May 8, 2019

Minutes of the Regular Meeting of the Board of Trustees of the North Shore Water Reclamation District held Wednesday, May 8, 2019 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
Preston P. Carter, Vice President
B. Sugar Young, Treasurer
Stephen J. Drew
Thomas E. Swarthout

Staff members present were Executive Director Brian Dorn, Deputy Executive Director Dave Miller, Attorney Greg Jackson, Director of Engineering Services Jai Gupta, Director of Laboratory Services Joe Robinson, Director of Operations Phil Connelly and Director of Technology Services Bill Jackewicz.

There were no comments from the public.

President Pierce presented the Consent Agenda as follows:

A. Approval of the Minutes of the Meeting held on April 10, 2019.

B. Consideration of Bills.
   Wastewater Treatment Fund $1,783,495.55
   Check No. 183885 through 183908. Check No. 183910 through 184004.
   Check No. 184006 through 184079.
   Void Check Nos. 183909 and 184005.


D. Orders to Terminate Service.

E. Annexation Ordinances.
   1. No. 380, Submitted by NSWRD, for approximately 2.23 acres located in the Village of Beach Park.
   2. No. 413, Submitted by NSWRD, for approximately 40.2 acres located in the Village of Beach Park.
   3. No. 415, Submitted by NSWRD, for approximately 21.04 acres located in the Village of Beach Park.
   4. No. 421, Submitted by NSWRD, for approximately 1.00 acre located in the Village of Beach Park.
   5. No. 451, Submitted by NSWRD, for approximately 72.00 acres located in the Village of Gurnee.
   6. No. 457, Submitted by NSWRD, for approximately 1.19 acres located in the Village of Beach Park.

F. Construction Change Order.
   1. C.O. No. 1, Installation of High Resistance Grounding System at Clavey Road WRF, Homestead Electrical Contracting, LLC.

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.

Deputy Executive Director Miller requested that the customer with the account number 45334117-266155 be removed from Consent Agenda Item V. D., Orders to Terminate Service, as the customer has agreed to the terms of a special agreement. Deputy Executive Director Miller and the Board thanked Trustee Young for her efforts in resolving this matter.

It was moved by Trustee Swarthout and seconded by Trustee Young that the Consent Agenda be approved with the requested modification to Item V. D., Orders to Terminate Service.

On roll call, the vote was 5-0 with all Trustees present voting “Aye”. Motion declared carried.

President Pierce presented the President Report as follows:

President Pierce commented he had spoken to John Norris, the District’s Government Affairs Representative, prior to the meeting regarding the District’s legislative initiatives being pursued through SB2136 and HB2862.
Pierce indicated that the amendments to both bills removing the emergency railroad access and adding the proposed compensation adjustments for the Board of Trustees seemed agreeable. President Pierce noted that John Norris has been doing a good job representing the District in Springfield.

President Pierce asked if there were any matters for discussion under the Trustee Report.

Trustee Young extended condolences to all the families who lost loved ones in the explosion at the AB Specialty Silicones plant in Waukegan along with the families of the individuals who are without jobs due to this tragic event.

Executive Director Dorn presented the Management Report as follows:

A. Adoption of FY20 Capital Improvement Plan.

Executive Director Dorn summarized the FY20 Capital Improvement Plan. The FY20 Capital Additions appropriation request, consisting of 16 projects, is $2,091,600, a 245% change from FY19. The FY20 Capital Replacements appropriation request, consisting of 62 projects, is $9,537,100, a 110% change from FY19. There is no FY20 System Expansion appropriation requested. The overall FY20 Capital Improvement Plan appropriation request is $11,628,700, a 126% change from FY19. Executive Director Dorn noted there are 21 new projects included in the FY20 appropriation at a FY20 cost of $772,600 and 57 previously approved projects carried over from prior years at a FY20 cost of $10,506,100. An allowance of $350,000 for undesignated projects is also included. Eight of the projects included in this Capital Improvement Plan, accounting for $4,561,400 in FY20 costs, are contingent upon the District securing appropriate financing. Executive Director Dorn stated that following adoption of the FY20 Capital Improvement Plan, the FY20 Combined Annual Budget and Appropriation Ordinance will be presented to the Board for approval at the June meeting.

Deputy Executive Director Miller next presented a PowerPoint overview of the FY20 Capital Improvement Plan which compared this year’s appropriation to past appropriations and noted that the goal of the District the past several years has been to build up its capital reserves which are currently just under $8 million. The District has been able to do this by controlling expenditures primarily within its capital improvements plans. As Deputy Executive Director Miller proceeded with the presentation, Trustee Swarthout noted it would be beneficial to show the historical appropriation percentage changes for both capital additions and replacements. Trustee Drew pointed out that the District has no current outstanding debt and how unique this is for a government entity. Executive Director Dorn stated that if there were no further questions he would ask for Board adoption of the FY20 Capital Improvement Plan.

It was moved by Trustee Carter and seconded by Trustee Swarthout that the FY20 Capital Improvement Plan as presented be adopted.

On roll call, the vote was 5-0 with all Trustees present voting “Aye”. Motion declared carried.


1. EAR 19-02, F-3 Waukegan Effluent Forcemain 2018 Pipe Repairs.

Executive Director Dorn provided background information regarding the F-3 Waukegan Effluent Forcemain 2018 Pipe Repairs, noting two deteriorated pipes identified through Pure Technologies’ 2018 internal forcemain inspection were repaired by Structural Preservation Systems at a final cost of $329,800.00. Executive Director Dorn noted the District is waiting for the final failure risk analysis report from its consultant, Simpson Gumpertz & Heger, however Pure Technologies indicated in their inspection report that no additional pipes will likely need to be repaired at the present time. The next internal inspection of the forcemain is required to be performed in 2023. Executive Director Dorn noted that the District is seeking to increase its emergency cap limit from $350,000 to $500,000 as part of its current legislative initiative, and this project is a good example of how costly emergency repairs can be. Executive Director Dorn asked for approval of Emergency Authorization Report EAR 19-02.

It was moved by Trustee Drew and seconded by Trustee Young that Emergency Authorization Report EAR 19-02, F-3 Waukegan Effluent Forcemain 2018 Pipe Repairs be approved.

On roll call, the vote was 5-0 with all Trustees present voting “Aye”. Motion declared carried.

Deputy Executive Director Miller presented the Administration Division Report as follows:

A. First Midwest Bank Short-Term Line of Credit Renewal.
Deputy Executive Director Miller stated that at the March 13, 2019 Board meeting, the Board agreed to pre-approval of the renewal of a $1.5 million working capital line of credit through First Midwest Bank. Deputy Executive Director Miller stated the District does not anticipate having to access these funds in the upcoming year, however the $500 fixed documentation fee required to maintain this line of credit is extremely inexpensive insurance to provide the District with financial flexibility should something extraordinary occur. Deputy Executive Director Miller stated the current interest rate is 4.5% and is tied to a variable index. President Pierce asked how this line of credit differs from the Wintrust program with which the District has funds invested. A discussion ensued. Trustee Swarthout commented that the IMET fraud was the genesis resulting in the District’s participation in the Wintrust program and that the District’s funds are now better protected.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve First Midwest Bank Short-Term Line of Credit Renewal in the principal amount of $1.5 million.

On roll call, the vote was 5–0 with all Trustees present voting "Aye". Motion declared carried.

B. Addendum to NRG Curtailment Solutions, Inc. PowerPay Program Agreement.

Deputy Executive Director Miller provided background information on the NRG Curtailment Solutions, Inc. PowerPay Program Agreement, stating the District’s six emergency generators were retrofitted by NRG at its own expense to allow for their use in this program which provides for a sharing of revenues between NRG and the District from the PJM demand response program for a six year term through 2023. Deputy Executive Director Miller stated that the attached addendum with NRG Curtailment Solutions, Inc. documents the District’s participation for the upcoming 2019-20 PJM Demand Response program year and asked for Board approval.

It was moved by Trustee Drew and seconded by Trustee Swarthout to approve the Addendum to NRG Curtailment Solutions, Inc. PowerPay Program Agreement.

On roll call, the vote was 5–0 with all Trustees present voting "Aye". Motion declared carried.

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

A. Engineering Agreement Amendment.

Director of Engineering Services Gupta provided background information stating that the District is required to relocate its 30-inch and 36-inch Lake Bluff F6 Force Main in two locations and in two separate phases as a result of improvements being made by IDOT at the intersection of US 41 and Rockland Road. Director of Engineering Services Gupta stated that Manhard Consulting, Ltd. is providing preliminary and final engineering design services to relocate the F6 forcemain in conjunction with the IDOT improvements. The proposed amendment would add bidding and construction-related engineering services associated with the Phase I work which increases the amount of the agreement by $40,660.00. Director of Engineering Services Gupta asked for Board approval of this amendment to the Engineering Services Agreement with Manhard Consulting, Ltd.

It was moved by Trustee Carter and seconded by Trustee Swarthout to approve Contract Amendment No. 2, Manhard Consulting, Ltd., F6 Force Main Relocation Project in the amount of $40,660.00.

On roll call, the vote was 5–0 with all Trustees present voting "Aye". Motion declared carried.

B. Bid & Proposals Summaries.
   1. CIPP Sewer Lining.

Director of Engineering Services Gupta provided background information regarding the CIPP Sewer Lining Project, stating this is a rebid of the project which originally was bid in August, 2018 in combination with other types of sewer rehabilitation work. The initial sole bid submitted by National Power Rodding for the combined sewer rehabilitation project was rejected and the project separated into four individual specialized sewer rehabilitation projects. Director of Engineering Services Gupta stated that Instituform Technologies USA, LLC is the low, responsive, responsible bidder in the amount of $181,300.00 and asked for Board approval contingent upon Illinois Environmental Protection Agency’s approval and receipt of an IEPA loan for the project.
It was moved by Trustee Swarthout and seconded by Trustee Drew to award the CIPP Sewer Lining to Instituf orm Technologies USA, LLC in the amount of $181,300.00, contingent upon Illinois Environmental Protection Agency’s approval and receipt of an IEPA loan for the project.

On roll call, the vote was 5 – 0 with all Trustees present voting "Aye". Motion declared carried.

2. Sewer Spot Lining.

Director of Engineering Services Gupta provided background information regarding the Sewer Spot Lining Project, stating this is a rebid of the project which originally was bid in August, 2018 in combination with other types of sewer rehabilitation work. The initial sole bid submitted by National Power Rodding for the combined sewer rehabilitation project was rejected and the project separated into four individual specialized sewer rehabilitation projects. Director of Engineering Services Gupta stated that National Power Rodding Corp. of Chicago, IL is the only bidder submitting a bid for the Sewer Spot Lining Project in the amount of $558,849.00. Director of Engineering Services Gupta stated that the higher than budgeted bid price reflects the difficulty in accessing the various sites to perform the work, as National Power Rodding has indicated the difficult site access results in additional mobilization, staging and manpower, and requires the use of specialized equipment. Director of Engineering Services Gupta asked for Board approval contingent upon Illinois Environmental Protection Agency’s approval and receipt of an IEPA loan for the project.

It was moved by Trustee Carter and seconded by Trustee Drew to award the Sewer Spot Lining Project to National Power Rodding Corp. in the amount of $558,849.00, contingent upon Illinois Environmental Protection Agency’s approval and receipt of an IEPA loan for the project.

On roll call, the vote was 5 – 0 with all Trustees present voting "Aye". Motion declared carried.

3. Sewer Chemical Sealing.

Director of Engineering Services Gupta provided background information regarding the Sewer Chemical Sealing Project, stating this is a rebid of the project which originally was bid in August, 2018 in combination with other types of sewer rehabilitation work. The initial sole bid submitted by National Power Rodding for the combined sewer rehabilitation project was rejected and the project separated into four individual specialized sewer rehabilitation projects. Director of Engineering Services Gupta stated that National Power Rodding Corp. of Chicago, IL is the only bidder submitting a bid for the Sewer Chemical Lining Project in the amount of $1,749,433.92. Director of Engineering Services Gupta stated that the higher than budgeted bid price reflects the difficulty in accessing the various sites to perform the work, as National Power Rodding has indicated the difficult site access results in additional mobilization, staging and manpower, and requires the use of specialized equipment. Director of Engineering Services Gupta asked for Board approval contingent upon Illinois Environmental Protection Agency’s approval and receipt of an IEPA loan for the project.

It was moved by Trustee Carter and seconded by Trustee Drew to award the Sewer Chemical Sealing Project to National Power Rodding Corp. in the amount of $1,749,433.92, contingent upon Illinois Environmental Protection Agency’s approval and receipt of an IEPA loan for the project.

On roll call, the vote was 5 – 0 with all Trustees present voting "Aye". Motion declared carried.


Director of Engineering Services Gupta provided background information regarding the Manhole Repairs Project, stating this is a rebid of the project which originally was bid in August, 2018 in combination with other types of sewer rehabilitation work. The initial sole bid submitted by National Power Rodding for the combined sewer rehabilitation project was rejected and the project separated into four individual specialized sewer rehabilitation projects. Director of Engineering Services Gupta stated that the bid submitted by RMS Utility Services was determined to be non-responsive as they did not properly comply with the DBE requirements as part of the IEPA SRF loan program. Since there was such a large gap in price between the two bids that were submitted, rebidding the project would likely result in a lower project cost. It was also proposed that the project be removed from consideration as a SRF loan candidate, given the likelihood that a rebid would result in prices that would not require SRF loan funding. Director of Engineering Services Gupta recommended that both bids be rejected and the project be rebid and that no SRF loan be sought for the project.

It was moved by Trustee Drew and seconded by Trustee Young to reject all bids for the Manhole Repairs Project and to rebid the Project without seeking a SRF loan.
On roll call, the vote was 5 – 0 with all Trustees present voting "Aye". Motion declared carried.

5. Scum Screen & Compactor Installation at Clavey Road & Waukegan WRFs.

Director of Engineering Services Gupta provided background information regarding the Scum Screen & Compactor Installation at Clavey Road & Waukegan WRFs, stating that the Scum System Rehabilitation project was originally initiated in 2012, however frequent plugging of the scum system installed at the Gurnee WRF with rags and debris resulted in the project being halted until fine bar screens could be installed at all three plants. Director of Engineering Services Gupta stated that Boller Construction Company of Waukegan, IL is the low responsive, responsible bidder in the amount of $228,000.00 and recommended approval of this bid.

It was moved by Trustee Swarthout and seconded by Trustee Young to award the Scum Screen & Compactor Installation at Clavey Road & Waukegan WRFs to Boller Construction Company in the amount of $228,000.00.

On roll call, the vote was 5 – 0 with all Trustees present voting "Aye". Motion declared carried.


Director of Engineering Services Gupta stated the Services Agreement for Operation, Maintenance and Management between the District and Veolia requires that Veolia provide services to dispose of untreated biosolids that cannot be processed by the BRF to a disposal site with which the District has an agreement for disposal and further requires that the District directly pay for these costs provided that such disposal is not the result of Veolia’s negligence or willful misconduct. The District currently has no long term disposal agreement in place with any landfill to provide these services, only interim short term agreements in place with several landfills.

The intent of the Procurement Documents for the Landfill Disposal of Biosolids was to facilitate the District entering into long term five year agreements with a municipal landfill or multiple landfills to provide services for the alternative disposal of untreated biosolids during periods when the Biosolids Recycling Facility cannot process the material and to provide services for the alternative disposal of granulate during periods when the material cannot be beneficially reused. The landfills utilized by the District for the disposal of biosolids frequently impose restrictions on the number of loads and sources of biosolids they will accept, thus it is critical that the District have multiple options available when the alternative disposal of biosolids is necessary. Accordingly the Procurement Documents for the Landfill Disposal of Biosolids were not structured nor intended to serve as a competitively-bid services contract with a single award, but rather as a mechanism to solicit proposals from multiple qualified landfills to provide the District with needed flexibility in the alternative disposal of biosolids by executing long term agreements with all qualified and responsive proposers.

Based upon the proposals received by the District, Director of Engineering Services Gupta recommends entering into separate five (5) year agreements with Advanced Disposal Services Emerald Park Landfill, LLC and Waste Management of Illinois, Inc. for the alternative acceptance and disposal of untreated biosolids generated at the District’s three water reclamation facilities during periods when the Biosolids Recycling Facility cannot process the material and for the alternative acceptance and disposal of granulate produced at the Biosolids Recycling Facility during periods when the material cannot be beneficially reused. Director of Engineering Services Gupta further recommends that the District enter into a five (5) year agreement with Advanced Disposal Services Zion Landfill, Inc. for the alternative acceptance and disposal of granulate produced at the Biosolids Recycling Facility during periods when the material cannot be beneficially reused. Staff intends to bring individual agreements with each landfill for the alternative disposal of biosolids and/or granulate to the Board for approval. Attorney Jackson affirmed that the courts have found that waste disposal is exempt from the bidding process. As such, there was no action required.

C. Bid Waiver Request.

1. BW-253, Interim Disposal of Untreated Biosolids.

Director of Engineering Services Gupta reiterated in accordance with the previous agenda item that the District has interim short term agreements in place with several landfills to provide services for the alternative disposal of untreated biosolids during periods when the Biosolids Recycling Facility cannot process the material and to provide services for the alternative disposal of granulate during periods when the material cannot be beneficially reused. This Bid Waiver facilitates the District to enter into a four month interim contract with Waste Management of Minnesota, Inc. for the disposal of untreated biosolids which cannot be processed by the Biosolids Recycling Facility (BRF) at two Waste Management landfills. Director of Engineering Services Gupta asked for Board approval.
It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Bid Waiver BW-253, Interim Disposal of Untreated Biosolids.

On roll call, the vote was 5 – 0 with all Trustees present voting "Aye”. Motion declared carried.

President Pierce excused himself momentary and asked Vice President Carter to chair the meeting in his absence. President Pierce later returned although Vice President Carter continued to chair the remainder of the meeting.

Director of Laboratory Services Robinson presented the Laboratory Division Report as follows:

A. Current Status of Significant Industrial Wastewater Violation(s) in the Service Area of the NSWRD.

Director of Laboratory Services Robinson reported that all facilities are in compliance and noted that the Significant Industrial Wastewater Violations Report for the period January 1, 2018 through March 31, 2019 had been published on May 4, 2019 in the Lake County News Sun.

Director of Laboratory Services Robinson then updated the Board on both the Commercial and the Industrial User Population Equivalent (PE) Audits as provided in the handout in the Board packet. Director of Laboratory Services Robinson reported that Eagle Foods executed a 12 month payment agreement and their first payment was received on April 15, 2019. Staff has discussed separating the Lake Bluff Shopping Plaza strip mall to clarify the monitoring and audit process. The District is planning on running trials this summer with the sugar waste from Pfanstiehl of Waukegan to determine if this waste will be a beneficial BOD source to enhance the District’s biological phosphorous removal processes. Little Lady Foods has completed its PE reduction actions. The District plans to complete an additional quarter of sampling after which it is anticipated they will be removed from the audit list.

Director of Laboratory Services Robinson then briefed the Board on the five entities found to be non-compliant as a result of the 2018 PE audit. Meetings either have been held or are being scheduled with each entity. The Popcorn Factory has installed credit meters on production water which is not discharged to the sewer. There was no action required.

There was no report by the Operations Division.

There was no report by the Technology Services Division.

Attorney Jackson presented the Attorney Report as follows:

Attorney Jackson updated the Board on the status of the lawsuit filed by Bolder Contractors, Inc. on April 18, 2019 over the F4 Forcemain Rehabilitation Project bid. Attorney Jackson reported that Bolder Contractors filed its Verified Complaint for Injunctive and Other Relief along with a Motion for Temporary Restraining Order requesting that the Court restrain the District from entering a contract with Berger Excavating, Inc. for the performance of the F4 Forcemain Rehabilitation Project. At the April 25, 2019 Preliminary Injunction Hearing, the Court denied Bolder’s Motion for Temporary Restraining Order, allowing the District to proceed with submittal of the bid package to IEPA for approval. IEPA indicated it will review the District’s bid package submittal, but will delay the loan award until the bid protest has been resolved. A discussion ensued regarding the need to explore other sources of funding to complete this project if the legal protest drags on and jeopardizes the IEPA loan. Staff indicated it will evaluate other potential sources of funding prior to the next Board meeting. There was no action required.

There was no Old Business.

Vice President Carter presented Other Business as follows:

A. Legislative Report.

President Pierce summarized the discussion regarding the District’s legislative initiates that had taken place during the President Report and noted that Lake County Board Chair Sandra Hart and Public Works, Planning and Transportation Committee Chair Bill Durkin will be touring the Gurnee WRF on May 22nd at 11:00 A.M.

There being no further business to come before the Board, on motion duly made, seconded and unanimously passed, the meeting was then adjourned until the next regular meeting to be held on Wednesday June 12, 2019 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex located in Gurnee, Illinois.