

July 11, 2012

Minutes of the Regular Meeting of the Board of Trustees of the North Shore Sanitary District held Wednesday, July 11, 2012 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:

John R. Paxton, Treasurer  
Tom Swarthout  
B. Sugar Young

President Pierce and Vice President Drew were absent.

Treasurer Paxton chaired the meeting in President Pierce's absence.

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.

Treasurer Paxton asked if there were any comments from the Public.

Mr. Gerald Kolar, who resides at 3641 Highland Avenue, Gurnee introduced himself. Mr. Kolar stated that shortly after the last Board meeting held on June 13, 2012 he had called and requested that Ordinance #337 be added to the Agenda for this meeting and inquired why it was not on the Agenda. General Manager Dorn replied that the Agenda is established by Management and the Board to conduct the business of the District. Since there is nothing for the Board to consider and act on regarding Annexation #337, there is no reason to list it as an Agenda item. General Manager Dorn stated Mr. Kolar could voice his concerns or complaints during the Public Comment portion of the meeting. Mr. Kolar read a prepared statement indicating that the North Shore Sanitary District is assessing an unfair tax to the residents of Gurnee included in this annexation who are not connected to the sewer system and who do not intend to connect. Mr. Kolar's statement listed the following demands.

- "#1 Rescind the 'NSSD' annexation ordinance #337.
- #2 The area was annexed to the NSSD without due process of law (Re: Illinois Compiled Statutes #70 2305/26).
- #3 We do not have the benefit of their services (the services are not available, no pipes, NOR WANTED). (Re: Illinois Compiled Statutes #70 2305/28 sec. 28(b)).
- #4 We, individually, and as a group do hereby request that (the tax) be removed.
- #5 Also, the taxes collected from the parcels be refunded to the owners of record on the date of passage of Ordinance #337.
- #6 Future taxes be abated til the parcels apply for annexing and connection permits to the system."

Attorney Jackson stated to Mr. Kolar that the statute of limitations for this matter was five years from the date of the annexation which meant action needed to be taken by 2003. Attorney Jackson stated to Mr. Kolar that the Attorney for the District in 1998, Murray Conzelman had discussed this issue with Mr. Kolar and had explained the legality of the annexation. Attorney Jackson also pointed out to Mr. Kolar that he has in fact received benefits from NSSD. In 2006 his septic tank was pumped out and because his property was within the District's service area the waste was accepted by the District. Mr. Kolar continued to state his case and accused the District of annexing more property than the Village of Gurnee had requested be annexed. Both Trustee Paxton and General Manager Dorn stated to Mr. Kolar that the District annexed exactly what was requested in the Plat of Annexation prepared and submitted by the Village of Gurnee. Mr. Kolar requested a copy of the Plat of Annexation. General Manager Dorn stated he would give Mr. Kolar a copy after the meeting. Mr. Kolar thanked the Board and Staff for their time.

Trustee Paxton presented the Consent Agenda, as follows:

- A. Approval of the Minutes of the Meeting held on June 13, 2012.

- B. Consideration of Bills.  
Wastewater Treatment Fund \$2,609,714.56  
Check Nos. 158324 through 158588.
- C. Financial Report, May 2012.
- D. Hearing Summary, June 12, 2012.
- E. 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 Young and seconded by Trustee Swarthout, that the items under the Consent Agenda be approved.

On roll call, the vote was 3 – 0 with all Trustees present voting "Aye". Motion declared carried.

Trustee Paxton presented the President Report as follows:

Trustee Paxton stated that as Treasurer of the North Shore Sanitary District and Acting Chairman of the meeting today, he felt obligated to the people the Board represents to respond to recent articles that have been published in the local newspapers and to set the record straight with the facts. Trustee Paxton then read a prepared statement regarding the articles written in the local papers and gave an overview of the facts regarding the Sludge Recycling Facility.

Trustee Swarthout commented that he was delighted that Trustee Paxton responded to all the erroneous articles written about the District. Trustee Swarthout stated he is disappointed that the District has to defend or respond to comments that are written anonymously, and published in the Lake County News-Sun. Trustee Swarthout further stated that anything that is written anonymously should not be published and does no justice to anyone. Trustee Young seconded Trustee Swarthout's comments.

There was no report requiring Board action by the Management Division.

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

- A. Presented 2012 Connection and Annexation Fee Determination Report and Ordinance Change.

## **ORDINANCE**

**BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE NORTH SHORE SANITARY DISTRICT THAT 'AN ORDINANCE ESTABLISHING THE FEES AND CHARGES OF THE NORTH SHORE SANITARY DISTRICT' BE AMENDED AS FOLLOWS:**

### **SECTION 2: CAPITAL RECOVERY FEES**

#### **2.1 ANNEXATION FEES**

As per an Ordinance Relating to Sewers and Sewer Systems, the following are the annexation fees for property to be annexed to the District. The fees will be calculated on the estimated population of the property to be served by the District, using the following schedule:

Each single-family dwelling sewer connection	\$1,360 per connection if annexed before 8/1/00
A condominium containing more than two bedrooms shall be considered a single family dwelling	\$1,508 per connection if annexed 8/1/00 - 8/31/02
	\$1,452 per connection if annexed 9/1/02 - 8/31/03
	\$1,820 per connection if annexed 9/1/03 - 8/31/04
	\$1,824 per connection if annexed 9/1/04 - 8/31/05
	\$1,728 per connection if annexed 9/1/05 - 8/31/06
	\$2,068 per connection if annexed 9/1/06 - 8/31/07
	\$2,004 per connection if annexed 9/1/07 - 8/31/08
	\$1,944 per connection if annexed 9/1/08 - 8/31/09
	\$1,880 per connection if annexed 9/1/09 - 8/31/10
	\$1,860 per connection if annexed 9/1/10 - 8/31/11
	\$1,796 per connection if annexed 9/1/11 - 8/31/12
	\$1,744 per connection if annexed after 8/31/12

Each two-bedroom dwelling unit of a multiple family structure	\$1,020 per connection if annexed before 8/1/00
	\$1,131 per connection if annexed 8/1/00 - 8/31/02
	\$1,089 per connection if annexed 9/1/02 - 8/31/03
	\$1,365 per connection if annexed 9/1/03 - 8/31/04
	\$1,368 per connection if annexed 9/1/04 - 8/31/05
	\$1,296 per connection if annexed 9/1/05 - 8/31/06
	\$1,551 per connection if annexed 9/1/06 - 8/31/07
	\$1,503 per connection if annexed 9/1/07 - 8/31/08
	\$1,458 per connection if annexed 9/1/08 - 8/31/09
	\$1,410 per connection if annexed 9/1/09 - 8/31/10
	\$1,395 per connection if annexed 9/1/10 - 8/31/11
	\$1,347 per connection if annexed 9/1/11 - 8/31/12
	\$1,308 per connection if annexed after 8/31/12

Each one-bedroom, efficiency single room dwelling unit of a multiple family structure or condominium	\$680 per connection if annexed before 8/1/00
	\$754 per connection if annexed 8/1/00 - 8/31/02
	\$726 per connection if annexed 9/1/02 - 8/31/03
	\$910 per connection if annexed 9/1/03 - 8/31/04
	\$912 per connection if annexed 9/1/04 - 8/31/05
	\$864 per connection if annexed 9/1/05 - 8/31/06
	\$1,034 per connection if annexed 9/1/06 - 8/31/07
	\$1,002 per connection if annexed 9/1/07 - 8/31/08
	\$972 per connection if annexed 9/1/08 - 8/31/09
	\$940 per connection if annexed 9/1/09 - 8/31/10
	\$930 per connection if annexed 9/1/10 - 8/31/11
	\$898 per connection if annexed 9/1/11 - 8/31/12
	\$872 per connection if annexed after 8/31/12

Each industrial or commercial connection for each population equivalent	\$340 per PE with 4 PE minimum if annexed before 8/1/00
	\$377 per PE with 4 PE minimum if annexed 8/1/00 - 8/31/02
	\$363 per PE with 4 PE minimum if annexed 9/1/02 - 8/31/03
	\$455 per PE with 4 PE minimum if annexed 9/1/03 - 8/31/04
	\$456 per PE with 4 PE minimum if annexed 9/1/04 - 8/31/05
	\$432 per PE with 4 PE minimum if annexed 9/1/05 - 8/31/06
	\$517 per PE with 4 PE minimum if annexed 9/1/06 - 8/31/07
	\$501 per PE with 4 PE minimum if annexed 9/1/07 - 8/31/08
	\$486 per PE with 4 PE minimum if annexed 9/1/08 - 8/31/09
	\$470 per PE with 4 PE minimum if annexed 9/1/09 - 8/31/10
	\$465 per PE with 4 PE minimum if annexed 9/1/10 - 8/31/11
	\$449 per PE with 4 PE minimum if annexed 9/1/11 - 8/31/12
	\$436 per PE with 4 PE minimum if annexed after 8/31/12

## **2.2 FAIR CAPITAL CONTRIBUTION FEES**

As per an Ordinance Relating to Sewers and Sewer Systems, all property which was at any time exempt from *ad valorem* real estate taxes but becomes subject to said real estate taxes or any property obtained by another entity not required to be assessed ad valorem taxes shall pay the following fair capital contribution fees as a capital contribution to the plants and facilities of the North Shore Sanitary District:

Each single-family dwelling sewer connection A condominium containing more than two bedrooms shall be considered a single family dwelling	\$1,360 per connection if annexed before 8/1/00
	\$1,508 per connection if annexed 8/1/00 - 8/31/02
	\$1,452 per connection if annexed 9/1/02 - 8/31/03
	\$1,820 per connection if annexed 9/1/03 - 8/31/04
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	\$1,944 per connection if annexed 9/1/08 - 8/31/09
	\$1,880 per connection if annexed 9/1/09 - 8/31/10
	\$1,860 per connection if annexed 9/1/10 - 8/31/11
	\$1,796 per connection if annexed 9/1/11 - 8/31/12
	\$1,744 per connection if annexed after 8/31/12

Each two-bedroom dwelling unit of a multiple family structure	\$1,020 per connection if annexed before 8/1/00
	\$1,131 per connection if annexed 8/1/00 - 8/31/02
	\$1,089 per connection if annexed 9/1/02 - 8/31/03
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	\$1,395 per connection if annexed 9/1/10 - 8/31/11
	\$1,347 per connection if annexed 9/1/11 - 8/31/12
	\$1,308 per connection if annexed after 8/31/12
Each one-bedroom, efficiency single room dwelling unit of a multiple family structure or condominium	\$680 per connection if annexed before 8/1/00
	\$754 per connection if annexed 8/1/00 - 8/31/02
	\$726 per connection if annexed 9/1/02 - 8/31/03
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	\$930 per connection if annexed 9/1/10 - 8/31/11
	\$898 per connection if annexed 9/1/11 - 8/31/12
	\$872 per connection if annexed after 8/31/12
Each industrial or commercial connection for each population equivalent	\$340 per PE with 4 PE minimum if annexed before 8/1/00
	\$377 per PE with 4 PE minimum if annexed 8/1/00 - 8/31/02
	\$363 per PE with 4 PE minimum if annexed 9/1/02 - 8/31/03
	\$455 per PE with 4 PE minimum if annexed 9/1/03 - 8/31/04
	\$456 per PE with 4 PE minimum if annexed 9/1/04 - 8/31/05
	\$432 per PE with 4 PE minimum if annexed 9/1/05 - 8/31/06
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	\$486 per PE with 4 PE minimum if annexed 9/1/08 - 8/31/09
	\$470 per PE with 4 PE minimum if annexed 9/1/09 - 8/31/10
	\$465 per PE with 4 PE minimum if annexed 9/1/10 - 8/31/11
	\$449 per PE with 4 PE minimum if annexed 9/1/11 - 8/31/12
	\$436 per PE with 4 PE minimum if annexed after 8/31/12

### **2.3 SANITARY SEWER CONNECTION PERMIT FEES**

As per an Ordinance Relating to Sewers and Sewer Systems, the following are the fees to be charged for sanitary sewer connection permits:

Each single-family dwelling sewer connection	\$1,968 per connection
Each two-bedroom dwelling unit of a multiple family structure	\$1,476 per unit
Each one-bedroom, efficiency single room dwelling unit of a multiple family structure or condominium	\$984 per unit
Each industrial or commercial connection for each population equivalent	\$492 per PE with 4 PE minimum

**SECTION 5.3** This ordinance shall be in full force and effect following its passage, approval, and publication as provided by law or on September 1, 2012, whichever date is later.

Assistant General Manager Miller stated that this evaluation is performed every year. The District has utilized this methodology to establish connection and annexation fees since 1990. The 2012 report results in a net decrease in both the District's Capital Recovery Fee and Lake County's Capital Recovery Fee. Assistant General Manager Miller stated the proposed new rates will be implemented with an effective date of September 1, 2012 and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve the 2012 Connection and Annexation Fee Determination Report and Ordinance Change as presented.

On roll call, the vote was 3 – 0 with all Trustees present voting "Aye". Motion declared carried.

- B. Presented Allied Benefit Systems Changes to NSSD Benefit Plan.
  - 1. Advocate Strategies Program.

Assistant General Manager Miller reported that the Board had previously approved Allied Benefit Systems' recommendation to adopt the Advocate Strategies Program on April 11, 2012. Assistant General Manager Miller stated that Allied has revised the Advocate Strategies Program recommendations with lower limits than originally presented. Assistant General Manager Miller stated that Allied has assured the District that this should not cause any problems for any of the plan participants and that Allied will resolve any issues that may arise. Assistant General Manager Miller asked for Board approval of the Advocate Strategies Program Plan document, including the revised limits.

It was moved by Trustee Young and seconded by Trustee Swarthout to approve Allied Benefit Systems Changes to NSSD Benefit Plan – Advocate Strategies Program as presented.

On roll call, the vote was 3 – 0 with all Trustees present voting "Aye". Motion declared carried.

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

- A. Presented Bid Summary.
  - 1. FY 2013 Concrete Repair Project at Gurnee STP, Reject Only Bid.

Director of Engineering Services Gupta stated that the single bid for this project came in much higher than the budgeted amount. Director of Engineering Services Gupta's recommendation is rejection of the only bid and to rebid the project, and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve Rejection of only Bid for FY 2013 Concrete Repair Project at Gurnee STP.

On roll call, the vote was 3 – 0 with all Trustees present voting "Aye". Motion declared carried.

- B. Presented Pre-Annexation Agreement.
  - 1. No. 453, Submitted by Ram Saladi, for approximately 2.5 acres for residential use located immediately north of Half Day Road and ¾ miles east of Waukegan Road, in the City of Highland Park.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve Pre-Annexation Agreement No 453, Submitted by Ram Saladi, for approximately 2.5 acres for residential use located immediately north of Half Day Road and ¾ miles east of Waukegan Road, in the City of Highland Park.

On roll call, the vote was 3 – 0 with all Trustees present voting "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 that all industries are in compliance.

Director of Laboratory Services Robinson then updated the Board on the Industrial User Population Equivalent (PE) Audit. The status of two facilities (American Blending and Popcorn Factory) remains open. American Blending is now using recyclable totes for their operation which has dropped their BOD loadings considerably and in mid July a new baseline will be established for them. The Popcorn Factory of Lake Bluff was sent a payment contract letter at the end of June and monitoring continues on them.

Director of Laboratory Services Robinson then gave an update regarding the Commercial User PE Audit. The status of nine users remains open. Director of Laboratory Services Robinson stated that Dunkin Donuts of Highland Park was sent a final notification letter on June 26, 2012. Adventure Inn of Gurnee has been non-responsive which leaves staff with no other alternative except to initiate the termination process.

Director of Laboratory Services Robinson then gave an update regarding Strip Malls. After concluding an audit on the strip malls, it appears that approximately 30% of the strip malls are out of compliance with their permitted PE loadings. Director of Laboratory Services Robinson stated he did not have a final report and planned on having a final report prepared for the August meeting. These items were all informational only with no action required.

Trustee Swarthout commented that he is very involved with Lake Forest Hospital which is undergoing a large expansion including relocating their facilities at the existing site, and he would like to address the District's permitting requirements early in the process.

There was no report requiring Board action by the Operations Division.

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

A. Presented Bid Waiver Requests.

1. BW-207, Billing and Financial Systems Computer Server, \$31,981.62.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve Bid Waiver Request, BW-207, Billing and Financial Systems Computer Server in the amount of \$31,981.62.

On roll call, the vote was 3 – 0 with all Trustees present voting "Aye". Motion declared carried.

2. BW-208, Cogsdale Billing Software License & Support Contract, \$50,697.92.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve Bid Waiver Request, BW-208, Cogsdale Billing Software License & Support Contract in the amount of \$50,697.92.

On roll call, the vote was 3 – 0 with all Trustees present voting "Aye". Motion declared carried.

There was no report requiring Board action by Attorney Gregory Jackson.

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, August 8, 2012 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