Minutes of the Regular Meeting of the Board of Trustees of the North Shore Sanitary District held Wednesday, January 12, 2011 at 9:30 A.M. 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
James E. Swarthout
Effie Wroten

Trustee John R. Paxton was present via telephone due to a family emergency.

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 and Director of Operations Gary Sowma. Director of Technology Services Pete Russo was absent.

President Pierce asked if there were any comments from the public.

Ed Collins, Public Affairs Reporter and Writer representing the Lake County News-Sun wished the Board and Staff of the North Shore Sanitary District a happy and productive New Year.

Mr. Mahmoud Vakili introduced himself and stated he resides at 520 Bluff Street in Waukegan. This property is scheduled for termination of service. Mr. Vakili attended the hearing on December 14, 2010. Mr. Vakili accused the North Shore Sanitary District of being responsible for the loss of his house, having his water shut off and forcing his family out of the country. President Pierce replied that the North Shore Sanitary District has no authority or desire to expel anyone from their house or country. President Pierce stated that the North Shore Sanitary District treats sewage and that their only requirement is for customers to pay for the service provided. President Pierce questioned Mr. Vakili on what point he was trying to get across. Mr. Pierce stated that the North Shore Sanitary District treats everyone the same and that the District is governed by Legislature to follow and enforce rules.

Assistant General Manager Miller stated that the District was in receipt of a letter from an attorney representing Mr. Vakili stating that he has been retained by Mahmoud and Parvin Vakili to prepare a petition for Chapter 7 bankruptcy. Attorney Greg Jackson noted that this was a letter of intent and that Mr. Vakili had not yet filed for bankruptcy. President Pierce asked when Mr. Vakili’s service would be terminated. Assistant General Manager Miller responded that his service would be terminated in the spring and that Mr. Vakili owed the District approximately $400. Mr. Vakili commented that he did not want our service and then commented negatively on staff from the City of Zion. President Pierce stated to Mr. Vakili that we have nothing to do with the City of Zion’s staff and that there was nothing more the Board could do for him except to listen and that if he chooses to file for bankruptcy we are governed to follow the appropriate rules and in the meantime move forward with the termination process until the money owed is paid. At this point, Mr. Vakili replied to the Board to have a nice day and left the meeting.

President Pierce presented the Consent Agenda, as follows:

A. Approval of the Minutes of the Meeting held on December 6, 2010.
B. Approval of the Minutes of the Executive Session held on December 6, 2010.
C. Consideration of Bills.
   Wastewater Treatment Fund $3,063,913.79
   Check Nos. 151839 through 151990, Check Nos. 151992 through 152113,
   Check Nos. 152116 through 152181.
   Void Check No. 151991.
F. Euro Payment for Stanelle Silos & Automation Purchase Order #20026.
G. 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 Swarthout, that the items under the Consent Agenda be approved.

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

President Pierce presented the President Report as follows:

President Pierce stated he had heard that a Legislative bill had been passed for a coal gasification plant located in southeast Cook County that will be subsidized by regional natural gas utilities and wondered if there would be any impact on the cost of natural gas procured by the North Shore Sanitary District. Trustee Swarthout asked how long our contract was for natural gas procurement. Assistant General Manager Miller replied that our procurement contract with CenterPointe was a five year contract of which approximately 4 ½ years remained, and that we pay on a monthly basis to a Chicago City hub. Assistant General Manager Miller stated he would look into the matter further and report to the Board at the next meeting.

General Manager Dorn presented the Management Report as follows:

A. Status Report – Phase I and Phase II Sludge Drying System Improvements Project.

General Manager Dorn gave a brief overview on both Phases of the Sludge Drying Improvements Project and reported that the design of both phases is almost complete and that the project is near the point of being bid. General Manager Dorn stated that the total estimated cost of the Phase I and II projects was approximately $5.6 million. The estimated cost of a second redundant dryer line was $16 million; the decision to harden the dryer’s redundancy instead of installing a complete second dryer proved to be a prudent decision. The District has accounted for this project in its capital improvements budget, and the estimated project costs are in line with this budget. President Pierce asked how many days the dryer is running. General Manager Dorn reported that the dryer is running normally six days a week at 118% of capacity and does get shut down on a scheduled basis for maintenance. General Manager Dorn stated this was a status report and that no action was required.

B. Presented Engineering Agreement Amendment.
   1. Elara, Gurnee Administration Building HVAC Repairs Phase I, Contract Amendment No. 3, Increase of $7,170.00.

General Manager Dorn reported this Contract Amendment is for the replacement of rooftop units RTU-2 & 3. General Manager Dorn stated that the Administration Building has four existing rooftop units that were all installed at the same time, approximately 20 years ago. Due to the recent failures of two of the four rooftop units, RTU-1 and RTU-4 have been included for replacement as either part of Phase 1 or the AHU-1 installation project. Considering the age and condition of the units, it will be best to be proactive and replace the remaining two roof top units prior to any major failures of the units. This will avoid potentially costly repairs and the possibility of losing heating/cooling for most of the offices in the West Addition. General Manager Dorn asked for Board approval of this Contract Amendment No. 3.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Engineering Agreement Amendment No. 3, Elara, Gurnee Administration Building HVAC Repairs Phase I, an Increase of $7,170.00.

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

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

Assistant General Manager Miller stated that at the December Board meeting proposed potential revisions to the NSSD Act had been discussed and that these revisions were now drafted into a final form for submission to the Legislative Reference Bureau. Assistant General Manager Miller briefly went over these proposed changes and stated that the Legislative Reference Bureau may have some revisions in the exact wording of the language but that the intent of the revisions would remain intact.

President Pierce stated that he had reviewed the changes and felt good about them. President Pierce asked Attorney Jackson if he had reviewed the changes; Attorney Jackson replied that he had. President Pierce stated that the District would have one of our State Representatives or Senators introduce these changes to the Legislation. President Pierce stated this was a good time to make these changes and that Registered Lobbyist Chris Ganschow could monitor the progression of the process and hopefully the changes would pass through the legislation without any problem. District Staff may be asked to testify in support of the proposed changes in the Act.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve the Potential Revisions to the NSSD Act – 2011.

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

B. Presented Fifth Third Securities Account Documentation.

Assistant General Manager Miller reported that Fifth Third Securities has expressed a desire to participate in the District’s investment program and receive solicitations for investments. Assistant General Manager Miller stated that this item consists of the necessary documentation to establish an investment account with Fifth Third Securities and asked for Board approval.

It was moved by Trustee Drew and seconded by Trustee Swarthout to approve Fifth Third Securities Account Documentation.

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

C. Presented Adjustment to Sodium Hydroxide Bid #1316 – K.A. Steel Chemicals, Inc.

Assistant General Manager Miller gave a brief overview of the awarding of Bid #1316 on April 14, 2010 for a 3 year contract for supply of sodium hydroxide to the Gurnee plant and the problem with the District’s 4,000 gallon sodium hydroxide tank where much of the chemical is utilized. Because of the smaller volume of the storage tank being utilized temporarily until the bulk tank is repaired, K.A. Steel contacted the District and indicated that it was unable to continue to accommodate the District’s need for partial load deliveries without passing along its delivery costs. Assistant General Manager Miller asked for Board approval to modify K.A. Steel’s sodium hydroxide supply contract to allow it to recoup its delivery costs of $345 per load until such time that the bulk chemical tank in Building 400 at the Gurnee STP is again available for use.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Adjustment to Sodium Hydroxide Bid #1316 – K.A. Steel Chemicals, Inc.

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

Director of Engineering Services Gupta presented the Engineering Services Division Report as follows:

A. Presented Bid Summaries.
   1. Valve & Actuator Procurement at the Waukegan STP 1st & 2nd Stage Clarifier Structures 111-126, VANDA, Inc. d/b/a Valves & Automation, Inc. of Willowbrook, IL in the amount of $71,400.00.

It was moved by Trustee Drew and seconded by Trustee Swarthout to award Valve & Actuator Procurement at the Waukegan STP 1st and 2nd Stage Clarifier Structures 111-126, VANDA, Inc. d/b/a Valves & Automation, Inc. of Willowbrook, IL in the amount of $71,400.00.
On roll call, all Trustees present voted "Aye". Motion declared carried.

2. Gurnee STP Bldg 440 Disinfection Metering Pump Replacement, Independent Mechanical Industries, Inc. of Chicago, IL in the amount of $56,220.00.

It was moved by Trustee Swarthout and seconded by Trustee Drew to award Gurnee STP Bldg. 440 Disinfection Metering Pump Replacement, Independent Mechanical Industries, Inc. of Chicago, IL in the amount of $56,220.00.

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

B. Presented the following Construction Change Orders.
   1. C.O. No. 2, Pump Drive Replacement at Waukegan STP, Becker Electrical Group, Increase of 150 Calendar Days for Substantial and 141 Calendar Days for Final Completion.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve C.O. No. 2, Pump Drive Replacement at Waukegan STP, Becker Electrical Group, an Increase of 150 Calendar Days for Substantial and 141 Calendar Days for Final Completion.

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

2. C.O. No. 3, Channel Air Piping Project at the Gurnee and Waukegan STP, Rawson Contractors, Inc., Increase of $4,107.32.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve C.O. No. 3, Channel Air Piping Project at the Gurnee and Waukegan STP, Rawson Contractors, Inc., an Increase of $4,107.32.

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

3. C.O. No. 3, AHU-1 Replacement Project at the Gurnee Administration Building, Mechanical Concepts of Illinois, Inc., Increase of $6,276.62 and 21 Calendar Days for Substantial and Final Completion.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve C.O. No. 3, AHU-1 Replacement Project at Gurnee Administration Building, Mechanical Concepts of Illinois, Inc., an Increase of $6,276.62 and 21 Calendar Days for Substantial and Final Completion.

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

C. Presented Emergency Authorization Report
   1. EAR-11-02, F5B Forcemain Leak, $31,407.22.

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

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

Director of Laboratory Services Robinson presented 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 there are no Significant Industrial Users in non-compliance at this time and that everything in the Laboratory Division was good.

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

1. EAR-11-03, Clavey Road STP Digesters No. 1 & 4 Cleaning, $93,688.53.

Director of Operations Sowma gave a brief recap of the Clavey Road STP Digesters No. 1 & 4 Cleaning and reported that the overall cost was $93,688.53. Trustee Paxton inquired if the District still owned a vacuum truck. General Manager Dorn replied that we did. Trustee Paxton asked why the District did not utilize the vacuum truck for this project. General Manager Dorn indicated that the contractor utilized special screening equipment to minimize the volume of solids that had to be hauled and disposed offsite. Director of Operations Sowma added that the Contractor had to use special pumps to pump out these tanks due to the concentration of rags and solids at the bottom of the tank. The contents of the tank would not have been able to be removed using the vacuum truck.

Trustee Paxton inquired why the District has not yet sold the vacuum truck. General Manager Dorn responded that the District has an upcoming project in the spring to inspect its lakefront interceptor sewer in Highland Park where this vacuum truck will be utilized. The truck was originally designed and purchased to clean this lakefront interceptor sewer. After completion of that project, the District intends to sell it.

Director of Operations Sowma wanted to update the Board on a power outage which occurred at the Lake Bluff Pump Station site which pumps to the Clavey Road STP. Director of Operations Sowma reported that on January 9th at approximately 7:40 p.m., a power outage occurred involving both ComEd electrical feeders. The back-up generator did start but the transfer switch failed to close automatically. Once alerted to the situation, District personnel responded and closed the switch manually. The pumping station was restarted after the problem was resolved but not before a minor discharge occurred from a manhole adjacent to the southwest corner of the station. The spill was confined to a small section of the parking lot. The spill was less than 1000 gallons and at no time did any of the discharge reach Lake Michigan or the beach front area. IEPA was notified and due to the quick response time of District personnel the incident was very minor in nature.

Trustee Swarthout reiterated the need for the reservoir at the Lake Bluff pump station as a back-up plan. General Manager Dorn concurred with Trustee Swarthout. President Pierce then inquired as to the status of the Lake Bluff sewage storage basin project. General Manager Dorn stated that design has been completed, and that we were waiting for a determination from the US Army Corp of Engineers regarding permit requirements. President Pierce stated that the District should push forward with the Lake Bluff Project. Trustee Swarthout agreed.

Trustee Drew asked if the generator systems at the pump stations are tested. Director of Operations Sowma reported that they are tested every week but that the problem with the transfer switch appeared to be a mechanical problem due to cold weather.

Assistant General Manager Miller stated that due to the quick response time of staff, including Pete Russo, Pete Sonn, Igor Filipovich and Gary Sowma, the situation was resolved quickly with minimal adverse effect. Assistant General Manager Miller stated that it was also a rare situation that occurred.

Director of Operations Sowma also reported that over the New Year’s holiday weekend, due to heavy rain and snow thaw in the area on December 31st and New Years Day, a permitted diversion of effluent to the Skokie Lagoons from the Dundee Road Effluent Lift Station occurred due to the high water level in the Edens Expressway ditch. The incident was also reported to the IEPA.

The last item reported by the Operations Division that occurred over the holiday weekend was that the thickened sludge line at the Gurnee Plant clogged and the pipe had to be taken apart and the line jetted. Two employees along with the Superintendent and Assistant Superintendent came in to take care of the problem. Director of Operations Sowma stated that the 4 day long holiday was a long time for the plant to run unmanned and without minimal problems. President Pierce stated that Staff may want to keep that in mind in the future and to make sure that there are enough personnel available to rely on for this type of situation. General Manager Dorn stated that there is a standard call-in plan in place for unmanned hours.

There was no report requiring Board action for the Technology Services Division.
There was no report given by Attorney Gregory Jackson.

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

A. Imminent Litigation.
   1. ComEd.
B. Personnel.
   1. Staffing.

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

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

It was moved by Trustee Swarthout and seconded by Trustee Drew that the General Manager be authorized to create a management position and establish job duties and rate of compensation based on qualifications of the person selected to fill the position.

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 9, 2011 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