September 12, 2018

Minutes of the Regular Meeting of the Board of Trustees of the North Shore Water Reclamation District held Wednesday, September 12, 2018 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
B. Sugar Young, Treasurer
Preston P. Carter
Tom 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 August 8, 2018.
B. Approval of the Minutes of the Executive Session held on August 8, 2018.
C. Consideration of Bills.
   Wastewater Treatment Fund $1,505,911.38
   Check No. 182068 through 182218, Check No. 182220 through 182302.
   Void Check No. 182219.
E. Orders to Terminate Service.
F. Annexation Ordinance.
   1. No. 474, Submitted by Nicholas Nicketakis, for approximately 0.88 acres located in the City of Waukegan.
G. Construction Change Order.
   1. C.O. No. 9, Clavey Road WRF Aeration System Modifications, Joseph J. Henderson & Son, Inc.
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 Swarthout and seconded by Trustee Carter that the items under the Consent Agenda be approved.

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

Attorney Jackson requested that the August 8, 2018 Board minutes be amended to correct an error under Other Business, Item A. Probable Litigation, Item No. 1 Agreement for Sewage Disposal with County of Lake. He noted that the minutes were incorrect and should be amended to read that the Board took no action concerning the County of Lake.

It was moved by Trustee Swarthout and seconded by Trustee Carter that the original motion and vote to approve the Consent Agenda be retracted and that the amended August 8, 2018 Board minutes be approved as recommended along with all other items listed under the Consent Agenda.

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 stated he would defer his report to the Foxconn matter listed under Other Business on the Agenda.

There was no Trustee Report given.
Before presenting the Management Report Executive Director Dorn presented Director of Operations Connelly with the 2017 NACWA Peak Performance Awards achieved by all three District water reclamation facilities. Executive Director Dorn stated that compliance with the high standards required to achieve these awards is a result of the dedication, hard work and diligence of the employees of the District in operating and maintaining its facilities. Both the Clavey Road WRF and Gurnee WRF were awarded Gold awards signifying 100% NPDES permit compliance during the 2017 calendar year. The Waukegan WRF was awarded a Silver award for experiencing only one permit violation during the 2017 calendar year. Director of Operations Connelly thanked Executive Director Dorn and stated that earning these awards is a result of a collaborative effort between all divisions including Administration, Engineering Services, Laboratory Services and Technology Services in addition to the Operations Division. Director of Operations Connelly noted that the single permit violation at the Waukegan WRF in 2017 was due to the impacts of major construction taking place at the facility at the time of the violation.

Executive Director Dorn presented the Management Report as follows:

A. Gurnee Industrial Interceptor Sewer Replacement.

Executive Director Dorn stated the Board approved an Emergency Authorization Request in September, 2017 for the emergency repair of the Gurnee Industrial Interceptor Sewer. The request was approved up to the District’s statutory limit of $350,000; however the cost of the repair has exceeded this emergency cap amount. Campanella & Sons, Inc. has previously invoiced the District $439,821.65 for the repair work, including Payment No. 4 which was approved by the Board at the April 11, 2018 meeting in the amount of $238,900.04. Campanella has submitted its final invoice for site restoration in the amount of $44,972.62, bringing the total project cost of the emergency repair to $484,794.27.

Executive Director Dorn suggested that the District consider pursuing legislation to raise its emergency cap limit from $350,000 to $500,000, citing the cost of this emergency repair as well as the expected cost of emergency sewer repairs recently completed in Zion which are also expected to exceed the District’s statutory emergency cap limit. Trustee Swarthout asked how the Metropolitan Water Reclamation District of Greater Chicago administers emergency expenditures in light of the recent explosion at one of their facilities that destroyed a building. Executive Director Dorn indicated they likely also exceed their emergency cap in situations involving significant expenditures to address an emergency. A discussion ensued regarding the District’s bid threshold and emergency authorization threshold.

Executive Director Dorn asked for Board approval of the final payment to Campanella & Sons, Inc. in the amount of $44,972.62, bringing the final total cost of repairs to $484,794.27.

It was moved by Trustee Drew and seconded by Trustee Swarthout to approve the Gurnee Industrial Interceptor Sewer Replacement, Campanella & Sons, Inc. Payment Authorization in the amount of $44,972.62.

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. Postage/Mail Meter Lease Agreement.

Deputy Executive Director Miller stated the District’s billing has been outsourced but all other mail sent by the District must be weighed, stamped and mailed. The postage/mail meter currently utilized by the District is 15 to 20 years old and has worn out due to its age. The District has two options which are to either buy a new machine or lease a machine. Deputy Executive Director Miller stated there are only two companies authorized by the United States Postal Service who can provide a postage/mail meter machine. Both companies provided competitive quotes to lease with the lowest cost submitted by Pitney Bowes for a Pitney Bowes SendPro P1500 postage/mail meter for a 60 month lease term at $305.00 per month. Deputy Executive Director Miller recommended Board approval to lease the Pitney Bowes Sendpro P1500 postage/mail meter for a 60 month lease term at $305.00 per month.

It was moved by Trustee Young and seconded by Trustee Carter to approve the agreement to lease the Pitney Bowes Sendpro P1500 postage/mail meter for a 60 month lease term at $305.00 per month.

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

B. Bid Waiver Request.
    1. BW-248, Purchasing, Lab & Electrical Supervisor Vehicle Replacements.
Deputy Executive Director Miller stated that the FY19 Capital Replacement budget included replacement of three District vehicles which consist of Purchasing, Lab and Electrical Supervisor cargo vans. Deputy Executive Director Miller stated the District has been utilizing the services of the Illinois Joint Purchasing Contract for vehicle purchases and has found that costs are considerably lower than purchasing similar vehicles from local vendors. Trustee Carter asked if the District has considered leasing vehicles instead of purchasing them. Deputy Executive Director Miller replied that the mileage would not be an issue but the overall wear and tear of the vehicles may prohibit leasing vehicles. Executive Director Dorn noted that the District will typically customize a vehicle and install aftermarket equipment depending on the vehicle’s specific use which may not be allowed if the vehicle is leased. Deputy Executive Director Miller added that the District transports chemicals, wastewater samples and other materials which may make leasing prohibitive. Deputy Executive Director Miller stated he would evaluate the feasibility of leasing versus purchasing vehicles in the future. Deputy Executive Director Miller recommended Board approval of Bid Waiver BW-248, Purchasing, Lab & Electrical Supervisor Vehicle Replacements.

It was moved by Trustee Carter and seconded by Trustee Swarthout to approve Bid Waiver BW-248, Purchasing, Lab & Electrical Supervisor Vehicle Replacements.

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.

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 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 the IDOT improvements are being performed in two phases. The initial Phase I work involves the construction of a new stormwater pumping station along with the installation of a 36-inch and 54-inch gravity storm sewer along Rockland Road. Phase II involves intersection improvements and the installation of a 24-inch gravity storm sewer along US 41. Phase I work is scheduled to be bid in 2019 with construction starting in 2020, while Phase II work is in preliminary design with no identified funding year. Director of Engineering Services Gupta stated that Manhard Consulting, Ltd. will provide preliminary and final engineering services to relocate the F6 forcemain in conjunction with both IDOT phases and will coordinate the work with major stakeholders that will be affected by the relocation. Phase II work will involve additional coordination with private property owners. Regulatory and wetland permitting will be completed for the Phase I relocation along with bidding services. Permitting and bidding services will not be provided for the Phase II relocation at this time as IDOT’s schedule for implementation of Phase II is not known. No construction-related services are included in Manhard’s agreement. Trustee Swarthout asked why IDOT is not required to pay for the cost of the forcemain relocation. Executive Director Dorn replied that the District is responsible to relocate its forcemain since the pipe is located in IDOT’s Right of Way, and noted that the District is able to route the forcemain discharge to the Skokie Interceptor located east of the project site during construction, thereby avoiding the significant expense of bypass pumping. Executive Director Dorn stated the District plans to bid the Phase I relocation work in May 2019 so that the work can be completed before IDOT starts their Phase I work. Director of Engineering Services Gupta recommended approval of the Engineering Agreement with Manhard Consulting, Ltd. for the F6 Force Main Relocation Project in the not to exceed amount of $87,500.00.

It was moved by Trustee Carter and seconded by Trustee Young that the Engineering Agreement with Manhard Consulting, Ltd. for the F6 Force Main Relocation Project in the not to exceed amount of $87,500.00 be approved.

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

B. Engineering Agreement Amendment.

Director of Engineering Services Gupta provided background information regarding the Aeration Improvements Application Engineering project and noted that this Amendment is strictly for additional programming that wasn’t included in the original Aeration Improvements programming projects. Director of Engineering Services Gupta stated additional programming of an existing 1st Stage Blower to serve as a backup variable speed device is required at the Clavey Road WRF while programming of the existing blower being relocated by the District at the Gurnee WRF is required. Donohue has the expertise to integrate this additional programming into the programming it performed for the aeration systems at both facilities. Director of Engineering Services Gupta recommended
approval of Contract Amendment No. 1, Donohue & Associates, Inc., Aeration Improvements Application Engineering in the not to exceed amount of $15,540.00 and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Drew to approve Contract Amendment No. 1, Donohue & Associates, Inc., Aeration Improvements Application Engineering in the not to exceed amount of $15,540.00.

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

C. Bid Summary.
   1. FY19 Maintenance Building & Process Automation Building Window Replacement Project at the Waukegan WRF.

Director of Engineering Services Gupta provided background information regarding the FY19 Maintenance Building & Process Automation Building Window Replacement Project at the Waukegan WRF, stating this project includes replacing 7 sliding windows in the Maintenance Building along with 4 windows in the Process Automation Building for a total base amount of $85,890.00. A supplemental bid item consisting of installing a window in the Base Shop Clerk’s office in the amount of $3,167.99 is also recommended for approval. Trustee Drew questioned the cost of this project considering the small number of windows being replaced. Director of Engineering Services Gupta replied that these are banks of windows and not individual windows. Director of Engineering Services Gupta stated that Manusos General Contracting of Fox Lake, IL is the low responsive, responsible bidder meeting specifications for the proposed project and asked for Board approval of the FY19 Maintenance & Process Automation Building Window Replacements Project at the Waukegan WRF in the amount of $85,890.00.

It was moved by Trustee Carter and seconded by Trustee Young to award the FY19 Maintenance Building & Process Automation Building Window Replacement Project at the Waukegan WRF to Manusos General Contracting of Fox Lake, IL in the amount of $85,890.00.

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

Director of Engineering Services Gupta also recommended approval of the supplemental bid item submitted by Manusos General Contracting of Fox Lake, IL. for the FY19 Maintenance Building & Process Automation Building Window Replacement Project at the Waukegan WRF in the amount of $3,167.00.

It was moved by Trustee Carter and seconded by Trustee Drew to award the supplemental bid item to Manusos General Contracting of Fox Lake, IL. for the FY19 Maintenance Building & Process Automation Building Window Replacement Project at the Waukegan WRF in the amount of $3,167.00.

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

D. Construction Change Order.
   1. C.O. No. 8, Gurnee WRF Aeration System Modifications, Path Construction Co.

Director of Engineering Services Gupta provided background information regarding C.O. No. 8, Gurnee WRF Aeration System Modifications which reflects an increase in the contract price of $5,368.00. Director of Engineering Services Gupta summarized the two items included in the Change Order and described in the handout in the Board packet. Director of Engineering Services Gupta asked for Board approval of the Change Order as presented.

It was moved by Trustee Swarthout and seconded by Trustee Young that C.O. No. 8, Gurnee WRF Aeration System Modifications, Path Construction Co. be approved in the amount of $5,368.00.

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

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 American Blending of Waukegan was issued an Administrative Violation and $500 penalty for failure to submit a semi-annual report by the due date. 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...
noted that Cornfields of Waukegan had submitted its permit application package and that the District had signed off on the IEPA permit application and is waiting for the IEPA to approve the permit. Following this, the District can process a Transferable PE permit with Cornfields. Director of Laboratory Services Robinson also noted that Kalle Corporation of Gurnee had submitted its permit application package to Lake County Public Works for signature and that Lake County Public Works is requiring a connection fee in the amount of $111,670, which Kalle is disputing. This is a matter between Kalle and Lake County to resolve and the District is keeping a hands-off approach. Director of Laboratory Services Robinson then discussed Little Lady Foods in Gurnee who has made changes in its operations resulting in a substantial reduction in PE. As a result, Staff recommends that two additional quarters of data be collected to establish a revised baseline PE. There was no action required.

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

A. Bid Summary.
   1. Bid No. 1398, Preventive Maintenance on Waukesha Generators.

Director of Operations Connelly stated that the Purchasing Department recommends awarding a five-year contract for Bid No. 1398, Preventive Maintenance on Waukesha Generators to Charles Equipment Energy Systems, being the lowest responsive bidder meeting bid specifications. Director of Operations Connelly noted that Charles Equipment Energy Systems has performed service on the NSWRD’s Waukesha Generators in the past, has provided quality work and is a reliable vendor and asked for Board approval of Bid No. 1398, Preventive Maintenance on Waukesha Generators in the amount of $91,676.00. Trustee Swarthout asked if this contract includes the PS6 automatic transfer switch which failed on Labor Day. Director of Operation Connelly replied that this contract only applies to the District’s natural gas-powered generators at the three water reclamation facilities, PS5 and PS7.

It was moved by Trustee Drew and seconded by Trustee Young to award Bid No. 1398, Preventive Maintenance on Waukesha Generators to Charles Equipment Energy Systems for a five-year contract in the amount of $91,676.00.

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

There was no report by the Technology Services Division.

Attorney Jackson presented the Attorney Report as follows:

A. Probable Litigation.
   1. Agreement for Sewage Disposal with County of Lake.

Attorney Jackson stated that this matter could be discussed in open session. Attorney Jackson stated that a Letter of Agreement was provided to the Board for review summarizing the matters discussed and agreed by the County of Lake’s Attorney and the District’s Attorney. The Letter of Agreement provides that the County agrees to pay the District $58,238.50 in full settlement of the amounts in dispute and provides that the District provide 180 days’ notice to the County of a rate change. Attorney Jackson commented it would be his recommendation that the Board approve this Letter of Agreement and authorize Executive Director Dorn to execute it. Trustee Young asked if this will end this dispute for good. Attorney Jackson replied that it would. President Pierce thanked Attorney Jackson for resolving this issue and reaching an agreement between the NSWRD and County of Lake.

It was moved by Trustee Swarthout and seconded by Trustee Carter to approve the Letter of Agreement for Sewage Disposal with the County of Lake as presented and authorize Executive Director Dorn to execute the Letter of Agreement.

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

2. Vitrification Decommissioning Project - U.S. Specialty Insurance Co.

Attorney Jackson provided background information regarding the Vitrification Decommissioning Project, stating that DeNovo Constructors, Inc., the original contractor, had defaulted on its contract which was terminated for cause in April, 2016. A Takeover Agreement was executed with U.S. Specialty Insurance Company, DeNovo’s surety in May, 2016. Issues then arose regarding delays in contract completion by U.S. Specialty Insurance Co. Attorney Jackson stated there is probable litigation with U.S. Specialty Insurance Co. which needs to be discussed in Executive Session.

It was moved by Trustee Young and seconded by Trustee Carter to move to Executive Session to discuss:
A. Probable Litigation.

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

It was moved by Trustee Young and seconded by Trustee Carter to end the Executive Session and resume the Regular Meeting.

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

On roll call, the following Trustees were present:
   Daniel M. Pierce, President
   Stephen J. Drew, Vice President
   B. Sugar Young, Treasurer
   Preston P. Carter
   Tom Swarthout

There was no Old Business.

President Pierce presented Other Business as follows:

A. Resolution Supporting Enforcement of Environmental Regulations Related to Foxconn Development.

President Pierce stated the item of concern is Foxconn’s development of a large manufacturing facility on approximately 1,400 acres of rural land in Racine County wherein the State of Wisconsin is waiving environmental regulations which could result in increased flooding of the Des Plaines River in Illinois, potentially impacting the District’s Gurnee WRF. President Pierce stated that passing this Resolution demonstrates the District’s support, with other local entities, of the enforcement of environmental regulations related to the Foxconn Development. President Pierce stated that the District is not critical of the project but is concerned of the potential flooding impact on the District’s Gurnee WRF and he feels Foxconn needs to be made aware of this. Trustee Swarthout congratulated President Pierce on moving forward with this but indicated that he did not feel that passing this Resolution will have any impact on the regulation of this facility which is outside the jurisdiction of the District and the State of Illinois. Trustee Swarthout stated he felt the Foxconn development is a great opportunity for economic growth for both the States of Illinois and Wisconsin and therefore he does not support passing this Resolution. Trustee Swarthout discussed the decline of business and lack of new development in Lake County and views this as a large problem and concern. Jane Kaplan, the District’s Public Relations Consultant, asked President Pierce how the Resolution should be used once it is passed. President Pierce indicated he would like to publish a press release letting the public know of the District’s support of the enforcement of environmental regulations related to Foxconn and that the Resolution should be sent to other Government Agencies and to Foxconn itself.

It was moved by Trustee Carter and seconded by Trustee Young to approve the Resolution Supporting Enforcement of Environmental Regulations Related to Foxconn Development.

On roll call, the vote was 4 – 1 with Trustees Carter, Young, Drew and Pierce voting "Aye". Trustee Swarthout voted “Nay”. Motion declared carried.

RESOLUTION

WHEREAS, the State of Wisconsin recently passed legislation waiving environmental regulations for and providing various incentives to Foxconn/ Upstream Development (Foxconn/ Upstream) for the construction of manufacturing facilities within Racine County along the Wisconsin-Illinois border in the headwaters of the Des Plaines River; and

WHEREAS, the action allows Foxconn/ Upstream to fill 26 acres of wetlands with dredged materials without an Environmental Impact Study, or input from the U.S. Army Corps of Engineers at a site that is in the headwaters of the Des Plaines River, resulting in detrimental impacts upon the people of and properties within a downstream Lake County area that has already suffered billions of dollars in damage from flooding; and

WHEREAS, additional development and infrastructure improvements required to support Foxconn are likely to result in additional impervious pavement and filling of more wetlands; and
WHEREAS, the actions to fast track the Foxconn/Upstream development will unilaterally impose negative impacts outside the political and geographical boundaries of Wisconsin; and

WHEREAS, the North Shore Water Reclamation District’s Gurnee Water Reclamation Facility is located adjacent to the Des Plaines River, and the potential detrimental impacts of flooding upon District facilities will adversely affect the environment and jeopardize public health and safety.

NOW, THEREFORE IT BE RESOLVED BY THE BOARD OF TRUSTEES OF THE NORTH SHORE WATER RECLAMATION DISTRICT, this 12th day of September, 2018, that:

1. The North Shore Water Reclamation District urges its neighbors and counterparts in the State of Wisconsin to immediately reconsider any actions relative to the Foxconn/Upstream Development that waive enforcement of or compliance with all applicable regulations and laws which could compromise the environmental integrity and resiliency of natural resources to the detriment of the people and property in Lake County;

2. With regard to the Foxconn/Upstream project and any and all future development projects upstream of Lake County, we urge our local and state counterparts in Wisconsin and federal agency counterparts to uniformly apply and enforce all applicable regulations and laws as written without any exemptions, waivers or variances to ensure negative impacts are not imposed on the residents of downstream Lake County;

3. We support the Illinois Attorney General, Illinois General Assembly and Illinois agencies in taking whatever actions possible to protect Lake County and the State of Illinois against the loss of water resources, potential flooding, and other ecological impacts from this development; and

4. We support coordination and cooperation between the appropriate political and professional leaders in both Illinois and Wisconsin with the jurisdiction over and/or interest in the Foxconn development in Racine County, Wisconsin.

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, October 10, 2018 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex located in Gurnee, Illinois.

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PRESIDENT

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SECRETARY