

February 10, 2010

Minutes of the Regular Meeting of the Board of Trustees of the North Shore Sanitary District held Wednesday, February 10, 2010 at 9:30 AM. at the District Office of the Raymond E. Anderson Complex located in Gurnee, Illinois.

The meeting was opened with the Pledge of Allegiance.

On roll call, the following Trustees were present:

Daniel M. Pierce, President  
Stephen J. Drew, Vice President  
Effie Wroten

Trustee John R. Paxton was present via telephone. Trustee James E. Swarthout was absent.

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.

There were no comments from the public.

Before presenting the Consent Agenda for approval, President Pierce asked General Manager Dorn to explain Item I. City of Zion Application for Special Permit under the Consent Agenda. General Manager Dorn responded that the City of Zion had applied to the City of Zion Board of Appeals for a special permit to develop the Landfill Cell B East and West property for use as a sports stadium (baseball field) and entertainment/special events venue. General Manager Dorn stated that NSSD still owns the property and therefore signed the application as the property owner at the request of the City. The City of Zion, not NSSD is the applicant for this special permit. The site cannot be developed until such time that Zion purchases the property.

President Pierce presented the Consent Agenda, as follows:

- A. Approval of the Minutes of the Meeting held on January 13, 2010.
- B. Approval of the Minutes of the Executive Session held on January 13, 2010.
- C. Consideration of Bills.  
Wastewater Treatment Fund \$2,540,261.08  
Check Nos. 148107 through 148117, Check Nos. 148173 through 148474.
- D. Euro Payment for Andritz Purchase Order #16891.
- E. Euro Payment for Stanelle Silos & Automation Purchase Order #17200.
- F. Financial Report, December 2009.
- G. Hearing Summary, January 12, 2010.
- H. 2009 Uncollectible Accounts Receivable Summary.
- I. City of Zion Application for Special Permit.
- J. 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 Drew and seconded by Trustee Wroten, 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 commented that he had not received any complaints from customers.

General Manager Dorn presented the Management Report as follows:

- A. Presented Request by Gurnee Fire Department to amend Agreement to Utilize Structure (Farmhouse).

General Manager Dorn reported that an Agreement to Utilize the Structure (Farmhouse) was approved at the September 9, 2009 Board meeting with the Gurnee Fire Department. The timeframe of the Agreement has expired as of December 31, 2009 and the scope of use requested by the Fire Department has also changed. General Manager Dorn reported that Lt. James Pellitteri from the Gurnee Fire Department was present to explain their revised proposal to utilize the structure. Lt. Pellitteri stated that the Fire Department feels that the structure is very valuable to them for training purposes, such as search and rescue drills, ventilation drills and rapid intervention training. Unfortunately due to budget constraints the Fire Department would not be able to burn the structure down to the ground as originally planned. He stated that they would like to proceed with training and drills in the structure from February to the end of June or whatever time frame would be allowed based on the District's commitment with the demolition contractor. NSSD has already discussed this with the contractor and he is not opposed to extending the completion date to accommodate the Fire Department. Lt. Pellitteri stated that he has an amended Agreement to submit documenting this change. Once the training is completed, the Gurnee Fire Department will produce documentation to NSSD showing how many hours were contributed to them for this extensive training. Attorney Greg Jackson asked that he and NSSD staff be able to review this amended Agreement and that it be brought before the Board for approval at the March 10<sup>th</sup> Board meeting. Lt. Pellitteri thanked the staff and Board for giving the Gurnee Fire Department this great opportunity for training, drills, etc.

B. Presented Amendment No. 1 to Confidentiality Agreement between Andritz and NSSD.

General Manager Dorn stated that this Amendment No. 1 to the Confidentiality Agreement between Andritz and NSSD relates to the sewage shredder/cutters which are a key element of the SRF's dryer. There were originally 4 models identified in the Agreement. Andritz, in an effort to continuously improve the design and manufacture of its equipment, has developed a 5<sup>th</sup> cutter to use in the cutting of sludge. General Manager Dorn stated that in winter months NSSD sludge seems to be more difficult to deal with due to stickiness and consistency and this 5<sup>th</sup> cutter should improve the operation based on recent tests conducted at the facility. Andritz has provided the manufacturing drawings to NSSD and grants a cost free license for a single time manufacture of this cutter model in the United States. General Manager Dorn asked for Board Approval of this Amendment No. 1 to the Confidentiality Agreement between Andritz and NSSD.

It was moved by Trustee Drew and seconded by Trustee Paxton that Amendment No. 1 to Confidentiality Agreement between Andritz and NSSD be approved.

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

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

A. Withdrew Electric Facilities Service Agreement – North Chicago Pumping Station.

Assistant General Manager Miller asked that this item be withdrawn from the Agenda and gave a brief overview. Assistant General Manager Miller stated that the District was contacted by ComEd and told that the PS-4 Automatic Throw Over (ATO) Switch would need to be replaced. Absent a functioning ATO, the transfer of electricity supply from one ComEd feeder to another is a manual task. ComEd indicated that consideration of a pad-mounted ATO as requested by the District is no longer an alternative and submitted a contract for the replacement of the existing overhead pole-mounted overhead ATO at an up-front labor cost of \$117,463.29 and a monthly equipment rental fee of \$765.78. The District has repeatedly requested a detailed cost breakdown to justify this expenditure from ComEd with no results. The District contacted ComEd to discuss its repeal of the pad-mounted ATO option and its apparent refusal to provide an accounting of these seemingly exorbitant costs.

Trustee Pierce responded that he felt the District should have Attorney Jackson file an informal complaint to the Illinois Commerce Commission (ICC) stating all the facts to verify that this is indeed a proper charge. Trustee Pierce stated that the ICC should be able to schedule an informal hearing and get to the bottom of this.

General Manager Dorn also pointed out that the District is not in violation of any requirements for redundant power with the ATO not functioning automatically because it has a backup generator that starts

automatically upon loss of power to the station. ComEd has assured NSSD that it can manually transfer from one feeder to another within 6 hours of notification by NSSD that a feeder is out of service. Besides the backup generator, the facility has a 1 million gallon storage basin. Therefore, the District should be adequately protected against the possibility of an overflow while this issue is resolved.

B. Presented EnergyConnect Revised Contract Extension.

Assistant General Manager Miller reported that at the November 11, 2009 Board meeting, the District approved a two-year Extension of ILR 2009-2010 Agreement to continue its active participation in the EnergyConnect (EC) Electricity Reliability program through May 31, 2012. Section 3 to the Extension provided that EnergyConnect would submit an update following ComEd's finalization of the District's PLC (Peak Load Contribution) and the system Loss Factor. Assistant General Manager Miller stated that ComEd has now confirmed those figures for Year 1 and EnergyConnect has submitted its revised Extension. Assistant General Manager Miller wanted it noted that Year 2 guaranteed payments may change subject to ComEd adjustments next year to either the PLC's or Loss Factor. Assistant General Manager Miller asked for Board approval of EnergyConnect Revised Contract Extension.

It was moved by Trustee Drew and seconded by Trustee Paxton that the EnergyConnect Revised Contract Extension be approved.

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

C. Presented Investment Policy Revisions.

Assistant General Manager Miller stated that the last revision to the Investment Policy was completed in 2005. Assistant General Manager Miller summarized the proposed revisions to the Investment Policy and further stated that he had contacted the NSSD's Auditor, John Blackburn to provide his comments on this proposed revised Investment Policy which is documented in a letter that was provided to the Trustees. Trustee Paxton commented that he had sat in on the meetings and felt that the changes recommended would be necessary in the future.

Trustee Pierce raised multiple questions on the proposed Investment Policy. A lengthy discussion ensued regarding collateral issues, third party custodian agreements and overall banking issues. Trustee Pierce suggested that this item be held over to the next meeting and further suggested that the District contact the First Midwest Bank and schedule them to attend the next Board meeting to explain this proposed investment policy further. Trustee Pierce further recommended that District staff contact other communities and the County of Lake to see how they have dealt with similar investment issues.

D. Presented Illinois Metropolitan Investment Fund.

Assistant General Manager Miller stated that this item goes hand in hand with the Investment Policy Revisions and that it should be tabled until the District formalize the revised Investment Policy to be able to move forward with this.

E. Presented Bid Waiver Request.

1. BW-186, Engagement of Swartrauber & Co. for Accounting Services and Audit of District's Combined Annual Financial Statement for FY Ending 04/30/10, \$49,500.00.

Assistant General Manager Miller reported that this Bid Waiver Request is for the engagement of Swartrauber & Co. for accounting services and the audit of the District's Combined Annual Financial Statements for the fiscal year ending April 30, 2010 in the not to exceed amount of 47,500.00. In addition to this amount, the District will budget \$2,000 for auditor services relating to special projects that may arise which are unrelated to the scope of the FY10 audit. Assistant General Manager Miller asked for Board approval of this Bid Waiver Request, BW-186 in the not to exceed amount of \$49,500.00.

It was moved by Trustee Drew and seconded by Trustee Paxton that Bid Waiver, BW-186, Engagement of Swartrauber & Co., for Accounting Services and Audit of District's Combined Annual Financial Statements for FY Ending 04/30/10, in the not to exceed amount of \$49,500.00 be approved.

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

F. Presented Request for Waiver of Returned Check Fees.

1. Theodore Vineski, 303 Douglas Avenue, Waukegan.

Assistant General Manager Miller stated that the District was in receipt of a letter from Mr. Theodore Vineski dated January 11, 2010 regarding the service address of 303 Douglas Avenue, Waukegan. Mr. Vineski's payment of \$11.60 dated December 28, 2009 was reversed by the bank since Mr. Vineski had previously closed his account due to fraudulent activity. Mr. Vineski has a good payment history and has not received penalties on this account in the past. Mr. Vineski is requesting NSSD to waive the \$25.00 fee.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve the Request for Waiver of Returned Check Fees to Theodore Vineski, 303 Douglas Avenue, Waukegan.

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

2. Gilito Coca, 39306 N. Melbourne Court, Beach Park.

Assistant General Manager Miller stated the District was in receipt of a letter from Mr. Gilito Coca dated January 11, 2010 regarding the service address of 39306 N. Melbourne Court, Beach Park. Mr. Coca's payment of \$800.00 dated December 28, 2009 was reversed by the bank since Mr. Coca placed a stop payment on the check. Mr. Coca had sent the check to NSSD in error. Mr. Coca has a good payment history and has not received penalties on his account in the past. Mr. Coca is requesting NSSD to waive the \$25.00 fee.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve the Request for Waiver of Returned Check Fees to Mr. Gilito Coca, 39306 N. Melbourne Court, Beach Park.

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

G. Presented Authority to Waiver User Charge Returned Check Fee.

Assistant General Manager Miller stated that at the January 13, 2010 Board meeting a discussion transpired with a recommendation that the District General Manager or Assistant General Manager be granted authority to waive the returned check fee (currently \$25.00) assessed to a customer user charge account, subject to the customer providing "appropriate evidence" that the fee was incurred as a result of actual or potential identity theft and/or fraud.

Assistant General Manager Miller stated that "Appropriate Evidence" shall include, but not be limited to, a letter from the customer's bank, credit union, or other financial institution that verifies that the customer's checking account was closed, frozen, suspended, etc. due to possible or actual identity theft or fraud.

It was moved by Trustee Drew and seconded by Trustee Wroten to approve the Authority to Waive User Charge Returned Check Fee.

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 the most important project taking place is the Sludge Screen Project at the District's three Sewage Treatment Plants. Director of Engineering Services Gupta reported that the sludge screens have been operating at Gurnee's STP for 2 weeks, at the Waukegan STP for 1 week and that the screens at the Clavey Road STP would be up and running in two weeks. The projected substantial completion date is February 26, 2010.

A. Presented the following Construction Change Orders.

1. C.O. No. 1, Drainage Improvements at the Gurnee & Clavey Road STPs, Lifco Construction, Inc., Increase of \$2,400.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No. 1, Drainage Improvements at the Gurnee & Clavey Road STPs, Lifco Construction, Inc., an Increase of \$2,400.00.

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

2. C.O. No. 1, MCC Ventilation Improvements, Total Mechanical, Inc., Increase of \$5,077.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No 1, MCC Ventilation Improvements, Total Mechanical, Inc., an Increase of \$5,077.00.

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

3. C.O. No. 1, Gurnee Farm House Demolition, Lake County Grading Co., Increase of \$3,699.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No 1, Gurnee Farm House Demolition, Lake County Grading Co., an Increase of \$3,699.00.

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

4. C.O. No. 1, Bldg. 020 & 110 Building & Equipment Demolition at the North Chicago (PS4) Pumping Station, DK Contractors, Inc., an Increase of \$3,543.75.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No 1, Bldg. 020 & 110 Building & Equipment Demolition at the North Chicago (PS4) Pumping Station, DK Contractors, Inc., an Increase of \$3,543.75.

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

5. C.O. No. 5, Sludge Screen Project, Camosy Construction, Increase of \$20,102.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve C.O. No 5, Sludge Screen Project, Camosy Construction, an Increase of \$20,102.00.

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

B. Presented Bid Waiver Request.

1. BW-187, Fly Ash Disposal, \$29,388.04
  - i. Payment Authorization – Veolia Environmental Services, \$16,407.24.

Director of Engineering Services Gupta reported that flyash generated during the operation of the Melter was collected and stored by Minergy at the Sludge Recycling Facility in drums, supersacks and a hopper. Analysis of this ash resulted in its classification as a hazardous waste. Veolia Technical Solutions performed loading, hauling, testing, treatment and disposal of this waste. The cost to complete this work was \$29,388.04. Director of Engineering Services asked for Board Approval of this Bid Waiver Request along with Payment Authorization – Veolia Environmental Services, \$16,407.24.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Bid Waiver Request, BW-187, Fly Ash Disposal, in the amount of \$29,388.04.

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

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Payment Authorization to Veolia Environmental Services in the amount of \$16,407.24.

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

C. Presented Emergency Authorization Report.

1. EAR-10-02, Repair of Lake Forest Pumping Station F7 Forcemain Leak, \$63,958.65.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Emergency Authorization Report, EAR-10-02, Repair of Lake Forest Pumping Station F7 Forcemain Leak in the amount of \$63,958.65.

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 all Industrial Facilities are in compliance at this time.

Director of Laboratory Services Robinson gave a brief overview of other activities in the Laboratory Division. Director of Laboratory Services Robinson reported that LTC Petroferm located in Gurnee had met their BOD discharge limitation and were in compliance at this time. The District anticipates that they will purchase additional capacity for BOD in the future.

Director of Laboratory Services Robinson reported that Ferro Pfanstiehl located on Washington Street in Waukegan has had trouble in treating their waste with their pretreatment system which caused odor issues. Ferro Pfanstiehl has since decided to eliminate their pretreatment system and send all their waste to NSSD which can be easily accepted and treated at our Waukegan STP with no problem.

There was no report requiring Board action 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 NACWA awards and the applications had been submitted. Both Waukegan STP and Clavey STP will receive Platinum Awards and Gurnee STP will receive a Gold Award. Director of Operations Sowma also reported that the Operations Division was working on Capital Requests for FY 2011. Respirator Training was conducted at the plants and the District is up to date and in compliance. Director of Operations Sowma reported that two employees received Service awards which are as follows:

Leonard Ewert	5 Years
James Armstrong	30 Years

Director of Operations Sowma also reported that Tom Opitz of the Waukegan STP had retired with 26 years of service on January 29, 2010. Trustee Pierce stated that if a person retires with 26 years of service that possibly they should come before the Board for recognition. General Manager Dorn responded that they certainly could be invited and it would be their discretion whether or not to attend. Assistant General Manager Miller stated that each employee is presented with a retirement gift of their choosing, a clock, watch or monetary gift.

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

- A. Presented Bid Waiver Request.

1. BW-184, Clavey Road STP Control Station Software Upgrade, \$152,366.40.

Director of Technology Services Russo reported that this Bid Waiver would include 24 software packages for Clavey Road Control Station Upgrade (Project 10-R30). This project was approved and budgeted as part of FY10 Capital plan.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Bid Waiver Request, BW-184, Clavey Road STP Control Station Software Upgrade in the amount of \$152,366.40.

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

Attorney Gregory Jackson gave the Attorney Report as follows:

A. Appointment of Open Meetings Act Designees.

Attorney Jackson reported that the Illinois Open Meetings Act as amended and effective January 1, 2010, requires every public body to designate employees, officers or members of the public body to receive electronic training on compliance with the Illinois Open Meetings Act. 5 ILCS 120/1.05. Attorney Jackson recommends that the District would be well served by having the General Manager, Assistant General Manager and Secretary of the Board designated as Open Meetings Designees and successfully complete an electronic training curriculum, developed and administered by the Illinois Attorney General's Public Access Counselor, by June 30, 2010 and annually thereafter.

It was moved by Trustee Drew and seconded by Trustee Wroten to approve the Appointment of Open Meetings Act Designees.

When roll call was taken, it came to the attention of the Board and staff that Trustee Paxton had been disconnected. Trustee Paxton called back but because of technical difficulty on the phone the roll call had already been taken and Trustee Paxton was not able to vote.

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

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PRESIDENT

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SECRETARY