

February 9, 2022

Minutes of the Regular Meeting of the Board of Trustees of the North Shore Water Reclamation District held Wednesday, February 9, 2022 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.

Stephen J. Drew, President
Rhoda A. Pierce, Vice President
B. Sugar Young, Treasurer
Preston P. Carter
Thomas Swarthout

Staff members present were Executive Director Dave Miller, Attorney Greg Jackson, Director of Engineering and Special Projects Steve Waters, Director of Laboratory and Environmental Compliance Chuck Bodden, Director of Operations Igor Filipovich and Director of Technology Services Bill Jackewicz. Also present, was John Norris, Government Affairs Representative.

There was no Public Comment.

Before approving the Consent Agenda President Drew stated Trustee Young had received an award and wanted to recognize her for her achievement. Trustee Young was awarded the 20th Annual Martin Luther King Jr. Dreamers Day Certificate. The Certificate read “This Certificate is presented to Drum Major Beverly “Sugar” Young – North Shore Water Reclamation District. This is in recognition of all her hard work. Trustee Young commented that she wanted to Thank Marc Jones, Waukegan Township Supervisor and Park Place for this recognition and was very grateful to receive this. Trustee Young quoted Rev. Dr. Martin Luther King Jr. who stated “We are not makers of history, we are made by history” – Know your History, Know your Future. A round of applause was given for Trustee Young for her hard work and recognition.

Secondly, President Drew stated there was a service recognition to be presented and asked Executive Director Miller to present this. Executive Director Miller stated Mary Jo Bryant, District Secretary, was being recognized for 45 years of service, which is quite an achievement. Executive Director Miller gave a brief summary of Secretary Bryant’s work history at the District and presented her with a 45 Year Service Award and a gold coin.

President Drew presented the Consent Agenda as follows:

- A. Approval of the Minutes of the Meeting held on January 12, 2022.
- B. Consideration of Bills.
Wastewater Treatment Fund \$2,880,191.68
Check No. 191848 through 191868, Check No. 191875 through 192029.
Void Check No. 191869 through 191874.
- C. Financial Report, December, 2021.
 1. IEPA State Revolving Fund Loan Summary.
- D. Identity Theft Prevention Program Annual Report.
- E. Permit Application Revisions.
 1. Single Family Residential Sewer Connection.
 2. Multiple-Family Residential Sewer Connection.
 3. Non-Residential Sewer Connection.
 4. Non-Residential Transferable Population Equivalent.
 5. Sanitary Sewer Extension.
- F. Change Orders.
 1. C.O. No. 2, Check Valve Replacement at the Cary Avenue Pumping Station (PS-8), Lee Plumbing Mechanical Contractors, Inc.
 2. C.O. No. 4, Sludge Cake Conveyor Replacement at Waukegan WRF, Boller Construction Company, Inc.
- G. Authorize Payroll and Finance Department to issue District checks to meet expenses where necessary for payroll and to avoid interest and/or penalties before the next Board Meeting.

It was moved by Trustee Swarthout and seconded by Trustee Young that the Consent Agenda be approved as presented.

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

There was no President Report.

President Drew asked if there was any Trustee Report.

Trustee Pierce stated that the press release published stating the overall good financial status of the District was well received. Trustee Pierce thanked Trustee Swarthout, Executive Director Miller and Jane Kaplan for their work in achieving this.

Executive Director Miller presented the Management Report as follows:

- A. Financing of Lake Bluff Basin Project
 - 1. Engagement of Bond Underwriter, Bernardi Securities, Inc.
 - i. Risk Disclosure Pursuant to MSRB Rule G-17.
 - ii. Financing Timeline.

Trustee Carter stated he wanted to table this item.

Trustee Swarthout asked Trustee Carter the reason for wanting to table this item. Trustee Carter stated his reasons and concerns and wanted to make sure that the entire Board was fully satisfied and comfortable with this decision. A discussion ensued. Trustee Swarthout pointed out the many benefits of this project and felt that delays could cost the District money. President Drew stated that the construction of this basin was the right thing to do for protection from upsets/spills and power outages, giving the District a cushion in the event of one of these issues arise. Executive Director Miller gave a brief history of the District's experience with force mains over the years and the need to have a back-up plan in place for any pipe breaks or repairs. Trustee Pierce asked Trustee Carter if the explanations given were sufficient in easing his concerns. Trustee Swarthout stated that the Board should move forward with the vote on whether to table this item.

It was moved by Trustee Carter and seconded by Trustee Young to Table Financing of Lake Bluff Basin Project until next meeting.

On roll call, the vote was 2 – 3 with Trustees Carter and Young, voting "Aye". Trustees Swarthout, Pierce and Drew voted "Nay". Motion failed.

- 1. Engagement of Bond Underwriter, Bernardi Securities, Inc.

Executive Director Miller presented the Engagement of Bond Underwriter, Bernardi Securities, Inc. for the Lake Bluff Basin Project. The contract serves as the underwriter's authorization to structure and underwrite the bonds in connection with a public offering of the \$10 M in bond. It was mentioned that the Authorizing Bond Ordinance must be published for at least 30 days before the Issuing Bond Ordinance may be acted upon. Attorney Jackson suggested that the March meeting be continued or moved back a week in order to accommodate the tasks at hand without having to call a special meeting. It was noted and Staff would evaluate this before the next meeting and possibly move the March meeting to March 16, 2022 or continue the March 9, 2022 meeting.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve the Engagement of Bond Underwriter, Bernardi Securities, Inc.

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

- i. Risk Disclosure Pursuant to MSRB Rule G-17.

Executive Director Miller presented the Risk Disclosure Pursuant to MSRB Rule G-17 which is recommended and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Pierce to approve the Risk Disclosure Pursuant to MSRB Rule G-17.

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

ii. Financing Timeline.

Executive Director Miller presented the third item which is the Financing Timeline associated with the Lake Bluff Basin project and stated that there is no action required and is for informational purpose only.

2. Engagement of Bond Counsel and Disclosure Counsel, Chapman & Cutler.

Executive Director Miller stated that a requirement to move forward with securing this loan is to engage with legal counsel and disclosure counsel which would be provided by Chapman & Cutler who were recommended and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Young to approve the Engagement of Bond Counsel and Disclosure Counsel with Chapman & Cutler.

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

3. Authorizing Bond Ordinance.

- i. Consideration of An Ordinance Authorizing the Issuance of Revenue Bonds in an Amount Not to Exceed \$10,000,000 for the Purpose of Financing Improvements to the Wastewater System of the District.

Executive Director Miller stated that Consideration of An Ordinance Authorizing the Issuance of Revenue Bonds in an Amount Not to Exceed \$10,000,000 for the Purpose of Financing Improvements to the Wastewater System of the District is also a requirement to move forward with the bond process and asked for Board approval.

It was moved by Trustee Swarthout and seconded by Trustee Pierce to approve the Consideration of An Ordinance Authorizing the Issuance of Revenue Bonds in an Amount Not to Exceed \$10,000,000 for the Purpose of Financing Improvements to the Wastewater System of the District.

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

Trustee Swarthout thanked everyone for their consideration of this loan approval.

Mr. Bernardi of Bernardi Securities, Inc. thanked the Board for the opportunity to provide this service to the District.

B. Coronavirus Response Update.

1. Temporary Emergency Covid Protocols for User Charge Customers.
 - i. Expiration of Moratoriums on Terminations and Liens.
 - ii. Extension of 24-Month Deferred Payment Agreements.

Executive Director Miller stated that for the last two years the District has adhered to moratoriums on terminations and liens, thereby lessening the economic hardship faced by many of its user charge customers during the Covid-19 pandemic. Executive Director Miller stated it is recommended that each of the temporary moratoriums on service terminations and filing of liens be allowed to expire and asked for approval.

It was moved by Trustee Pierce and seconded by Trustee Young that Expiration of the Moratoriums on Terminations and Liens be approved.

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

- iii. Temporary Extension of 24-Month Deferred Payment Agreements through 06/30/2022.

Executive Director Miller stated that the number of customers eligible for shut-off has expanded greatly during Covid. Executive Director Miller stated it thereby further recommended that the 24-month payment agreement authority, previously granted by the Board through 12/31/2021, be extended through the first 6 months of 2022 to provide any user charge customers needing financial assistance with an opportunity to get back on track and avoid termination of service. Executive Director Miller stated that shut-offs would be starting again in April 2022 and that customers receiving termination notices would be encouraged to pay what they could and would be offered up to a 24-month payment agreement for the balance. Executive Director Miller asked for Board approval of the extension of 24-month Deferred Payment Agreements through 06/30/2022.

It was moved by Trustee Pierce and seconded by Trustee Young that the Temporary Extension of 24-Month Deferred Payment Agreements through 06/30/2022 be approved.

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

2. Over the Counter Covid Test Reimbursement.

Executive Director Miller stated that Allied Benefits has confirmed that pursuant to federal guidelines, at home Covid-19 test kits purchased on or after January 15, 2022 will be eligible for reimbursement. No Board action is required.

C. IDNR Proposed Acquisition of District Property.

1. Abandoned Winthrop Harbor Sewage Treatment Plant.

Executive Director Miller stated that the Illinois Department of Natural Resources had contacted the District about acquiring two parcels of property located at the Illinois Beach State Park. It was determined at the September 8, 2021 Board meeting the District is not using that property and the property would be available for acquisition. The IDNR ordered title documents and an appraisal of the property, which is provided in the Board packet. The appraisal is for \$26,000 for 10 acres of property that will never be utilized by the District since it is part of the abandoned Winthrop Harbor Sewage Treatment Plant dating back to early 1970's when the District converted lakefront treatment plants to pump stations. Executive Director Miller stated the IDNR would like to know whether the District will accept this offer, reject this offer or counter this offer. Staff's recommendation is that this property is of no use to the District but rather, more of a liability, and staff recommends the District accept the offer. The Trustees agreed that it would be best to accept this offer and move forward. Attorney Jackson stated that a contract or agreement would need to be brought to the Board for approval to move forward with the acquisition of this property. Executive Director Miller stated he would contact the IDNR and let them know the District is accepting their offer and will keep the Board updated.

D. FY 2022 NACWA Dues.

Executive Director Miller stated the District has been a dues paying member of NACWA for 30 or more years. NACWA represents public wastewater agencies and stormwater agencies in legislative, regulatory and legal advocacy. Executive Director Miller stated the Charleston class action wipes settlement circumvented NACWA and impacted the entire public wastewater community which, unfortunately, had no representation or voice in the outcome of the lawsuit. Staff has expressed its concerns with this process to NACWA, that made no public comment and took no position on this settlement. Executive Director Miller stated that Staff's recommendation is to withdraw its FY 2022 Membership with NACWA and continue to monitor the association and re-evaluate whether to rejoin in 2023.

It was moved by Trustee Young and seconded by Trustee Carter to Withdraw its FY 2022 NACWA Membership Dues and re-evaluate re-joining at end of year.

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

Executive Director Miller presented the Administration Division Report as follows:

A. Navy Capital Project Reimbursement Under Contract N68950-94-C-9046.

1. Amendment P00020 for FY16 – FY 18.

Executive Director Miller stated that the Navy has finally agreed to reimburse the District for the Primary Tanks #1-4 Coatings Project at the Gurnee WRF. He recommended the Board approve Contract Modification P00020 for \$234,231.

It was moved by Trustee Carter and seconded by Trustee Young to approve Navy Capital Project Reimbursement Under Contract N68950-94-C-9046, Amendment P00020 for FY16-FY18.

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

Director of Engineering and Special Projects Waters presented the Engineering Division Report as follows:

A. Change Order.

1. C.O. No. 2, First Stage Aeration Piping – Gurnee WRF, Strand Associates, Inc.

Director of Engineering and Special Projects Waters stated that C.O. No. 2 is to complete modifications to four fixed pipe supports which were under-designed and require additional structural support. These modifications are on a time and material basis and will be completed by Helm Mechanical at a cost of \$43,702.06. Director of Engineering and Special Projects noted that the Engineer has taken responsibility for the structural under design and will reimburse the District for this cost. The C.O. for approval is to pay the contractor so that the District will get the one-year warranty. Director of Engineering and Special Projects recommends Board approval of C.O. No. 2.

It was moved by Trustee Carter and seconded by Trustee Swarhout to approve C.O. No. 2, First Stage Aeration Piping Gurnee WRF, Strand Associates in the amount of \$43,702.06.

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

Director of Laboratory and Environmental Compliance Bodden presented the Laboratory and Environmental Compliance Division Report.

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

Director of Laboratory and Environmental Compliance Bodden noted there were a couple of industries deemed in Significant Non-Compliance for daily exceedances. EMCO Chemical exceeded their daily maximum for Methylene Chloride during the April through September 2021 six-month compliance period. Eagle Foods exceeded their daily maximum for Total Phosphorus during the July through December 2021 six-month compliance period.

Director of Laboratory and Environmental Compliance Bodden commented on the PE Audit update that the District has made progress with Medline (Lakeside) and the District is reviewing Purpose Built's PE deficiency.

B. Phosphorus Permit Limit Progress Update.

Director of Laboratory and Environmental Compliance Bodden provided the Board with the monthly update on work and progress towards compliance with the upcoming effluent phosphorus permit limit of 1.0 mg/L. Director of Laboratory and Environmental Compliance Bodden commented that the final effluent phosphorus analyzer and temporary ferric chloride chemical system were installed in late January at the Clavey Road WRF.

There was no Operations Division Report.

There was no Technology Services Division Report.

There was no Attorney Report.

President Drew presented Other Business as follows:

A. Legislative Report.

John Norris, the District's Government Affairs Representative provided a legislative update. Mr. Norris indicated there are no changes to the report which was included in the Board packet and briefly talked about HB 4818 which

was a resurrection of HB 3190 focusing on “disposal by incineration of any perfluoroalkyl and polyfluoroalkyl substance, including but not limited to aqueous film forming foam” in Illinois. Mr. Norris indicated he was not sure this bill will pass in the next session. A discussion ensued. President Drew thanked Mr. Norris for his report.

Trustee Carter asked about the status of the loading of the sludge trucks at Waukegan. Director of Operations Filipovich responded that an emulsion system had been installed and that the loadings had gone down and more loads were being produced with more material and less time. Director of Operations noted that they are not certain if it is due to a change in the sludge or due to the change in polymer. Staff is evaluating the situation.

Director of Engineering and Special Projects Waters updated the Board on the Waukegan Belt Filter Press Rebuild project, noting that all parts have been ordered and once a delivery date is determined, Alfa Laval will schedule its on-site visit to rebuild each press.

There being no further business to come before the Board, it was moved by Trustee Swarthout and seconded by Trustee Carter to end the Meeting.

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

The meeting was then adjourned until the next regular meeting to be held on Wednesday, March 9, 2022 at 9:30 A.M. at the District Office of the Raymond E. Anderson Complex located in Gurnee, Illinois.

PRESIDENT

SECRETARY