

June 9, 2010

Public Hearing

The hearing was opened with the Pledge of Allegiance.

President Pierce 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, 2010 and ending April 30, 2011, and acknowledged all persons present: Trustees Drew, Paxton, Swarthout and Wroten, Attorney Greg Jackson, General Manager Brian Dorn, Assistant General Manager Dave Miller, Director of Engineering Services Jai Gupta, Director of Laboratory Services Joe Robinson, Director of Operations Gary Sowma, Director of Technology Services Pete Russo, Secretary Mary Jo Bryant, Ed Collins representing the Lake County News Sun, Chris Ganschow representing Cagwood Consulting, Bob Aitchison representing Delmar Woods Sanitary District, Brian Jensen representing Donohue & Associates, Inc. and Eddie McCall representing CDM.

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

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

Trustee Pierce suggested that we waive the reading of the Legal Ad and the Tentative FY11 Budget.

It was moved by Trustee Swarthout and seconded by Trustee Drew that the reading of the Legal Ad and the Tentative FY11 Budget be waived.

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

General Manager Dorn presented a brief summary of the Tentative FY11 Budget.

Trustee Paxton questioned General Manager Dorn if there was any worry about relying on unreserved and/or reserved retained earnings to make up for any potential shortfall in the budget. General Manager Dorn responded that the District projects a 5 year estimate of reserves when preparing the budget and that monies are allotted within this projected timeframe for both specific and anticipated capital projects, some of which do not always materialize for various reasons resulting in those funds remaining in reserve. General Manager Dorn stated that this 5 year projection is evaluated at every budget period and potential shortfalls addressed, and that the District works hard to stay within its means. General Manager Dorn also stated there are several potential sources of additional revenues not included in the budget. Assistant General Manager Miller added that the District only budgets those sources of revenue that it is assured to receive during the fiscal year.

There was one comment from the public.

Bob Aitchison commended the District on the good work it does.

It was moved by Trustee Drew, and seconded by Trustee Swarthout, that the Combined Annual Budget and Appropriation Ordinance, prepared in a tentative form for the fiscal year beginning May 1, 2010, and ending April 30, 2011, 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:

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

President Pierce presented the Combined Annual Budget and Appropriation Ordinance, prepared in final form for the fiscal year beginning May 1, 2010, and ending April 30, 2011.

It was moved by Trustee Drew, and seconded by Trustee Swarthout, that the Combined Annual Budget and Appropriation Ordinance, prepared in final form for the fiscal year beginning May 1, 2010, and ending April 30, 2011, 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, 2010 and ending April 30, 2011**

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, 2010.

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, 2010 and ending April 30, 2011

Wastewater Treatment Fund

System Expansion Reserve

Estimated Cash Balance, May 1, 2010		14,376,825
+ Estimated Revenues		405,090
Fair Capital Contribution Fees	0	
Connection Fees	279,180	
Annexation Fees	53,119	
Public Works - Capital Fees	0	
Interest on Investments	72,791	
= Estimated Total Funds Available		14,781,915
- Appropriations		75,000
Previously Authorized Projects	75,000	

= Estimated Cash Balance, April 30, 2011		14,706,915
<u>Capital Additions Reserve</u>		
Estimated Cash Balance, May 1, 2010		17,022,073
+ Estimated Revenues		9,279,278
Property Taxes	7,322,540	
Public Works - Property Fees	1,338,169	
Great Lakes NTC - Capital Component Fees	500,000	
Fort Sheridan - Capital Component Fees	30,000	
Interest on Investments	88,569	
= Estimated Total Funds Available		26,301,351
- Appropriations		7,417,800
Previously Authorized Projects	7,417,800	
= Estimated Cash Balance, April 30, 2011		18,883,551
<u>Replacement Reserve</u>		
Estimated Cash Balance, May 1, 2010		3,100,303
+ Estimated Revenues		3,998,020
User Fees	3,995,167	
Interest on Investments	2,853	
= Estimated Total Funds Available		7,098,323
- Appropriations		9,057,600
Previously Authorized Projects	9,057,600	
= Estimated Cash Balance, April 30, 2011		(1,959,277)
<u>Unrestricted - Operation and Maintenance</u>		
Estimated Cash Balance, May 1, 2010		1,063,023
+ Estimated Revenues		15,909,776
Taxes and Fees In Lieu of Taxes	7,254,571	
Property Taxes	3,639,346	
Personal Property Replacement Taxes	2,950,147	
Public Works - Property Fees	665,078	
Licenses and Permits		200
Septic Hauler Permits	200	
Charges for Sewage Treatment Services		8,036,347
General User Fees	5,031,992	
Great Lakes Naval Training Center	1,165,698	
Public Works - Flow Fees	1,429,777	
Fort Sheridan	64,603	
Sulfate Fees	344,277	
Charges for Other Services		594,518

Laboratory Analytical Fees	160,523	
Electricity Curtailment	372,845	
Rents	10,600	
LaFarge Facilities Use Agreement	49,000	
Sale of Reproductions	50	
Sewer Inspection Fees	1,500	
Fines and Forfeits		2,000
General Penalties	2,000	
Miscellaneous Revenues		22,140
Interest on Investments	0	
Miscellaneous Operating Revenues	7,140	
Miscellaneous Non-Operating Revenues	15,000	
= Estimated Total Funds Available		16,972,799
<u>Unrestricted - Operation and Maintenance (cont.)</u>		
- Appropriations		25,998,575
Division of Operations		18,184,370
Waukegan Sewage Treatment Plant	4,084,810	
Clavey Road Sewage Treatment Plant	4,194,060	
Gurnee Sewage Treatment Plant	4,417,650	
Pumping Stations	1,134,130	
Sludge Recycling Facility	4,141,320	
Landfill Operations	20,070	
Maintenance Scheduling	192,330	
Division of Laboratory Services		1,298,420
Operations Laboratories	509,060	
Instrumentation Laboratories	569,780	
Compliance	219,580	
Division of Technology Services		2,003,900
Information Systems	681,810	
Electrical Maintenance	634,400	
Process Automation Maintenance	687,690	
Division of Administration		1,385,240
Purchasing	297,470	
Human Resources	124,220	
Administrative Services	738,670	
Budget Management	224,880	
Division of Engineering Services		749,190
Engineering Services	492,140	
Design and Construction	257,050	
Board of Trustees		170,475
General Management		1,402,600
Staff Management	564,400	
Directors	677,910	
Legal	160,290	
General Expenses		804,380
Administration Building	137,820	
Public Relations	26,180	
Non-Allocated	640,380	
= Estimated Cash Balance, April 30, 2011		(9,025,776)

Check Nos. 149567 through 149576, Check Nos. 149579 through 149786,
Check Nos. 149797 through 149860.
Void Check Nos. 149377 through 149466, Check Nos. 149566, 149577 and 149578.

- D. Euro Payment for Andritz Purchase Order #18550.
- E. Financial Report, April 2010.
- F. Hearing Summary, May 11, 2010.
- G. Prevailing Wage Rate Ordinance, June 2010.
- H. 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.

Trustee Paxton stated that he would like Item G. Prevailing Wage Rate Ordinance, June 2010 excluded from the Consent Agenda and voted on separately.

It was moved by Trustee Swarouth and seconded by Trustee Drew, that the items under the Consent Agenda excluding Item G. Prevailing Wage Rate Ordinance be approved.

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

- G. Presented Prevailing Wage Rate Ordinance, June 2010.

It was moved by Trustee Swarouth and seconded by Trustee Drew that Item G. – Prevailing Wage Rate Ordinance, June, 2010 be adopted.

On roll call, four Trustees present voted "Aye". One Trustee present voted "Nay". Ordinance declared adopted.

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 2010, 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.

President Pierce presented the President Report as follows:

President Pierce asked for a moment of silence for former Trustee Eddie Washington who recently passed away. President Pierce stated that Eddie Washington was the first African-American to serve on the North Shore Sanitary District Board and was a dedicated public servant. President Pierce commented that Eddie Washington went on to become a State Representative on his 5th term after serving as a Trustee for Ward 3 of the North Shore Sanitary District. President Pierce stated that Eddie would be truly missed by many, including himself.

General Manager Dorn pointed out the Central States Water Environment Association (CSWEA) 2010 Treatment Facility Operations Award which had been presented to Gary Sowma, Director of Operations and the Operating Staff of the North Shore Sanitary District. General Manager Dorn stated that Gary Sowma accepted the Award at the recent CSWEA Annual Meeting. A round of applause was given to Gary and the Operating Staff for their achievements.

General Manager Dorn presented the Management Report as follows:

- A. Presented Waukegan Effluent Forcemain F3 Rehabilitation Status Report – Donohue & Associates, Inc.

General Manager Dorn stated that the F3 Forcemain which conveys treated effluent from our Waukegan Sewage Treatment Plant 5 miles west to the Des Plaines River has suffered two failures, one in 1996 and the other in 1998. General Manager Dorn reported that in 2002, following testing of this line, there were 60 pipe in various states of distress that needed repair. All 60 pipe were subsequently repaired. The Forcemain was tested again in 2008 in accordance with a consent order requiring testing of the line every 5 years. 31 more distressed pipes were found. In September, 2009 Donohue & Associates was contracted to develop a repair strategy for the 31 distressed pipe. General Manager Dorn stated that Brian Jensen from Donohue & Associates was present to discuss strategy for the long term repair of the Waukegan Effluent Forcemain, as it was apparent that the line would continue to deteriorate in the future.

Brian Jensen stated that Donohue & Associates had been contracted to design the repair of the 31 distressed pipe; this work has been completed. During the design of this work, Brian Jensen and District Staff met with the IEPA in February 2009 to discuss the possibility of discharging Waukegan STP Final Effluent to Lake Michigan. At this February, 2009 meeting the IEPA's answer regarding discharging to Lake Michigan was a firm NO with no further discussion. Based on anti-degradation rules, absolutely no trace pollutants can be added to Lake Michigan even though the Waukegan STP Final Effluent is purified to a very high level. Trustee Swarthout then inquired as to why Milwaukee was able to discharge to Lake Michigan. A discussion ensued detailing the rules and regulations dating back to the 1970's. It was determined at this time that a strategy plan would need to be implemented to develop a long term solution to the ongoing problems with the F3 Forcemain. Brian Jensen then gave a Power Point presentation which included the following:

- Background Information
- 2002 Testing/Repair Summary
- 2008 Testing Summary (31 more pipe need repair)
- Testing Conclusions
- Long Term Strategy Development
- Rehabilitation Options
- Rehabilitation Strategies

After the presentation there was discussion about the various technologies and alternatives/strategies presented. Trustee Paxton commented that he felt that the District should look further into the promising Swagelining technology since there was not enough information to make a decision at this meeting. Trustee Pierce stated that he felt these alternatives should be discussed thoroughly with Staff and brought back to the July Board meeting. It was concluded that further evaluations would be made and an update presented by Donohue at the July Board meeting. General Manager Dorn stated there was no action required at this time.

B. Presented Engineering Agreement Amendments.

1. Donohue & Associates, Inc., Sludge Drying System Improvements, Contract Amendment No. 1, Increase of \$54,863.00.

General Manager Dorn stated that in November 2009 the design phase of this project to provide hardening of the Sludge Drying System through redundancy in the sludge storage silos and the procurement of critical spare parts was approved by the Board. This Contract Amendment is to provide construction related services for the project. General Manager Dorn asked for Board approval of Contract Amendment No. 1 with Donohue & Associates, Inc. for the Sludge Drying System Improvements in the not to exceed amount of \$54,863.00.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve the Engineering Agreement Contract Amendment No. 1, Donohue & Associates, Inc., Sludge Drying System Improvements, an Increase in the not to exceed amount of \$54,863.00.

President Pierce questioned the structure of the contract and whether or not the District's Attorney has reviewed it. General Manager Dorn indicated that this contract and all engineering contracts executed by the District contain the same standard terms and conditions which had been reviewed by the District's Attorney years ago, and that he had reviewed the man hours and tasks associated with this Amendment.

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

2. Donohue & Associates, Inc., Waukegan Building 240 H & V Retrofit, Contract Amendment No. 1, Increase of \$80,424.00.

General Manager Dorn stated that this Contract Amendment is to provide construction related services for this project, originally approved by the Board in January 2009 to design an upgrade in the HVAC system of this building to bring it into compliance with current code requirements. General Manager Dorn asked for Board approval of Contract Amendment No. 1 with Donohue & Associates, Inc., for Waukegan Building 240 H&V Retrofit, an Increase in the not to exceed amount of \$80,424.00.

It was moved by Trustee Drew and seconded by Trustee Swarthout to approve the Engineering Agreement Amendment No. 1, Donohue & Associates, Inc. Waukegan 240 H&V Retrofit, an Increase in the not to exceed amount of \$80,424.00.

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

3. ELARA Energy Services, Inc., HVAC Upgrades for Waukegan Base Shop and Gurnee Administration Building Computer Room, Contract Amendment No. 2, Increase of \$6,010.00.

General Manager Dorn stated that this Contract Amendment was for additional work to revise the existing design to account for enlargement of area to be served by the proposed HVAC unit and prevent entrainment of coal dust particles via the fresh air intake. General Manager Dorn gave an overview of the coal dust

particle issue in the building. Trustee Drew inquired if the EPA has ever been notified about the coal dust particle issue stemming from Midwest Generation. General Manager Dorn stated he was uncertain if the EPA has been notified about the matter but would further check into it. General Manager Dorn asked for Board approval of Contract Amendment No. 2, an Increase in the not to exceed amount of \$6,010.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve the Engineering Agreement Amendment No. 2, ELARA Energy Services, Inc., HVAC Upgrades for Waukegan Base Shop and Gurnee Administration Building Computer Room, an Increase in the not to exceed amount of \$6,010.00.

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

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

- A. Presented Agreement for Self-Accounting Administration of Group Insurance – Principal Life Insurance Company.

Assistant General Manager Miller stated that following the April Board meeting when the life insurance renewal was approved, this Agreement from Principal Life Insurance was forwarded for signature. It allows for the District to perform certain administrative functions related to the group insurance policy. Assistant General Manager Miller asked for Board approval of this Agreement.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to approve the Agreement for Self-Accounting Administration of Group Insurance with Principal Life Insurance Company.

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

- B. Presented Request for New Delinquent Account Payment Agreement.
 - 1. Wayne Delfino, Lake Forest.

Assistant General Manager Miller stated that the account of Wayne Delfino was drawn into the sewer service termination process after defaulting on a Delinquent Payment Agreement II with waiver. The water was to be shut off on Thursday, July 1, 2010. On Friday, May 28, 2010, Mr. Delfino contacted Trustee Swarthout regarding this termination process. Mr. Swarthout reviewed Mr. Delfino's account and agreed that Mr. Delfino could sign a special payment agreement with the first payment to be paid when signing the contract and the balance to be paid over 1 year with monthly installments. In addition, Mr. Delfino must pay current bills by due date. If Mr. Delfino complies with this agreement, the District would halt the water shut-off procedure. Mr. Delfino made a \$43.00 payment on Tuesday, June 8, 2010 and signed a new payment agreement for the balance. Therefore, the water will not be shut-off at the Delfino residence on July 1, 2010. It was made very clear to Mr. Delfino that the District will proceed with the termination process if payments are not received when due. Trustee Swarthout stated that the account should be monitored closely.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve the Request for New Delinquency Payment Agreement with Wayne Delfino of Lake Forest.

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

- C. Presented West Insurance – Surety Bonds for Deputy Treasurer and General Manager, \$7,470.00.

Assistant General Manager Miller stated that as part of the revisions to the Investment Policy approved at the April Board meeting, additional bonding was required for the Deputy Treasurer and the General Manager. This additional bonding is to protect the District from any dishonesty by either the Assistant General Manager or General Manager. A proposal for the additional bonding from West Insurance was presented and Assistant General Manager Miller asked for Board approval of the Surety Bonds.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to approve West Insurance – Surety Bonds for Deputy Treasurer and General Manager in the amount of \$7,470.00.

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. Pump Drive Replacement at Waukegan Sewage Treatment Plant, Becker Electrical Group of Kenosha, WI in the amount of \$139,350.00.

It was moved by Trustee Drew and seconded by Trustee Swarthout to award Pump Drive Replacement at Waukegan Sewage Treatment Plant to Becker Electrical Group of Kenosha, WI in the amount of \$139,350.00.

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

B. Presented the following Construction Change Orders.

1. C.O. No. 1, Digester No. 2 Gas Piping Repairs, Total Mechanical, Inc., Increase of \$11,270.67 and 79 Calendar Days for Substantial and Final Completion.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve C.O. No. 1, Digester No. 2 Gas Piping Repairs, Total Mechanical, Inc., an Increase of \$11,270.67 and 79 Calendar Days for Substantial and Final Completion.

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

2. C.O. No. 1, Winthrop Harbor Pump Station (PS-1A) and Lake Bluff Pump Station (PS-6) Odor Control Improvements, Maxim Construction Corp., Increase of \$1,158.91.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve C.O. No. 1, Winthrop Harbor Pump Station (PS-1A) and Lake Bluff Pump Station (PS-6) Odor Control Improvements, Maxim Construction Corp., an Increase of \$1,158.91.

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

3. C.O. No. 4, MCC Ventilation Improvements, Total Mechanical, Inc., Increase of \$2,314.00.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve C.O. No. 4, MCC Ventilation Improvements, Total Mechanical, Inc., an Increase of \$2,314.00.

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

4. C.O. No. 5, MCC Ventilation Improvements, Total Mechanical, Inc., Increase of \$2,300.00.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve C.O. No. 5, MCC Ventilation Improvements, Total Mechanical, Inc., an Increase of \$2,300.00.

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

C. Presented Emergency Authorization Request.

1. EAR-11-02, F5B Forcemain Leak, \$31,407.22.

Director of Engineering Services Gupta reported that the District was notified by Greenbelt Forest Preserve on May 20, 2010 that raw sewage was flowing out of a manhole near the west side of the preserve property just east of highway 41. It was determined that the leak was coming from a cleanout manhole located on the F5B forcemain which conveys flows from the Upper Skokie Valley Pump Station PS-5 to the Gurnee STP. Flow from the North Chicago Pump Station PS-4, which discharges to PS-5, was diverted to the 1 million gallon excess flow basin located at the PS-4 site and the flow from the Skokie Interceptor was diverted to the Clavey Road STP. G.W. Kennedy Construction was immediately called to mobilize and

repair the leak, since they have had experience repairing other NSSD forcemain leaks. The leak was contained on May 20th and repairs completed repaired on May 24th. Restoration was completed on May 25th. Director of Engineering Services Gupta also noted that along with approval of this Emergency Authorization Request a payment authorization for George W. Kennedy Construction, Inc., the contractor who repaired the leak is also requested.

General Manager Dorn noted that fortunately the District had the capability to divert flows from PS-5 to Clavey Road and to utilize the 1 million gallon excess flow basin at PS-4 to allow PS-5 to be taken off line and the forcemain drained to repair the leak. District Staff did a good job managing the shutdowns to prevent any overflows beyond the initial failure. General Manager Dorn stated that during this repair of the F5B forcemain, several old air release valves on the line were proactively replaced while the line was down.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Emergency Authorization Request, EAR-11-02, F5B Forcemain Leak in the amount of \$31,407.22.

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

2. Payment Authorization – George W. Kennedy Construction Co., Inc., \$31,407.22.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Payment Authorization to George W. Kennedy Construction Co., Inc. in the amount of \$31,407.22.

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

D. Presented Pre-Annexation Agreements.

1. No. 448, Submitted by White Stable Vineyard, LLC, for approximately 47 acres for residential and commercial use located south of IL Route 60 and west of Ridge Road, in the City of Lake Forest.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Pre-Annexation Agreement No. 448, Submitted by White Stable Vineyard, LLC, for approximately 47 acres for residential and commercial use located south of IL Route 60 and west of Ridge Road, in the City of Lake Forest.

Trustee Swarthout recused himself from voting since he indicated this development was owned by his son.

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

2. No. 449, Submitted by Joseph and James Passalino, for approximately 11.3 acres for commercial use located east of Dilley's Road and 0.5 miles north of Grand Avenue, in the Village of Gurnee.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Pre-Annexation Agreement No. 449, Submitted by Joseph and James Passalino, for approximately 11.3 acres for commercial use located east of Dilley's Road and 0.5 miles north of Grand Avenue, in the Village of Gurnee.

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 Significant Industrial Users are in compliance with their Discharge Control Document limits at this time.

Director of Laboratory Services Robinson reported that the District determined that Emergent Industries, located at 1081 S. Northpoint Dr., Waukegan, failed to notify of the start-up of the Federally-regulated Metal Molding and Casting operation. The facility was issued an Administrative Violation and penalties

totaling \$2,250. Payment of these penalties is due by June 28, 2010. Trustee Pierce inquired if the District has yet received the payment. Director of Laboratory Services Robinson stated that Emergent has not yet paid their penalties but stated that they plan to do so. Director of Laboratory Services Robinson noted that Emergent Industries is hurting financially and is already looking to move to another location, but he feels confident that the District will receive their money.

B. Presented Audit of Commercial & Industrial Connection Permits.

Director of Laboratory Services Robinson reported that the Compliance Department has incorporated summer help to develop a computer program that is checking laboratory data against engineering records to finalize this audit. Director of Laboratory Services stated that at this time the Compliance Department has their final numbers and plans to meet with both General Manager Dorn and Assistant General Manager Miller to finalize a proposal and draft a recommendation to bring to the Board for approval at the July meeting. There is no action required at this time.

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

A. Presented Bid Summary.

1. Bid No. 1314, Annual Usage of Polymer.
 - i. Clavey Road STP BFP – Ashland Water Technologies, \$36,800.00.
 - ii. Clavey Road STP GBT (Primary) – Ashland Water Technologies, \$43,200.00.
 - iii. Clavey Road STP GBT (WAS) – Polydyne Inc., \$13,520.00.
 - iv. Gurnee STP BFP – Polydyne Inc., \$65,910.00.
 - v. Gurnee STP GBT (Primary) – Polydyne Inc., \$54,080.00.
 - vi. Gurnee STP GBT (WAS) – Ashland Water Technologies, \$39,600.00.
 - vii. Waukegan STP BFP – Polydyne Inc., \$42,250.00.
 - viii. Waukegan STP GBT (WAS) – Polydyne Inc., \$10,140.00.

Director of Operations Division Sowma noted that typically this Bid is for a three year contract, but due to an ongoing study with Donohue & Associates, the District only structured the bid for a one year contract. The contract can be terminated by the District at any time within this one year period.

It was moved by Trustee Drew and seconded by Trustee Paxton to award Bid. No. 1314, Annual Usage of Polymer as presented.

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

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

A. Bid Summary.

1. Bid No. 1321, Repair of Ideal Motor – L&S Electric, Inc., Additional Repairs, \$4,650.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to award Bid No. 1321, Repair of Ideal Motor to L&S Electric, Inc., for Additional Repairs in the amount of \$4,650.00.

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

There was no report given by Attorney Gregory Jackson.

General Manager Dorn requested at this time that the Board move into Executive Session to discuss potential litigation.

It was moved by Trustee Paxton and seconded by Trustee Drew to move into Executive Session to discuss potential litigation.

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, July 14, 2010 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex in Gurnee.

PRESIDENT

SECRETARY