sewage Treatment Plant (STP) to the Des Plaines River. The forcemain experienced two significant failures (years 1996 and 1998) since installation in the mid-1970s. The forcemain was inspected in year 2002 using remote field testing current (RFTC) technology. Based on this inspection, 60 pipe segments which were found to have varying degrees of stress were repaired in 2003 using carbon-fiber-reinforced polymer (CFRP) wrap. A second inspection using RFTC technology was performed in April 2008. This inspection revealed 31 new distressed pipes. A subsequent Failure Risk Analysis completed for this forcemain concluded that pipeline distress is likely to continue at an accelerated rate in the future. The analysis identified five areas of more than 100 consecutive pipes (6,054 feet total length) where the distress level is significant.

Bob Aitchison from Del Mar Woods Sanitary District asked if the entire forcemain was replaced in 2003 and is now failing again. Director of Engineering Services Gupta responded no; only 60 pipe segments were repaired in 2003 and now 31 different pipe segments were showing signs of distress. General Manager Dorn mentioned that the District staff had met with the Illinois Environmental Protection Agency (IEPA) and discussed the possibility of discharging the Waukegan Sewage Treatment Plant (STP) final effluent to Lake Michigan so that the forcemain would no longer be needed, thus, saving costly repairs and significant pumping costs. The IEPA was adamant that discharging the final effluent from Waukegan STP to Lake Michigan as the primary outfall was not an option due to ammonia limits and other concerns regarding degradation of Lake Michigan. General Manager Dorn indicated that he would bring a proposal to the Board in the near future with options for the repair of the distressed pipes. He also indicated that this project has been submitted for potential stimulus funding.

Director of Engineering Services Gupta reported that the entire 1.4 mile length of the Lake Forest Pumping Station Forcemain was tested using the RFTC technology and was determined to be in good condition.

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 stated that they would be removed from the list as soon as the notification cycle has expired.

Director of Laboratory Services Robinson reported that BRP US, Inc. (Bombardier) of Waukegan was issued a Notice of Violation on February 5, 2009 for the discharge of mercury. Director of Laboratory Services Robinson stated that BRP US, Inc. performed an investigation into the mercury violation but was unable to determine an internal source. The District's monitoring of upstream locations has led the District to suspect the source of the mercury is historical pipe contamination from the City of Waukegan drinking water plant's laboratory. The District performed follow-up monitoring of BRP US, Inc. during February and the results indicated a return to compliance.

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 turn caused sanitary wastewater to be released to the environment. Director of Laboratory Services Robinson stated that Popcorn Factory is finalizing a decision regarding the installation of a device to treat process wastewater. Director of Laboratory Services Robinson added that the Popcorn Factory took the District's suggestion to simplify their plans to come into compliance which resulted in a win-win situation for both parties. The Popcorn Factory is also completing a Best Management Practice (BMP) for the site, which will include maintenance procedures for the treatment device, staff training, and other pollution prevention measures. The Popcorn Factory is required to submit a status update to the District by April 7, 2009. The District will issue a Discharge Control Document to ensure that the BMP is being implemented.

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

- A. Bid Waiver Request.
 - 1. BW-176, Replace Ultraviolet Disinfection Systems Spare Parts in Inventory, \$49,485.00.

Director of Operations Sowma stated the this Bid Waiver is to replenish approved inventory items for the UV systems used at all three sewage treatment plants. Per the Purchasing Department, Trojan is the sole source of the above items.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Bid Waiver BW-176, Replace Ultraviolet Disinfection Systems Spare Parts in Inventory, in the amount of \$49,485.00.

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

Attorney Greg Jackson gave the Attorney Report as follows:

- A. Memorandum of Understanding with County of Lake regarding Sanitary Sewer Connection Fees for Fairgrounds Property.

Attorney Jackson reported that the Memorandum of Understanding established between the County of Lake and the North Shore Sanitary District is for the purposes of recognizing a transfer of existing population equivalent from the former fairgrounds site to the future fairgrounds site and further clarifying certain connection charges for users at the former fairgrounds site and for the fair association at the future fairgrounds site.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve the Memorandum of Understanding with County of Lake regarding Sanitary Sewer Connection Fees for Fairgrounds Property.

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

It was moved by Trustee Paxton and seconded by Trustee Drew to move into Executive Session to discuss:

- A. Personnel.
 - 1. Annual Pay Increases

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

It was moved by Trustee Drew and seconded by Trustee Wroten to end the Executive Session and resume the regular meeting.

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

It was moved by Trustee Paxton and seconded by Trustee Wroten to approve the 3.0% pay increase with the bargaining unit in accordance with the agreement between the North Shore Sanitary District and the Service Employees' Local 73 for the period from May 1, 2009 through April 30, 2010. The amount of \$135,847 was approved for the same period for the non-bargaining unit of the North Shore Sanitary District. Pay increases were approved for the General Manager and Assistant General Manager.

It was moved by Trustee Paxton and seconded by Trustee Wroten to approve the annual pay increases for bargaining and non-bargaining personnel as recommended by District staff.

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

There being no further business to come before the Board, on motion made by Trustee Paxton, seconded by Trustee Drew and unanimously passed, the meeting was then and there adjourned until the next regular meeting to be held on Wednesday, April 15, 2009 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex in Gurnee.

PRESIDENT

SECRETARY