

August 11, 2010

Minutes of the Regular Meeting of the Board of Trustees of the North Shore Sanitary District held Wednesday, August 11, 2010 at 9:30 AM. at the District Office of the Raymond E. Anderson Complex located in Gurnee, Illinois.

The meeting was opened with the Pledge of Allegiance.

On roll call, the following Trustees were present:

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

Staff members present were General Manager Brian Dorn, Assistant General Manager Dave Miller, Attorney Greg Jackson, Director of Engineering Services Jai Gupta, Director of Laboratory Services Joe Robinson, Director of Operations Gary Sowma and Director of Technology Services Pete Russo.

There were no comments from the public.

President Pierce presented the Consent Agenda, as follows:

- A. Approval of the Minutes of the Meeting held on July 14, 2010.
- B. Consideration of Bills.  
Wastewater Treatment Fund \$1,457,642.43  
Check Nos. 150163 through 150167, Check Nos. 150223 through 150520,  
Check Nos. 150523 through 150596.
- C. Euro Payment for Andritz Purchase Order #18555.
- D. Financial Report, June 2010.
- E. Hearing Summary, July 13, 2010.
- F. 2<sup>nd</sup> Quarter 2010 Worker's Compensation Claim Update.
- G. Electrical Work at Sludge Recycling Facility.
- 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.

It was moved by Trustee Paxton 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 commended District Staff, General Manager Brian Dorn, Clavey Road STP Personnel, the Board and all Operations Staff of the District because no discharges of untreated sewage and zero infiltration of raw sewage into Lake Michigan occurred during the recent heavy storms. President Pierce stated this is a great effort by all involved.

President Pierce stated that he attended the Annual NACWA Summer Conference in San Francisco. President Pierce stated he would like to present to General Manager Brian Dorn the awards that he had graciously accepted at the conference on behalf of the North Shore Sanitary District. President Pierce presented the following awards to General Manager Dorn.

- 2009 NACWA Peak Performance Gold Award - Gurnee STP.
- 2009 NACWA Peak Performance Platinum 7 Award – Clavey Rd STP for 7 Consecutive Years of Permit Compliance.
- 2009 NACWA Peak Performance Platinum 6 Award – Waukegan STP for 6 Consecutive Years of Permit Compliance.

President Pierce stated that earning this achievement takes hard work and all involved should be congratulated on a great job. General Manager Dorn stated that he would like to congratulate Gary Sowma and the Operations Staff, Engineering Services, Laboratory Services and Technology Services, including all the employees who made this achievement happen.

General Manager Dorn presented the Management Report as follows:

- A. Presented Agreement between North Shore Sanitary District and Service Employees' Local No. 73 for the period from May 1, 2010 through April 30, 2015.

General Manager Dorn stated that Management's Negotiating Team, represented by Trustee Swarthout and Trustee Paxton, along with himself, Assistant General Manager Miller and Attorney Chuck Freeman had met several times with the Union Representatives to negotiate a new Agreement. General Manager Dorn stated that he felt all parties were well represented and that both sides had a good team. General Manager Dorn stated that the Union had already ratified the contract and that it would be retroactive to May 1, 2010. Trustee Swarthout commented that Trustee Paxton did a great job with the negotiations. Trustee Drew stated that everyone had done a great job to achieve a five year contract. General Manager Dorn asked for Board approval of this Agreement.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve the Agreement between North Shore Sanitary District and Service Employees' Local No. 73 for the period from May 1, 2010 through April 30, 2015.

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

- B. Presented Engineering Agreements.
  1. Donohue & Associates, Inc., Scum System Modifications for the Clavey Road, Gurnee and Waukegan STPs, \$225,605.00.

General Manager gave a brief overview of this project which is to evaluate and design systems for scum collection and removal at all three STP's. The existing scum collection and removal systems are obsolete and at the end of their useful lives.

President Pierce stated that he felt there is no reason to pay Donohue & Associates this amount of money to design a system for our plants that Donohue & Associates is already familiar with. President Pierce stated this Agreement is one-sided and he does not agree with it at all. A discussion followed.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Engineering Agreement, Donohue & Associates, Inc., Scum System Modifications for the Clavey Road, Gurnee and Waukegan STPs, in the not to exceed amount of \$225,605.00.

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

2. Donohue & Associates, Inc., Clavey Road STP Anaerobic Digestion Evaluation, \$110,620.00.

General Manager Dorn gave a brief overview of this project and stated its purpose is to evaluate the cost-benefit of anaerobic digestion improvements that remedy age-related deficiencies and enhance performance, and recommend a cost-effective solids strategy for the Clavey Road STP that is consistent with the current District-wide solids handling, treatment, and disposal scheme.

President Pierce questioned whether this Agreement was to evaluate or design the project. Trustee Swarthout commented that he had been on-site at the Clavey Road STP and that there is a big problem with the Digesters. He felt this Engineering Agreement is very important to approve to take care of the problem. President Pierce stated he did not agree. General Manager Dorn asked for Board approval of this Agreement.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to approve Engineering Agreement, Donohue & Associates, Inc., Clavey Road STP Anaerobic Digestion Evaluation, in the not to exceed amount of \$110,620.00.

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

3. Donohue & Associates, Inc., Clavey Road STP Excess Flow Facility Traveling Bridge Evaluation, \$37,545.00.

General Manager Dorn stated the purpose of this project is to evaluate cost-benefits of remedying age-related deficiencies in the traveling bridges, enhance performance, and recommend a cost-effective presedimentation tank cleaning strategy for the Clavey Road STP excess flow facility. General Manager Dorn asked for Board approval of this Agreement.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Engineering Agreement, Donohue & Associates, Inc., Clavey Road STP Excess Flow Facility Traveling Bridge Evaluation, in the not to exceed amount of \$37,545.00.

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

4. Donohue & Associates, Inc., Upper Skokie Valley Pump Station (PS5) Odor Control Improvements, \$56,005.00.

General Manager Dorn reported that there is currently no odor control system in place at the Upper Skokie Valley Pump Station (PS5). The District currently contracts with a firm to inject a nitrate solution at the upstream North Chicago Pumping Station (PS4) for odor control. Pending regulations will require the District to remove nutrients at its plants including nitrates. This will result in odors at PS5 if the nitrate solution is removed at PS4 to lessen the impact of nutrient loadings tributary to the Gurnee STP. President Pierce inquired if we have received the current regulations on this. General Manager Dorn stated that he had met with the IEPA several months back where it was discussed that regulations regarding nutrients are forthcoming, although it was not known when. President Pierce questioned why NSSD couldn't wait until these regulations come out before moving forward with this project. General Manager Dorn stated that the District was trying to be proactive and cited the odor control system at the Gurnee STP. He noted that users of the Forest Preserve park near this pump station and there have been complaints in the past of the smell. General Manager Dorn also stated that the construction portion of this project would still have to come before the Board for approval. The Board could then decide whether or not to proceed with the construction of the project. More discussion followed. Trustee Drew stated he agreed with Trustee Pierce that this project could be put on hold until nutrient regulations were in place.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to approve Engineering Agreement, Donohue & Associates, Inc., Upper Skokie Valley Pump Station (PS5) Odor Control Improvements, in the not to exceed amount of \$56,005.00.

On roll call, three Trustees present voted "Aye". Two Trustees voted "Nay". Motion declared carried.

5. Donohue & Associates, Inc., Miscellaneous FY11 Capital Improvements Projects, \$95,340.00.

General Manager Dorn gave an overview of this project which consists of 3 tasks.

- Clavey Road STP Struvite Study and Thickened Sludge Piping Revisions;
- Lake Bluff Pump Station Generator Screen Wall;
- Polymer Study at the Gurnee, Clavey Road and Waukegan STPs.

President Pierce questioned General Manager Dorn on the Polymer Study and asked if we had not already done this evaluation before. General Manager Dorn responded that the District has always evaluated polymers as part of the polymer bid process. Historically when the District has disposed of its sewage by mixing it with fly ash and landfilling the material, the effectiveness of the polymer in dewatering the sludge wasn't as important a consideration as it is now that the material is being dried prior to disposal. Therefore,

a more thorough evaluation of the District's polymers is warranted due to the huge impact moisture content of the sludge has upon the dryer operations. Trustee Swarthout commented that he felt the second task involving the generator is very important so that there is no failure resulting in the discharge of raw sewage to Lake Michigan. A discussion ensued with President Pierce stating that all these Engineering Agreements totaled over half a million dollars and that he does not agree with any of them and is glad that he has voted No on all of them.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Engineering Agreement, Donohue & Associates, Inc., Miscellaneous FY11 Capital Improvements Projects, in the not to exceed amount of \$95,340.00.

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

Trustee Swarthout commented that the reason behind all of these projects and contracts is to stay ahead of the game and have plans in place before emergency situations develop. Trustee Swarthout stated that is how the District has achieved all these awards by staying proactive and on top of things.

C. Presented Engineering Agreement Amendments.

1. Rezek, Henry Meisenheimer and Gende, Inc., Surge Tank Lining at North Chicago, Upper Skokie Valley, Lake Bluff, Lake Forest and Cary Avenue Pump Stations, Contract Amendment No. 1, Increase of \$31,489.00.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Engineering Agreement Contract Amendment No. 1, Rezek, Henry Meisenheimer and Gende, Inc., Surge Tank Lining at North Chicago, Upper Skokie Valley, Lake Bluff, Lake Forest and Cary Avenue Pump Stations, an Increase of \$31,489.00.

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

2. Rezek, Henry, Meisenheimer and Gende, Inc., Gurnee Building 410 Hypochlorite Tank Replacement and Gurnee Building 240 Access Platform, Contract Amendment No. 2, Increase of \$19,755.00.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Engineering Agreement Contract Amendment No. 2, Rezek, Henry Meisenheimer and Gende, Inc., Gurnee Building 410 Hypochlorite Tank Replacement and Gurnee Building 240 Access Platform, an Increase of \$19,755.00.

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

3. Elara, Gurnee Administration Building HVAC Repairs Phase I, Contract Amendment No. 2, Increase of \$2,370.00.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Engineering Agreement Contract Amendment No. 2, Elara, Gurnee Administration Building HVAC Repairs Phase I, an Increase of \$2,370.00.

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

4. Donohue & Associates, Inc., Sludge Drying System Improvements, Contract Amendment No. 2, Increase of \$13,160.00.

General Manager Dorn gave a brief overview on this Contract Amendment stating that its purpose is to design a Progressive Cavity Pump System to be added to the Sludge Drying System Direct Feed System. President Pierce commented that \$50 million was spent on a Sludge Recycling Facility that is being disassembled and sold and now more money is being spent on the Sludge Recycling System. Trustee Swarthout pointed out to Trustee Pierce that this Amendment was for the Dryer system which is running very well. Brian Jensen of Donohue & Associates was present and explained that the drying system was

being run at 120% above its rated capacity. A discussion ensued regarding the Dryer's capabilities and how it is operated.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve Engineering Agreement Contract Amendment No. 2, Donohue & Associates, Inc., Sludge Drying System Improvements, an Increase of \$13,160.00.

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

5. AECOM, Inc., Services Agreement for Hydrogeological Consulting Services at NSSD Zion Township Landfill, Contract Amendment No. 8, Increase of \$10,000.00.

A discussion took place regarding the elevated groundwater chloride concentration associated with many of the outstanding landfill permit issues and the hard stance taken by the IEPA Bureau of Land in identifying the source of this chloride. It has always been suspected that road salt has been the source of the elevated groundwater chloride.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Engineering Agreement Contract Amendment No. 8, AECOM, Inc., Services Agreement for Hydrogeological Consulting Services at NSSD Zion Township Landfill, an Increase of \$10,000.00.

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

D. Presented Salvage and Disposal of Surplus Equipment at Sludge Recycling Facility.

General Manager Dorn stated that as shown by the memorandum included in the Board packet the District has categorized the equipment and associated subsystems that will be salvaged or disposed. The purpose of the memorandum is to document the procedures and methodology to be used consistently in the sale of decommissioned salvaged equipment to 3<sup>rd</sup> party vendors. President Pierce questioned if we had the original cost of the equipment. General Manager Dorn stated that he did not have that figure. Attorney Greg Jackson stated that it was important that a procedure be followed and utilized consistently for the disposal of all salvaged equipment by sale to 3<sup>rd</sup> party vendors to ensure that the District's return on the equipment is maximized. General Manager Dorn stated that a monthly report will be submitted to the Board of Trustees prior to the sale of any equipment. No equipment will be sold or discarded until approved by the Board. There was no action required at this time.

Before proceeding to the Administration Division Report, President Pierce noted that there is a special guest present at the meeting. President Pierce introduced State Representative Rita Mayfield who is the successor of the late Representative Eddie Washington, one of the District's former Trustees.

Representative Mayfield introduced herself and stated that she has an office at 415 Washington Street, Suite 203 in Waukegan. Representative Mayfield stated that she is a public servant, having served on the Waukegan School Board for many years. Representative Mayfield indicated that she is a numbers person, is for the little man and is looking forward to working in Springfield. Trustee Drew commented that if Representative Mayfield could survive the Waukegan School Board that she will do well in Springfield.

President Pierce stated that the District is looking forward to working with her and noted that the North Shore Sanitary District is independent of other municipalities and is governed by its own Legislative Act. President Pierce stated that after the meeting Representative Mayfield would be given a tour of the District's facilities to better understand what North Shore Sanitary District is all about.

Representative Mayfield thanked the Board and Staff for the invitation.

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

- A. Presented Naval Station Great Lakes Contract Modification P00016.

Assistant General Manager Miller gave a brief overview of the current Contract modification with the Navy. Assistant General Manager Miller stated that Contract Modification P00016 requires the Navy to pay \$3.5 million of its required reimbursement immediately upon execution of the Contract Modification and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Naval Station Great Lakes Contract Modification P00016.

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

B. Presented Personnel Policy Revisions.

1. Policy 144.2 – Compensation - Paychecks and Paydays.
2. Policy 148.1 – Employee Information.
3. Policy 150.1 – Group Insurance Plans.
4. Policy 150.2 – Short-Term Medical Leave (STML).
5. Policy 151.3 - Military Leave.
6. Policy 151.4 – Leaves of Absence not Covered by the Family and Medical Leave Act of 1993.
7. Policy 151.6 – Medical and Family Leaves of Absence as defined under the Family and Medical Leave Act of 1993.

Assistant General Manager Miller stated that these Policy Revisions are all reflective changes due to the new Bargaining Unit Agreement which requires that all Bargaining Unit personnel hired in the future will pay 17.5% of the cost of health and dental insurance. To provide a consistent and equal policy for Non-Bargaining Unit personnel, these policy revisions are needed and require Board approval.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Personnel Policy Revisions as listed above.

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

C. Presented Revised Employee Assistance Program Services Provider Agreement.

Assistant General Manager Miller stated that due to an error in notification to the current Employee Assistance Program (EAP) Provider, the District is requesting that Allied Benefit Systems postpone providing EAP services to the District until September 1, 2010. Plan documents from Allied were originally approved by the Board in July with an August 1<sup>st</sup> start date. Assistant General Manager Miller asked for Board approval of this revised Agreement.

It was moved by Trustee Drew and seconded by Trustee Swarthout to approve the Revised Employee Assistance Program Services Provider Agreement.

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

D. Presented Bid Summary.

1. Bid No. 1323, (1) New 2010 or 2011 1 Ton Pickup Truck – Badger Truck Center, \$32,649.62; (1) New 2010 or 2011 Compact Pickup Truck – Badger Truck Center, \$16,886.55; (3) New 2010 or 2011 Small Pickup Trucks – Rock River Ford, Inc., \$44,529.00.

Trustee Paxton commented that he noticed the bid specifications contained power windows in the vehicles and wondered if that option is really a necessity. Trustee Swarthout commented that power windows will be more costly to fix. Trustee Paxton stated that it would probably be more costly to re-bid excluding that item than to accept the bid recommendation as is. Trustee Paxton stated that it is something to consider for future bids.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to approve Bid No. 1323, (1) New 2010 or 2011 1 Ton Pickup Truck – Badger Truck Center, \$32,649.62; (1) New 2010 or 2011 Compact

Pickup Truck – Badger Truck Center, \$16,886.55; (3) New 2010 or 2011 Small Pickup Trucks – Rock River Ford, Inc., \$44,529.00.

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

- E. Presented Request for Reduction of User Charge Fees.
  - 1. Consuelo Perales, 2918 18<sup>th</sup> Place, North Chicago.

Assistant General Manager Miller gave a brief overview of the situation and stated that evidence was provided that the water did not enter the sewer. He recommended a credit of \$47.56 and asked for Board approval.

It was moved by Trustee Paxton and seconded by Trustee Drew to approve Request for Reduction of User Charge Fees to Consuelo Perales, 2918 18<sup>th</sup> Place, North Chicago.

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

There was no report requiring Board action for the Engineering Services Division.

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 there are no Significant Industrial Users in non-compliance at this time. However, Director of Laboratory Services Robinson stated he would like to update the Board on three industries from last month.

The first industry, Emergent Industries was issued violations and penalties for notification failure and for a late submittal of a Discharge Control Document Application. The District was contacted by Emergent on June 22, 2010 who reported that the manufacturing operations have ceased at the site and that the process equipment would be removed from the site for potential sale. Director of Laboratory Services Robinson stated that the Compliance Department followed up and checked two locations, one in North Point Industrial Park and the other on the lakefront and both facilities were found empty. No fines or fees have been paid at this time.

The second industry is American Blending and Filling who is currently discharging 50% above their permitted population equivalent (PE) and thus owes the District approximately \$1.5 million in connection fees. American Blending and Filling has retained Environmental Solutions Incorporated to perform an effluent wastewater study which will facilitate the design and installation of a pretreatment system capable of complying with the District’s effluent limits as well as reducing the BOD loadings which are currently subject to additional connection permitting fees.

Lastly, the Great Lakes Remediation project which has started has not yet discharged into the sanitary sewer and they are looking to find a place for the sand which is a result of the harbor dredging. Director of Laboratory Services Robinson stated that due to the ammonia concentration, the water that is being taken out with the dredged material cannot be returned to the lake. President Pierce questioned the fact that the water containing ammonia is being taken separated from the dredged material but it cannot be put back into the lake? Director of Laboratory Services Robinson responded that is correct.

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

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

- A. Presented Bid Waiver Requests.
  - 1. Revised BW-191, Microsoft Office 2007 Licenses, \$33,533.00.

Director of Technology Services Russo reported that this item was originally approved at the July 14, 2010 meeting. Since that time the price had increased requiring a revision to the Bid Waiver and Board approval of this revision.

It was moved by Trustee Swarthout and seconded by Trustee Paxton to approve Revised Bid Waiver, BW-191 for Microsoft Office 2007 Licenses, in the amount of \$33,533.00.

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

B. Presented Bid Summary.

1. Bid No. 1321, Repair of Ideal Motor – L&S Electric, Inc., Additional Repairs, \$27,950.

Director of Technology Services Russo reported that the bid was originally approved at the April 14, 2010 Board meeting, and that additional repairs has been approved at the June 9, 2010 Board meeting. Following these repairs, testing of the motor's iron core failed, requiring that the core be replaced. This amounts to an additional repair cost of \$27,950, bringing the total repair cost to \$59,465. The cost of a new motor by comparison is approximately \$200,000.

It was moved by Trustee Drew and seconded by Trustee Paxton to approve Bid No. 1321, Repair of Ideal Motor, L&S Electric, Inc., Additional Repairs in the amount of \$27,950.00.

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

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. Personnel.
  1. Compensation – Union & Non-Union.
  2. Staffing.
- B. Imminent 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.

It was moved by Trustee Paxton and seconded by Trustee Swarthout to authorize General Manger Dorn to create three training positions contemplating future retirements.

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

It was moved by Trustee Drew and seconded by Trustee Swarthout to approve annual pay increases for Non-Bargaining Unit Personnel.

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

It was moved by Trustee Paxton and seconded by Trustee Drew to amend the General Manager and Assistant General Manager's Contracts to reflect compensation changes.

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 adjourned until the next regular meeting to be held on Wednesday, September 8, 2010 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex in Gurnee.



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PRESIDENT

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SECRETARY