

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:

The Southwest Quarter of the Southwest Quarter of Section 24, Township 45 North, Range 11, East of the Third Principal Meridian, except the north 660 feet and the west 990 feet thereof, in Lake County, Illinois.

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.

M. Correspondence.

1. 12/14/09 correspondence from NSSD to IEPA regarding Emergency Authorization Request No. 10-02.
2. 12/30/09 correspondence from NSSD to Mariani Landscape, Inc. regarding annual rent adjustment.

N. Press Articles.

1. Lake County News Sun.
 - i. 'Dan Pierce new NSSD President', 12/09/09.
 - ii. 'New stimulus funding sought for pipeline', 12/10/09.
 - iii. 'Leaky toilet gets bill reprieve from NSSD', 12/11/09.
 - iv. 'Leaky toilet', Talk of the County, 12/18/09.
 - v. 'Public monument', Talk of the County, 12/23/09.
 - vi. 'NSSD bill', Talk of the County, 12/23/09.
 - vii. 'NSSD trashers', Talk of the County, 12/29/09.
 - viii. 'Sludge challenges', Talk of the County, 12/31/09.
 - ix. 'Up and running', Talk of the County, 01/04/10.
 - x. 'Sludge smell', Talk of the County, 01/07/10.
 - xi. 'Baseball team a hit', 12/31/09.
 - xii. '100 percent', Talk of the County, 01/09/10.
 - xiii. 'Officials criticize, adjust to new records law', 01/09/10.
 - xiv. 'Smelly odor', Talk of the County, 01/12/10.
2. Lake Forester.
 - i. 'Tank in Lake forest stops sewage leak', 12/31/09.
3. Chicago Sun-Times.
 - i. 'Leaky toilet made meter spin 'fast enough to cut meat'', 12/13/09.
4. Chicago Tribune Local.
 - i. 'North Shore Sanitary District's Storage Basin Protects Lake Michigan', 12/17/09.
5. Zion-Benton News.
 - i. 'NSSD elects new president', 12/10/09.
 - ii. 'Dreams can come true', 12/31/09.

- O. Thank You Card.
 - 1. Waukegan STP Staff.
- P. 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 Swarthout and seconded by Trustee Paxton, that the items under the Consent Agenda be approved.

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

There was no President Report from President Pierce.

President Pierce did inquire about the latest developments with the baseball field in Zion. General Manager Dorn stated that all the relevant permits have been filed with the IEPA for the City of Zion's purchase of Cell B East and West and subsequent development of Cell B East property. Once the permits are approved and Zion acquires the land the actual construction of the baseball field can start. Until that happens there will be nothing constructed on the property. John Paxton commented that Zion was waiting for the capital bill to be released which would free up the money for the potential purchase of the property. General Manager Dorn commented that even after the purchase of the land, the City would like to enter into an agreement for the District to continue the monitoring of the wells. General Manager Dorn stated that there is a draft agreement to this effect in place. Since the District possesses the knowledge and expertise to properly monitor the wells and has the necessary equipment, it would be practical for the District to enter into such an agreement.

General Manager Dorn presented the Management Report as follows:

- A. Presented Engineering Agreement.
 - 1. Strand Associates, Inc., 2010 Flow Metering Program, \$273,900.00.

General Manager Dorn reported that in 1999 flow meters were installed in 61 customer community collection basin sewers tributary to North Shore Sanitary District's Skokie and Middlefork interceptor sewers that discharge to the District's Clavey Road STP. Metering indicated the majority of the basins had wet weather flow peaking factors that exceeded the interceptor system's capacity. Results of the monitoring were shared with these customer communities to aid them in their local programs to reduce I/I in local sewers that are tributary to NSSD's Skokie and Middlefork interceptor sewers. Many of the communities claim they have taken measures to reduce excessive I/I. This project would monitor flows at the same locations where monitoring was performed in 1999 and compare the results with the 1999 findings. This project would be done during the months of April and May with the Engineering Staff and Sewer Crew taking part maintaining the meters and downloading data, which reduces the project cost.

Trustee Swarthout inquired whether the District already has the flow records when there is a wet weather event and has an idea of how much flow is coming in. General Manager Dorn stated that is correct for all the communities that are east of Green Bay Road and discharge to the District's Lakefront pump stations. General Manager Dorn stated that the sewers being monitored are west of Green Bay Road and do not discharge through these pump stations, but discharge directly to either the Skokie or Middlefork interceptor sewers.

General Manager Dorn stated that the cost to perform this study is in the not to exceed amount of \$273,900.00 and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Drew that Engineering Agreement with Strand Associates, Inc., 2010 Flow Metering Program in the not to exceed amount of \$273,900.00 be approved.

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

- B. Presented Highland Park Lakefront Interceptor Sewer Rehabilitation Project Update.

General Manager Dorn gave a summary of the steps taken by the District to seek funding from the US Army Corps of Engineers (Corps) through the Continuing Authorities Program – Section 14 to protect the exposed interceptor sewer sheeting along the S8 Interceptor in Highland Park. The project covers a length of approximately 700 feet of exposed sheeting. General Manager Dorn explained that the Corps evaluated 4 alternatives for protecting the interceptor sewer. Alternatives 1 and 2 are similar to the 2002 rubble mound design constructed to the north and Alternatives 3 & 4 are more costly alternatives based on Shabica & Associates pocket beach design. Shabica is a firm specializing in coastal property protection to design an aesthetically and accessible alternative to protect lakefront property. General Manager Dorn discussed the alternatives presented by the Corps and stated that the Corps needs to know fairly soon which direction the District wishes to proceed; with the most cost effective plan (Alternative 2) or with the plan favored by the homeowners (Alternative 3). The District should not be liable for any costs above and beyond the most cost effective plan. General Manager Dorn expressed his concerns that the District doesn't lose the federal funds previously approved for this project, which requires that the Corps report must be completed by September 30, 2010.

Trustee Pierce inquired about the legal obligation of the improvements in relation to these homeowners. Trustee Pierce stated, "What happens when the current owner sells their property and a new owner takes over?" Trustee Pierce felt that the obligation should stay with the land. A discussion continued with the recommendation that a meeting be set up with the Corp of Engineers, Shabica & Associates and the homeowners involved to see what plan or solution could be reached. General Manager Dorn stated that he would keep the Board informed on this item. There was no action required.

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

A. Presented Request for Waiver of Returned Check Fees.

1. Robert Larson, 319 Park Lane, Lake Bluff.

Assistant General Manager Miller stated that the District was in receipt of a letter from Mr. Robert Larson dated November 30, 2009 regarding the service address of 319 Park Lane, Lake Bluff. Mr. Larson's payment of \$18.56 dated November 9, 2009 was reversed by the bank since Mr. Larson had previously closed his account. Mr. Larson has a good payment history and has not received penalties on this account in the past. Mr. Larson is requesting NSSD to waive the \$25.00 fee.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve the Request for Waiver of Returned Check Fees to Robert Larson, 319 Park Lane, Lake Bluff.

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

2. David Lewis, 2730 Forest, Deerfield.

Assistant General Manager Miller reported that the District was in receipt of a letter from Mr. David Lewis dated December 7, 2009 regarding the service address of 2730 Forest, Deerfield. Mr. Lewis's payment of \$12.76 dated November 9, 2009 was reversed by the bank since Mr. Lewis had previously closed his account. Mr. Lewis has a good payment history and has not received penalties on this account in the past. Mr. Lewis is requesting NSSD to waive the \$25.00 fee.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve the Request for Waiver of Returned Check Fees to David Lewis, 2730 Forest, Deerfield.

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

Assistant General Manager Miller stated that the District has been receiving more and more cases of this nature where customer bank accounts are closed due to identity theft and in the process accrue charges to their accounts which in turn must be submitted to the Board for approval to waive these charges. Assistant General Manager Miller suggested that a policy be drafted and presented to the Board that if the customer can show proper documentation stating the cause of the accrued fine that the District will waive these fees automatically. The only exception to this policy would be if the District would incur costs by the bank and

would have to pay out the money. Trustee Paxton agreed that it would be a good idea to have a policy in place for these types of charges.

- B. Presented Request for Reinstatement of Continuation Dental Insurance.
 - 1. Fred Weiss.

Assistant General Manager Miller stated that on December 23, 2009, the District received a letter from Fred Weiss, a former employee. In the letter, he stated that somehow his wife forgot to pay for their continuation dental coverage payment for October, November and December. After realizing the mistake they mailed all the missed payments to Allied Benefits. On December 12, 2009, Fred received a termination notice from Allied. Mr. Weiss is asking that their continuation dental insurance coverage be reinstated. Allied Benefits has stated they can be reinstated upon the District's request. Mr. Weiss retired from the District on May 25, 2000. According to Allied Benefit Systems, Mr. Weiss has a great track record in paying for his coverage and this is the only time that he has not paid on time. Assistant General Manager Miller's recommendation would be to have Mr. Weiss's dental coverage reinstated.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Request for Reinstatement of Continuation Dental Insurance for Fred Weiss.

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

- C. Presented Fixed Asset Capitalization Threshold Revision.

Assistant General Manager Miller stated that the District's fixed asset threshold was established at \$500 when the District's fixed asset program was initiated in the late 1970's. This \$500 limit has become outdated. Assistant General Manager Miller's recommendation is to change the District's fixed asset capitalization threshold from \$500 to \$2,000 for "Equipment" and "Vehicles". As documented in the report that was enclosed in the Board packet, over 350 fixed assets have been created in the \$500 to \$2000 range during fiscal years FY08, FY09 & FY10. An additional 800 assets meeting this criteria were created during FY07 with the capitalization of the sludge recycling facility. Assistant General Manager Miller asked for Board approval of this Revision.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to approve Fixed Asset Capitalization Threshold Revision from \$500 to \$2,000.

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

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

Director of Engineering Services Gupta gave a brief overview of projects and activities in the Engineering Division. Mr. Gupta stated that there are 12 projects currently in place. One main project is the Sludge Screen Project which has been delayed by 12 weeks. The projected substantial completion date is January 15, 2010. Construction of the Odor Control project at PS-1 and PS-6 is also starting. 11 in-house projects are in the design phase at the District.

- A. Presented the following Construction Change Orders.
 - 1. C.O. No. 1, Switchboard Replacement at the Gurnee STP, Engineering Services, Inc. d/b/a/ Powerlink Electric, Inc., Decrease of \$834.00, Increase of 100 Calendar Days for Substantial and Final Completion.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No. 1, Switchboard Replacement at the Gurnee STP, Engineering Services, Inc. d/b/a/ Powerlink Electric, Inc., Decrease of \$834.00, Increase of 100 Calendar Days for Substantial and Final Completion.

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

- 2. C.O. No. 4, Sludge Screen Project, Camosy Construction, Increase of \$2,319.00 and 84 Calendar Days for Substantial and Final Completion.

i. Payment Authorization – Camosy Construction, \$237,649.00.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve C.O. No 4, Sludge Screen Project, Camosy Construction, Increase of \$2,319.00 and 84 Calendar Days for Substantial and Final Completion.

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

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve Payment Authorization to Camosy Construction in the amount of \$237,649.00.

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 Petroferm Notice of Violation.

Director of Laboratory Services Robinson stated that Petroferm, an industry located on Delany Road in Gurnee, was issued a Notice Violation on November 20, 2009 which cited exceedances of Petroferm’s BOD and COD load limitations. Petroferm had met with the District on December 2, 2009 and indicated that they would be increasing their business in the future by 50% and that they were at the limit now for BOD. The cost to purchase additional capacity for BOD would run approximately \$250,000 to \$1 Million based upon the growth projections provided by Petroferm.

Petroferm then requested a meeting with Trustee Steve Drew to negotiate the collection fees associated with their expansion plans. The District stated to Petroferm at this meeting that connection fees were not negotiable. One suggestion to Petroferm was that the District would consider offering them a payment plan so that they would not have to pay out all monies at once. Director of Laboratory Services Robinson stated that the decision to purchase additional capacity or install additional pretreatment is solely Petroferm’s to make. There is no action required.

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

Director of Laboratory Services Robinson reported that all Industrial Facilities are in compliance at this time.

There was no report requiring Board action given for the Operations Division. Director of Operations Sowma gave a brief overview of activities in the Operations Division. All three Sewage Treatment Plants are to receive awards and the applications are in process. Both Waukegan STP and Clavey STP had permitted overflows from their excess flow basins during the wet weather that occurred in late December with no other issues. Three employees of the Operations Division received Service awards which are as follows:

Dwayne Russell	35 Years
Robert Wing	30 Years
Nick Pastella	10 Years

Director of Operations Sowma also reported that the District encountered a malfunction with one of the probes at the Edens Expressway Ditch and had to divert Clavey Road STP effluent to the Botanical Gardens in accordance with its permit. Also reported was the District’s participation in an auction while it was able to sell an old tank trailer and other assorted equipment.

There was no report requiring Board action given by Technology Services Division. Director of Technology Services Russo gave a brief overview of activities. Director of Technology Services Russo reported that the Process Automation Department was involved with the Sludge Screen project. The Electrical Maintenance Group was busy working on heaters throughout the District during the winter season. A breaker in a control panel at the Clavey Road Plant blew up and was being investigated.

Information Services Division has just completed an upgrade on the computer system with work still in progress on the Laboratory Information system.

There was no Attorney Report given.

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

A. Real Estate.

1. Potential Sale/Lease of Portion of F-11 Forcemain.

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

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

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 10, 2010 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex in Gurnee.

PRESIDENT

SECRETARY