

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Minutes
April 14, 2016
Meeting held at the Glenbard Wastewater Plant
21 W 551 Bemis Rd, Glen Ellyn, IL

Members Present:

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| Keith Giagnorio | President, Village of Lombard |
| Alex Demos | President, Village of Glen Ellyn |
| William Ware | Trustee, Village of Lombard |
| Dean Clark | Trustee, Village of Glen Ellyn |
| Mark Franz | Village Manager, Village of Glen Ellyn |
| Scott Niehaus | Village Manager, Village of Lombard |
| Julius Hansen | Public Works Director, Village of Glen Ellyn |
| Carl Goldsmith | Public Works Director, Village of Lombard |

Others Present:

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| Erik Lanphier | Executive Director, GWA |
| Matthew Streicher | Engineer/Assistant Director, GWA |
| Rick Freeman | Electrical Superintendent, GWA |
| Jay Dahlberg | Maintenance Superintendent, GWA |
| David Goodalis | Operations Superintendent, GWA |
| Laurie Frieders | Environmental Resources Coordinator, GWA |
| Christina Coyle | Finance Director, Village of Glen Ellyn |
| Tim Sexton | Finance Director, Village of Lombard |
| Ryan Matzen | Engineer, Black & Veatch |
| Gayle Lendabarker | Administrative Secretary, GWA |

1. Call to Order at 7:30 a.m.
2. Roll Call: President Giagnorio, President Demos, Trustee Ware, Trustee Clark, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Hansen answered "Present".
3. Pledge of Allegiance
4. Public Comment
5. Employee Recognition

Keith Giagnorio, EOC Chairperson and Lombard Village President, Presented GWA Team Member with the Safety and Compliance Milestones Award jackets.

The Authority has had remarkable environmental and safety compliance recognition during the calendar year 2015. The following are awards that have been presented to the Authority:

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- * Central States Water Environment Federation (CSWEA) - Operator and Plant of the Year 2015
- * CSWEA - George Burke Jr. Safety Award
- * National Association of Clean Water Agencies (NACWA) – Gold Peak Performance Award 2014 – Qualified and Applied for 2015
- * Applied for the National WEF Safety Award

Currently we are at 1152 consecutive days without a permit violation (current Authority record), and 1091 consecutive days without a lost time work injury. The significant milestone is 1000 days without a lost time work injury. The record for consecutive days without a lost time work injury is 1,680 which was set in October 2006. With this recognition comes hard work and dedication for providing a safe and reliable means to convey and treat *11.75 BILLION* gallons of wastewater during those same 1000 days.

6. Consent Agenda - The following items are considered to be routine by the Executive Oversight Committee and will be approved with a single vote in the form listed below:

Motion the EOC to approve the following items including Payroll and Vouchers for the Month of March totaling \$969,352.48. (Trustee Clark)

Mr. Ware motioned and Mr. Clark seconded the MOTION that the following items on the Consent Agenda be approved. President Giagnario, President Demos, Trustee Ware, Trustee Clark, Mr. Niehaus, Mr. Franz, Mr. Goldsmith, and Mr. Hansen responded “Aye” during a roll vote. The motion carried.

- 6.1 Executive Oversight Committee Meeting Minutes:
 - o March 10, 2016 EOC Meeting
- 6.2 Vouchers previously reviewed by Trustee Clark
 - o March 2015
- 6.3 Operations Database Purchase Request

The Authority has budgeted \$30,000 in the Capital Fund Infrastructure Improvements account for replacement of our existing Hach Wimms database. We have tried extensively to improve the database by paying for remote and onsite training, also by adding additional features such as NETDMR automatic reporting. The Authority is dissatisfied with the level of service provided to us by Hach pertaining to this database program. So much so that effective late 2015 we refused to pay for the maintenance and update support which costs the Authority approximately \$5,000 per year. This database has been in operation for an undisclosed amount of time and is due for upgrading to modern data servicing needs.

Based off of the research that has been compiled and the site visits that have been attended by the Superintendents, we collectively recommend that the Authority purchase the OpWorks software by OpWorks of Grand Forks, ND. GWA staff is making this recommendation based on the cloud system structure and ease of use particularly with worksheet design and end user inputting. The intent is to utilize the cloud base system to have reporting done by the operators completed in the field via a computer tablet of choice versus having to spending hours recording information on paper and then completing the data entry. This will enable the operators to maximize their time by not duplicating efforts.

The Authority requests the EOC waive competitive bidding ~~for a professional service agreement which is an authorized exception in the purchasing policy~~ (deleted per Mr. Franz's instructions) to approve the purchase of the OpWorks Software and associated installation and training from OpWorks of Grand Forks, ND for the not to exceed amount of \$23,050 to be invoiced to Capital Account 40-580140 Infrastructure Improvement.

7. Digester Cleaning Request for Approval
Presented by Operations Superintendent, David Goodalis

Every five years, the Operations Department is scheduled to do an inspection and cleaning of one of the two primary digesters. This year with the CHP project nearing completion we would like to clean and inspect both Digester number one (1) and number two (2).

Operations Superintendent David Goodalis requested proposals from four different companies capable of completing this work, unfortunately he received notification from two of the companies that they would not be able to bid the job as it is too small. The third company, Midwest Power Vac, provided a quote for the job but the quote has been deemed incomplete since they do not have the ability to haul and land apply the bio-solids they will be removing. The only complete proposal provided was provided by Stewart Spreading of Sheridan, IL.

The approved CY2016 budget provides an allocation of \$70,000 for the cleaning of both the digesters since digester number one (1) did not get completed last year. We are conservatively estimating the work to take 4 days for each Digester. Therefore, the Authority requests Stewart Spreading be awarded the contract for 8 days of work and 80,000 gallons of bio-solids to be hauled and land applied at an estimated cost of \$56,000.

Motion the EOC to waive competitive bidding for a professional service agreement which is an authorized exception in the purchasing policy to award Stewart Spreading of Sheridan, IL the Digester Cleaning project for the not to exceed amount of \$56,000 to be invoiced to Capital Account 40-580150 Plant Equipment Rehabilitation.

Mr. Goodalis advised the EOC Committee that every five (5) years, GWA has taken a digester out of service and performed a routine inspection and cleaning. Due to a number of other time consuming projects, this service was not performed in CY2015, therefore the intent is to have digesters #1 and #2 cleaned and inspected. Mr. Goodalis indicated that the project was budgeted for \$70,000 and that the Operations staff is taking on some of the work to help reduce costs and therefore, makes the recommendation to award Stewart Spreading the contract.

Mr. Niehaus asked if the project cost is \$56,000 as indicated in the request. Mr. Goodalis indicated that the amount of \$56,000 is an estimated cost and he did not anticipate the costs exceeding the estimates.

Mr. Niehaus asked about the service and past experiences with Stewart Spreading. Mr. Lanphier advised that Stewart Spreading has been working with GWA for ten years (10) years now and have performed up to expectations, especially when it comes to the trucks on Bemis Road. Mr. Lanphier added that while Midwest Power Vac could perform the work, they did not have means to apply or dispose of the contents without increasing costs substantially; whereas Stewart Spreading has the facilities and equipment to clean, haul and find a secondary use for the solids. Mr. Lanphier did indicate that while the project is estimated at \$56,000, and that if any unknown circumstances were encountered a change order would be requested.

Mr. Niehaus motioned and Mr. Clark seconded the MOTION to waive competitive bidding for a professional agreement which is an authorized exception in the purchasing policy to award Stewart Spreading of Sheridan, IL the Digester Cleaning project for the not to exceed amount of \$56,000 to be invoiced to Capital Account 40-58150 Plant Equipment Rehabilitation. President Giagnario, President Demos, Trustee Ware, Trustee Clark, Mr. Niehaus, Mr. Franz, Mr. Goldsmith, and Mr. Hansen responded "Aye" during a roll vote. The motion carried.

8. Facility Improvements Project Bid Award

The bid opening was held on March 22, 2016 with fourteen (14) attendees present. The Authority received seven bids ranging from a high of \$20,760,000 to the low bid of \$16,725,000. This bid was highly competitive with a difference of \$645,000 between the lowest and second lowest bidders. The low bidder's qualifications and requirements have been reviewed by Black & Veatch for any irregularities. At the time of this posting no irregularities have been found.

The design engineers Black & Veatch and the Authority recommend to the EOC to award Boller Construction Company of Waukegan, Illinois the Facility Improvement Project with a low bid amount of Sixteen Million Seven Hundred Twenty-Five Thousand dollars (\$16,725,000). This project is to be funded via the State Revolving Loan Fund at an interest rate of 1.86% for a term of twenty (20) years.

Motion the EOC to provide a Notice of Intent to award contingent upon IEPA approval to Boller Construction of Waukegan, IL for the low bid award for the 2016 Facility Improvements Project in the amount of \$16,725,000.

Motion the EOC to approve funding of the Facility Improvement Project via a 20 year IEPA SRF Loan with a fixed interest rate at 1.86%, and contractual understanding that payment will be made directly from the SRF loan.

Motion the EOC to Direct Staff to value engineer the Facility Improvements Project to provide a contingency fund in the 2% to 3% range.

Mr. Lanphier indicated that while the bid was a solid bid, it is \$725,000 over the budgeted amount of \$16,000,000. Mr. Lanphier explained that as this project will be funded through the IEPA's SRF loan program, they require the following of certain steps with the first being the "Notice of Intent to Award" the contract at the \$16,725,000 price, with the understanding that some discussions will take place in an effort to reduce the scope of work, without impacting any vital where possible to align with the budgeted \$16,000,000; then the Notice of Award followed by the Notice to Proceed, before the project can even get started.

Christina Coyle, Village of Glen Ellyn Finance Director, gave a short financial analysis of the funding for the project since the bid came in over the estimated budget as well as the estimated total costs of the loan through the IEPA. Ms. Coyle indicated that the estimated budget for the project was \$16,000,000 paid back over a fifteen (15) year loan at 2.3%; however, it was discovered that the IEPA no longer offered the fifteen (15) year option and the interest rate was lower, 1.86% than expected so while having to make payment for five (5) years longer than budgeted and the interest over the life of the loan will be less, so the project is still viable financially for the Authority to sustain as the annual budgeted loan payments of \$1,260,000 will be slightly over \$1,000,000. Ms. Coyle also indicated that the GWA can prepay on the principal without incurring any penalties.

Mr. Demos asked if it would be possible to keep and make the budgeted \$1,260,000 loan payments and pay the loan off earlier. Ms. Coyle indicated that can be done, however it needs to be done with the understanding that following that thought process would be binding all future EOC Committees to continue on the same payment plan.

Mr. Franz indicated that with the cost of the money and lower interest rate, sticking with a twenty (20) year repayment plan is his preferred thought process and being able to afford future capital expenditures such as phosphorus removal. Ms. Coyle offered an option that in the years when there is an O&M operating surplus that the surplus be used as an additional principal payment on the loan, since in past years, O&M surpluses have been rolled into the capital fund.

Mr. Demos suggested that the Authority continue down the road of the budgeted payment or create an escrow for the estimated \$250,000 difference between the budgeted payment and the projected new lower payment and make a lump payment that would pay the loan off early, versus viewing the difference as a windfall and earmark it for other projects.

Mr. Niehaus agreed that the saving between the payment options needs to be set aside to either pay down the loan sooner or to cover any unexpected costs associated with the project instead of putting the money back in the general capital fund is a responsible way to go.

Mr. Niehaus highlighted that some of the factors that contributed to the higher than projected costs are concrete and dewatering costs as well as the late addition of \$150,000 for the HVAC work that enlarged the scope, being legitimate factors that increased the costs associated with the project not just unnecessary items in the scope of the project.

Mr. Lanphier asked if staff should still pursue a reduction of 2 to 3% in the overall cost of the project. Mr. Niehaus confirmed that reductions should still be pursued.

Mr. Demos motioned and Mr. Ware seconded the MOTION to:

- ***Issue the Notice of Intent to Award contingent upon IEPA approval to Boller Construction of Waukegan, IL for the low bid award for the 2016 Facility Improvements Project in the amount of \$16,725,000.***
- ***Approve funding of the Facility Improvement Project via a 20 year IEPA SRF Loan with a fixed interest rate at 1.86%, and contractual understanding that payment will be made directly from the SRF loan.***
- ***Direct Staff to value engineer the Facility Improvements Project to provide a contingency fund in the 2% to 3% range.***
- ***Direct Staff to establish a reserve fund setting aside the difference between the budgeted loan payment and the new projected loan payment (approximately \$250,000) to be utilized in the future to either payment down the SRF loan and/or cover any unexpected costs associated with the Facility Improvement Project.***

President Giagnario, President Demos, Trustee Ware, Trustee Clark, Mr. Niehaus, Mr. Franz, Mr. Goldsmith, and Mr. Hansen responded "Aye" during a roll vote. The motion carried.

9.0 Discussion

9.1 Pending Agenda Items

10.0 Other Business

10.1 EnerNoc Emergency Load Response Ineligibility – Discussion

Mr. Lanphier highlighted that due to the changing legislation regarding back-up generation, GWA will no longer be able to participate in curtailment programs since we cannot comply with air emission requirements on the back-up generators. Mr. Lanphier indicated that this represents a loss of approximately \$20,000 a year in revenue by GWA.

11.0 **Next EOC Meeting** – The next regularly scheduled EOC Meeting will be on **Thursday, May 12, 2016 at 7:30 a.m. at the Glenbard Plant.**

Mr. Demos moved to adjourn the April 14, 2016 EOC Meeting and Trustee Clark seconded the motion. President Giagnario, President Demos, Trustee Ware, Trustee Clark, Mr. Niehaus, Mr. Franz, Mr. Goldsmith, and Mr. Hansen responded “Aye” during a roll vote. The motion carried. The meeting adjourned at 7:55 a.m.

Submitted by:

Gayle A. Lendabarker
GWA Administrative Secretary