

June 10, 2009

Public Hearing

The hearing was opened with the Pledge of Allegiance.

President Swarthout announced that this was a public hearing for the purpose of reviewing the Tentative Combined Annual Budget and Appropriation Ordinance for the fiscal year beginning May 1, 2009 and ending April 30, 2010, and acknowledged all persons present: Trustees Drew, Paxton, Pierce and Wroten, Attorney Greg Jackson, General Manager Brian Dorn, Assistant General Manager Dave Miller, Director of Engineering Services Jai Gupta, Director of Technology Services Pete Russo, Director of Laboratory Services Joe Robinson, Secretary Mary Jo Bryant, Ed Collins representing the Lake County News Sun and Chris Ganschow representing Ganschow Consulting.

It was moved by Trustee Drew and seconded by Trustee Paxton that President Swarthout be named Chairman of the public hearing.

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

It was moved by Trustee Drew and seconded by Trustee Paxton, that Mary Jo Bryant be named Secretary of the Public Hearing.

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

Trustee Swarthout suggested that we dispense with the reading of the Legal Ad and the Tentative FY10 Budget.

It was moved by Trustee Pierce and seconded by Trustee Paxton that we dispense with the reading of the Legal Ad and the Tentative FY10 Budget.

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

General Manager Dorn presented a brief summary of the Tentative FY10 Budget.

There were no comments from the public.

Trustee Paxton commented that the District might want to consider looking at ways to increase revenue or reduce the budget to avoid a rate increase. Trustee Paxton stated that because of the tough economic picture that increasing user rates would not be accepted well and probably would not increase the budget revenue enough to make a difference. Trustee Paxton's suggestion would be to look into restructuring the District, early retirement incentives, etc. General Manager Dorn stated that he and Assistant General Manager Miller have already started discussing future budget and revenue challenges. A short discussion followed.

It was moved by Trustee Paxton, and seconded by Trustee Drew, that the Combined Annual Budget and Appropriation Ordinance, prepared in a tentative form for the fiscal year beginning May 1, 2009, and ending April 30, 2010, be adopted without change or amendment.

On roll call, all Trustees present voted "Aye". Ordinance declared adopted.

It was moved by Trustee Drew, and seconded by Trustee Paxton that the public hearing be adjourned.

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

Regular Board Meeting

It was moved by Trustee Drew, and seconded by Trustee Paxton to open the regular Board Meeting.

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

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

President Swarthout presented the Combined Annual Budget and Appropriation Ordinance, prepared in final form for the fiscal year beginning May 1, 2009, and ending April 30, 2010.

It was moved by Trustee Paxton, and seconded by Trustee Pierce, that the Combined Annual Budget and Appropriation Ordinance, prepared in final form for the fiscal year beginning May 1, 2009, and ending April 30, 2010, be adopted.

On roll call, all Trustees present voted "Aye". Ordinance declared adopted.

**COMBINED ANNUAL BUDGET AND APPROPRIATION ORDINANCE
of the North Shore Sanitary District
for the fiscal year beginning May 1, 2009 and ending April 30, 2010**

Be it ordained by the Board of Trustees of the North Shore Sanitary District that the following be and the same is hereby adopted as the Combined Annual Budget and Appropriation Ordinance for necessary expenses and liabilities of the North Shore Sanitary District for the fiscal year beginning May 1, 2009.

Be it ordained by the President and Board of Trustees of the North Shore Sanitary District that the following amounts are hereby appropriated for the following purposes for the fiscal year beginning May 1, 2009 and ending April 30, 2010.

Wastewater Treatment Fund

System Expansion Reserve

Estimated Cash Balance, May 1, 2009		13,760,465
+ Estimated Revenues		810,828
Fair Capital Contribution Fees	0	
Connection Fees	537,005	
Annexation Fees	60,098	
Public Works - Capital Fees	148,658	
Interest on Investments	65,067	
= Estimated Total Funds Available		14,571,293
- Appropriations		2,239,700
Previously Authorized Projects	2,239,700	

= Estimated Cash Balance, April 30, 2010		12,331,593
<u>Capital Additions Reserve</u>		
Estimated Cash Balance, May 1, 2009		10,989,218
+ Estimated Revenues		8,662,535
Property Taxes	7,095,421	
Public Works - Property Fees	1,329,442	
Great Lakes NTC - Capital Component Fees	200,000	
Fort Sheridan - Capital Component Fees	5,000	
Interest on Investments	32,672	
= Estimated Total Funds Available		19,651,753
- Appropriations		17,539,600
Previously Authorized Projects	17,539,600	
= Estimated Cash Balance, April 30, 2010		2,112,153
<u>Replacement Reserve</u>		
Estimated Cash Balance, May 1, 2009		1,048,032
+ Estimated Revenues		4,335,081
User Fees	4,335,081	
Interest on Investments	0	
= Estimated Total Funds Available		5,383,113
- Appropriations		19,492,400
Previously Authorized Projects	19,492,400	
= Estimated Cash Balance, April 30, 2010		(14,109,287)
<u>Unrestricted - Operation and Maintenance</u>		
Estimated Cash Balance, May 1, 2009		15,722,716
+ Estimated Revenues		15,375,307
Taxes and Fees In Lieu of Taxes	6,759,602	
Property Taxes	3,598,861	
Personal Property Replacement Taxes	2,500,000	
Public Works - Property Fees	660,741	
Licenses and Permits		200
Septic Hauler Permits	200	
Charges for Sewage Treatment Services	8,120,919	
General User Fees	5,253,964	
Great Lakes Naval Training Center	999,310	
Public Works - Flow Fees	1,481,326	
Fort Sheridan	43,365	
Sulfate Fees	342,954	

Charges for Other Services		448,435	
Laboratory Analytical Fees	156,459		
Electricity Curtailment	229,126		
Rents	10,600		
LaFarge Facilities Use Agreement	50,000		
Sale of Reproductions	250		
Sewer Inspection Fees	2,000		
Fines and Forfeits		1,000	
General Penalties	1,000		
Miscellaneous Revenues		45,151	
Interest on Investments	23,151		
Miscellaneous Operating Revenues	7,000		
Miscellaneous Non-Operating Revenues	15,000		
= Estimated Total Funds Available			31,098,023
<u>Unrestricted - Operation and Maintenance (cont.)</u>			
- Appropriations			25,648,120
Division of Operations		18,170,050	
Waukegan Sewage Treatment Plant	3,930,260		
Clavey Road Sewage Treatment Plant	4,203,670		
Gurnee Sewage Treatment Plant	4,256,160		
Pumping Stations	1,082,510		
Sludge Recycling Facility	4,262,260		
Landfill Operations	26,910		
Maintenance Scheduling	408,280		
Division of Laboratory Services		1,224,180	
Operations Laboratories	480,620		
Instrumentation Laboratories	543,130		
Compliance	200,430		
Division of Technology Services		1,984,660	
Information Systems	640,010		
Electrical Maintenance	689,550		
Process Automation Maintenance	655,100		
Division of Administration		1,256,375	
Purchasing	214,940		
Human Resources	119,755		
Administrative Services	637,520		
Budget Management	284,160		
Division of Engineering Services		882,220	
Design and Construction	882,220		
Board of Trustees		152,545	
General Management		1,357,550	
Staff Management	553,280		
Directors	651,260		
Legal	153,010		
General Expenses		620,540	
Administration Building	124,060		
Public Relations	25,170		
Non-Allocated	471,310		
= Estimated Cash Balance, April 30, 2010			5,449,903

Check Nos. 145346 through 145540, Check Nos. 145543 through 145598.
Void Check No. 145345.

- C. Financial Report, April 2009.
- D. Hearing Summary, May 12, 2009.
- E. Prevailing Wage Rate Ordinance, June 2009.

ORDINANCE

WHEREAS, the State of Illinois has enacted "An ACT regulating wages of laborers, mechanics and other workers employed in any public works by the State, county, city or any public body or any political subdivision or by any one under contract for public works," approved June 26, 1941, codified as amended, 820 ILCS 130/1 et seq. (2000), formerly Ill. Rev. Stat., Ch. 48, par. 39s-1 et seq. and

WHEREAS, the aforesaid Act requires that the North Shore Sanitary District of Lake County, Illinois investigate and ascertain the prevailing rate of wages as defined in said Act for laborers, mechanics and other workers in the locality of Lake County employed in performing construction of public works, for said District.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE NORTH SHORE SANITARY DISTRICT:

SECTION 1: To the extent and as required by "An Act regulating wages of laborers, mechanics and other workers employed in any public works by the State, county, city or any public body or any political subdivision or by any one under contract for public works," approved June 26, 1941, as amended, the general prevailing rate of wages in this locality for laborers, mechanics and other workers engaged in the construction of public works coming under the jurisdiction of the District is hereby ascertained to be the same as the prevailing rate of wages for construction work in Lake County area as determined by the Department of Labor of the State of Illinois as of June 2009, a copy of that determination being attached hereto and incorporated herein by reference. As required by said Act, any and all revisions of the prevailing rate of wages by the Department of Labor of the State of Illinois shall supersede the Department's June determination and apply to any and all public works construction undertaken by the District. The definition of any terms appearing in this Ordinance which are also used in aforesaid Act shall be the same as in said Act.

SECTION 2: Nothing herein contained shall be construed to apply said general prevailing rate of wages as herein ascertained to any work or employment except public works construction of the District to the extent required by the aforesaid Act.

SECTION 3: The District shall publicly post or keep available for inspection by any interested party in the main office of the District this determination or any revisions of such prevailing rate of wage. A copy of this determination or of the current revised determination of prevailing rate of wages then in effect shall be attached to all contract specifications.

SECTION 4: The District shall mail a copy of this determination to any employer, and to any association of employers and to any person or association of employees who have filed their names and addresses, requesting copies of any determination stating the particular rates and the particular class of workers whose wages will be affected by such rates.

SECTION 5: The District shall promptly file a certified copy of this Ordinance with both the Secretary of State Index Division and the Department of Labor of the State of Illinois.

SECTION 6: The District shall cause to be published in a newspaper of general circulation within the area a copy of this Ordinance, and such publication shall constitute notice that the determination is effective and that this is the determination of this public body.

- F. 1st Quarter 2009 Worker's Compensation Claim Update.
- G. Spare Parts for Sludge Recycling Facility Dryer.

1. Level Probes and Switching Devices.
 2. Sludge Distributors.
- H. Annexation Ordinance.
1. No. 442, Submitted by Waukegan Park District, for approximately 138 acres for recreational use located immediately west of Green Bay Road and between Wadsworth and Yorkhouse Roads, in the City of Waukegan.

ANNEXATION ORDINANCE

WHEREAS, the property hereinafter described is contiguous to the North Shore Sanitary District, and

WHEREAS, said property is not within the corporate limits of any sanitary district, and

WHEREAS, within the meaning of 70 ILCS 2305/28, the NORTH SHORE SANITARY DISTRICT has power to annex the territory hereinafter described by the passage of an ordinance to that effect, and

WHEREAS, it is in the best interests of the citizens of the NORTH SHORE SANITARY DISTRICT to annex the property hereinafter described.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE NORTH SHORE SANITARY DISTRICT AS FOLLOWS:

SECTION 1: That the property hereinafter described to-wit: That part of the East Half of Section 36, Township 46 North, Range 11 East of the Third Principal Meridian, and that part of the West Half of Section 31, Township 46 North, Range 12 East of the Third Principal Meridian taken as a tract and described as follows: Beginning at the Southwest corner of the North Half of the Southeast Quarter of said Section 36; thence North 00°02'23" East along the centerline of said Section 36 a distance of 1356.01 feet to the North line of West Beech Street in Fredrick H. Bartlett's Greater North Shore Third Addition recorded July 15, 1926 as Document No. 282753; thence South 89°28'06" East along said last described line 2652.59 feet to the East line of the Northeast Quarter of said Section 36 also being the West line of the Northwest Quarter of said Section 31; thence South 89°52'53" East along the North line of said West Beech Street in Fredrick H. Bartlett's Greater North Shore Second Addition recorded July 15, 1926 as Document No. 282752 a distance of 1963.90 feet to the East line of Green Bay Road (Illinois Route 131); thence South 03°36' 17" West along said last described line, 994.61 feet to the North line of Douglas Street in Fredrick H. Bartlett's Greater North Shore First Addition recorded July 6, 1926 as Document No. 282791; thence North 89°55'39" West along the extension of said last described line 82.66 feet to the West line of said Green Bay Road (Illinois Route 131); thence South 03°36'17" West along said last described line 390.10 feet to the South line of Howard Street in Fredrick H. Bartlett's Greater North Shore recorded June 22, 1926 as Document No. 281209; thence North 89°53'11" West along said last described line 1797.71 feet to the West line of the Southwest Quarter of said Section 31 also being the East line of the Southeast Quarter of said Section 36; thence North 00°07'30" East along said last described line, 30.00 feet to the South line of the North Half of the Southeast Quarter of said Section 36; thence North 89°32'48" West along said last described line 2650.55 feet to the point of beginning, all in Lake County, Illinois, be and the same is hereby annexed to the North Shore Sanitary District.

be and the same is hereby annexed to the North Shore Sanitary District.

SECTION 2: If the property herein described was the subject of a sewer service agreement, that agreement is terminated as of the effective date of this Ordinance.

SECTION 3: That a certified copy of this Ordinance, together with a map of the annexed territory shall be filed with the County Clerk of Lake County, Illinois.

SECTION 4: This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

- I. NACWA 2009 National Environmental Achievement Local Public Service Award – James Swarthout.

- J. Correspondence.
 - 1. 05/14/09 letter to Senator Susan Garrett regarding Water Summit and sponsorship of HB 2409.
 - 2. 05/22/09 letter to Representative JoAnn Osmond regarding support of Waukegan Effluent Forcemain Rehabilitation Project for inclusion in Capital Bill and sponsorship of HB 2409.
 - 3. 05/22/09 letter to Representative Sandy Cole regarding support of Gurnee STP Outfall Channel Renovation Project for inclusion in Capital Bill.
 - 4. 05/26/09 letter to Governor Quinn urging support of HB 2409.
 - 5. 05/27/09 e-mail regarding restoration of service to customer.
 - 6. 06/01/09 letter to IEPA regarding ARRA Loan Application submittal for Waukegan Effluent Forcemain Rehabilitation Project.
- K. Press Articles.
 - 1. Lake County News Sun.
 - i. 'We're all in this together', 05/12/09.
 - ii. '\$40M plan for sewer district', 05/15/09.
 - iii. 'Five finalists announced in team naming contest', 05/16-17/09.
 - iv. 'Duplicate roles', Talk of the County, 05/16-17/09.
 - v. 'State Senate OKs taxes, fees for construction', 05/21/09.
 - vi. 'Park City joins Skokie River group to address flooding', 05/27/09.
 - vii. 'Minor-league team takes major steps forward', 05/28/09.
 - viii. 'Waukegan Savings partners with Fielders', 05/28/09.
 - ix. 'North Chicago wants FBI range closed', 06/04/09.
 - 2. Chicago Tribune.
 - i. 'Sewage-cooking plant brews debate in Chicago suburbs', 05/27/09.
 - 3. Pioneer Press.
 - i. 'Pierce Appointed To Taxpayer Board', 06/04/09.
 - 4. Zion Benton News.
 - i. 'It's official: Lake County Fielders is the name', 05/28/09.
 - ii. 'NSSD president receives national award', 05/28/09.
- 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.

President Swarthout congratulated Trustee Pierce on his recent appointment to the Taxpayer Action Board, which was announced by the Governor in his annual budget message to the legislature in March.

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 Bid Waiver Request.
 - 1. BW-182, Hauling and Disposal of Dried Granulate Produced at Zion Sludge Recycling Facility.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Bid Waiver Request, BW-182, Hauling and Disposal of Dried Granulate Produced at Zion Sludge Recycling Facility.

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

- B. Presented Payment Authorization – Veolia Zion Landfill, \$70,936.36

General Manager Dorn stated that this payment authorization request is for the disposal of the dried granulate to the Veolia Zion Landfill for the months of March and April.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Payment Authorization to Veolia Zion Landfill in the amount of \$70,936.36.

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

C. Presented Engineering Agreement.

1. ELARA Energy Services, Inc., HVAC Upgrades for Waukegan Base Shop, \$9,220.00 and Gurnee Administration Building Computer Room, \$4,420.00.

It was moved by Trustee Drew and seconded by Trustee Wroten to approve Engineering Agreement with ELARA Energy Services, Inc., HVAC Upgrades for Waukegan Base Shop in the not to exceed amount of \$9,220.00, and Gurnee Administration Building Computer Room in the not to exceed amount of \$4,420.00.

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

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

A. Presented Bid Summary.

1. Bid No. 1304, Boiler Maintenance – Industry Heating, \$31,500.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to award Bid No. 1304, Boiler Maintenance to Industry Heating in the amount of \$31,500.00.

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 Bid Summary.

1. FY09 Door Replacement Project at Clavey Road and Waukegan STPs, LaForce Inc. of Vernon Hills, IL in the amount of \$49,995.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to award FY09 Door Replacement Project at Clavey Road and Waukegan STPs, to LaForce Inc., of Vernon Hills, IL in the amount of \$49,995.00.

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

B. Presented Construction Change Orders.

1. C.O. No. 1, Screenings Conveyor System Modifications at Clavey Road STP, Maxim Construction Corp., Increase of \$2,000.00 and 18 Calendar Days for Substantial and Final Completion.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No. 1, Screenings Conveyor System Modifications at Clavey Road STP, Maxim Construction Corp., an Increase of \$2,000.00 and 18 Calendar Days for Substantial and Final Completion.

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

2. C.O. No. 15, Lake Forest Pump Station – Sewage Storage Basin, Keno & Sons Construction Co., Increase of \$3,703.00 and 227 Calendar Days for Final Completion.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No. 15, Lake Forest Pump Station – Sewage Storage Basin, Keno & Sons Construction Co., Increase of \$3,703.00 and 227 Calendar Days for Final Completion.

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

C. Presented Payment Authorization – Keno & Sons Construction Co., \$105,601.20.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Payment Authorization to Keno & Sons Construction Co., in the amount of \$105,601.20.

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

D. Presented Pre-Annexation Agreement.

1. No. 443, Submitted by Whitmore's Service Inc., for approximately ½ acre for commercial use located immediately east of Delany Road and immediately north of Yorkhouse Road, in the City of Waukegan.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Pre-Annexation Agreement No. 443, Submitted by Whitmore's Service Inc., for approximately ½ acre for commercial use located immediately east of Delany Road and immediately north of Yorkhouse Road, in the City of Waukegan.

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 Sulfate Surcharge Annual Review (04/01/08 – 03/31/09).

Director of Laboratory Services Robinson reported that the District will maintain the sulfate surcharge rate at \$0.23 per pound of sulfate based upon the current treatment program being continued through the first quarter of 2010. The calculation of the rate evaluation indicates that \$0.22 per pound of sulfate would be required to off-set the cost involved with the program. This rate is based upon the chemical cost for 2008-2009 and applying the price increase for chemicals in our next contract with Siemens. Siemens has agreed to extend the service contract for hydrogen sulfide and odor control with the District for another 12 months period. Director of Laboratory Services Robinson stated that this was an informational item.

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

Director of Laboratory Services Robinson reported that Lambent Technologies, Gurnee had returned to compliance. Dynapar of Gurnee had a mercury violation and the facility investigated the source and cited historical contamination as the potential cause. Dynapar was looking into the potential of flushing the facility's internal sanitary sewer lines to remove the suspected historical contamination. The most recent analytical results indicated a return to compliance with Discharge Control Document standards. Director of Laboratory Services Robinson stated this was an informational item.

Director of Operations Services Sowma was absent so General Manager Dorn gave the Operations Division report as follows:

A. Presented Bid Waiver Request.

1. BW-181, Repair of #2 Sewage Pump at Waukegan STP, \$36,225.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Bid Waiver, BW-181, Repair #2 Raw Sewage Pump at Waukegan STP, in the amount of \$36,225.00.

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

Director of Technology Services Russo gave the Technology Division report as follows:

A. Presented Bid Waiver Request.

1. BW-180, Cogsdale Billing Software License & Support Contract, \$34,330.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Bid Waiver, BW-180, Cogsdale Billing Software License & Support Contract, in the amount of \$34,330.00.

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

There was no Attorney Report.

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, July 8, 2009 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex in Gurnee.

PRESIDENT

SECRETARY