

**GLENBARD WASTEWATER AUTHORITY  
Executive Oversight Committee  
Minutes  
June 8, 2017  
Meeting held at the Glenbard Wastewater Plant  
21 W 551 Bemis Rd, Glen Ellyn, IL**

**Members Present:**

Diane McGinley	President, Village of Glen Ellyn
Keith Giagnorio	President, Village of Lombard
Bill Enright	Trustee, Village of Glen Ellyn
Mike Fugiel	Trustee, Village of Lombard
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:**

Erik Lanphier	Executive Director, GWA
Matthew Streicher	Engineer/Assistant Director, GWA
Rick Freeman	Electrical Superintendent, GWA
David Goodalis	Operations Superintendent, GWA
Jon Braga	Interim Maintenance Superintendent, GWA
Laurie Frieders	Environmental Resources Coordinator, GWA
Christina Coyle	Finance Director, Village of Glen Ellyn
Gayle Lendabarker	Administrative Secretary, GWA

1. Call to Order at 8:00 a.m.
2. Roll Call: President McGinley, President Giagnorio, Trustee Fugiel, Mr. Franz, Mr. Niehaus, Mr. Hansen and Mr. Goldsmith answered "Present". Trustee Enright arrived at 8:25 a.m.
3. Pledge of Allegiance
4. Public Comment
5. 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 months of April and May 2017 totaling \$1,763,053.50. (Trustee Enright)*

**Mr. Franz motioned and Mr. Goldsmith seconded the *MOTION that the following items on the Consent Agenda be approved. President McGinley, President Giagnorio, Mr. Enright, Mr. Fugiel, Mr. Franz, Mr. Niehaus, Mr. Goldsmith, and Mr. Hansen responded “Aye” during a roll vote. The motion carried.***

- 5.1 Executive Oversight Committee Meeting Minutes:
  - April 20, 2017 EOC Meeting
- 5.2 Vouchers previously reviewed by Trustee Enright
  - April and May 2017
- 5.3 February 15, 2017 Distribution System Emergency Repair Invoice

The invoices attached are recommended for payment in the rears for emergency work that was completed relative to the EOC discussion topic item 6.2 February 15, 2017 Power Fault – Update (Minutes from March 9 2017 EOC Meeting)

- \* Mr. Freeman explained the events of February 15, 2017 which resulted in electrical fault which caused the plant to lose power to key equipment located throughout the plant. Mr. Freeman provided details regarding the actions taken to get all of the plant processes up and operating until the part could be ordered and installed. Mr. Freeman highlighted that the entire power grid system is close to forty years old and was originally designed and installed by ComEd and is a high voltage system which requires special training to work with. Discussions centering on the prospect of moving the planned electrical service, backup & redundancy project from the 2019 and 2020 capital budgets to calendar years to 2018 and 2019 occurred resulting in a general consensus that the system upgrade needs to take place sooner rather later.

The Authority Staff request the EOC to approve the invoice provided by Meade Electric for the emergency testing and repair work in the amount of \$24,374.

*Mr. Franz asked if there were any other steps to be taken to stop these emergency situations from occurring. Mr. Lanphier explained that there had been three (3) different types of issues which have created the problems and that the February event has been repaired and that the latest event was not necessarily a result of the two (2) other events as the different issues were caused by different reasons and impacted different systems; however, other than the lightning strike in November the issues can be directly linked to the age of the current power supply system and the its original design, as they current design would not be used in today's design plans.*

*Mr. Lanphier provided a brief background on the power grid system of the facility and that due to age and the original forty-year old design GWA is moving up this engineering and construction of a new system.*

*Mr. Lanphier highlighted the CHP ROI section of his Manager's Report that highlights the rate of return information for the CHP project and how close GWA is reaching the desired ROI for the project.*

*Mr. Franz inquired as to the potential of garnering more deliveries for the CHP. Mr. Lanphier advised that there has been an increase of 100,000 between May over April and that June is anticipated to see another 50,000 more added to the monthly intake in June with the deliveries being more of the desired grease which is better for the digester system and generates more of the gas to fuel the CHP engines. Mr. Lanphier indicated that in 30 to 45 days there will be a major overhaul on the engines. Mr. Franz asked if the overhaul is typical on engines that are only a year old. Mr. Lanphier explained that the engines are field test engines and therefore, Nissen wants to pull them apart and see where things are wearing differently than expected and involves pulling the pistons and re-sleeving the cylinders, swapping out spark plugs or what amounts to a complete rebuild of the top end of the engines at 6,000 hours and again at 12,000. Mr. Franz asked if the cost is borne by GWA. Mr. Lanphier advised that the costs are absorbed by Nissen.*

*Mr. Goldsmith asked what the life-cycle of the cylinders and such once the two (2) test cylinders are done. Mr. Lanphier advised that this is about 20,000 hours which is either two (2) or three (3) years which can also be impacted by the quantity of the bio-gas we generate and at what capacity the engines are ran at and an average of \$160k-\$180k per year in maintenance expenses.*

*Mr. Goldsmith asked if it would be possible to include the volume of the high strength being brought in. Mr. Lanphier indicated that his reports include the dollars but will add the volume. Ms. Frieders added that currently GWA has seven (7) vendors bringing in the desired HSW.*

6. CY2016 Draft Financial Report  
Highlights of Financial Reporting Presented by:  
Village of Glen Ellyn Finance Director, Christina Coyle  
Auditor's Opinion Presented by:  
Lauterbach & Amen Auditor, Jamie Wilkey

Financial highlights for the Authority's fiscal year 2016 (FY2016) are presented on pages MD&A2 and MD&A3 of the draft report. A complete narrative summary of the Authority's operations and financial position is found in Management's Discussion and Analysis on pages MD&A1 through 9.

The Authority again received an unmodified audit opinion from the auditing firm, Lauterbach & Amen LLP, which is the highest and best opinion.

Before the long-term pension adjustment, the Operating Fund revenues exceeded expenses for FY2016 by \$48,692. We annually adjust the partners' contributions to match expenses. Using this measure, the Village of Lombard is owed \$31,218 and Glen Ellyn is owed \$17,411 for the fiscal year ended December 31, 2016.

As of December 31, 2016, the Authority's working cash was 26.3% of operating expenses, or \$54,746 above minimum 25% as set in the current intergovernmental agreement. A complete schedule detailing the working cash calculation may be found in the notes to the financial statements (page 18-19). As the amount of working cash over the minimum requirement is greater than the operating surplus for the year, we are able to distribute the entire FY2016 surplus amount.

The operating surplus may be either rebated back to each community or may be distributed to the Capital Fund. In the past, the operating surplus has been distributed to the Capital Fund and has been used for either specific projects or to offset future Capital Fund rate increases to both Villages. The Executive Oversight Committee directed staff to distribute the 2015 operating surplus to the Capital Fund and to restrict the funds to accelerate the repayment of the loan for the Facility Improvement Project. Accelerating the repayment of this loan would reduce the amount of interest that would need to be paid on the loan.

*Motion to accept the Audited Financial Statements of the Glenbard Wastewater Authority for the fiscal year ended December 31, 2016 and to forward the audit report to the full Authority Board for final approval at the next annual meeting.*

**Mr. Niehaus motioned and Mr. Giagnorio seconded the MOTION to accept the Audited Financial Statements of the Glenbard Wastewater Authority for the fiscal year ended December 31, 2016 and to forward the audit report to the full Authority Board for final approval at the next annual meeting. President McGinley, President Giagnorio, Mr. Fugiel, Mr. Franz, Mr. Niehaus, Mr. Goldsmith, and Mr. Hansen responded "Aye" during a roll vote. The motion carried.**

*Motion the EOC to distribute the operating surplus for FY2016 in the amount of \$48,692 in a manner determined by the EOC.*

**Mr. Niehaus motioned and Mr. Fugiel seconded the MOTION to distribute the operating surplus for FY2016 in the amount of \$48,692 to the Authority's capital fund with the intention that it be held on account and used to offset interest payments on the Facilities Improvement Loan, in the same fashion as the surplus from CY2015 was distributed. President McGinley, President Giagnorio, Mr. Enright, Mr. Fugiel, Mr. Franz, Mr. Niehaus, Mr. Goldsmith, and Mr. Hansen responded "Aye" during a roll vote. The motion carried.**

*Ms. Coyle and Ms. Wilkey provided a summary of the draft audit report indicating that the audit of GWA's financial was found to be in compliance and that any deficiencies in the process outlined from the 2015 audit had been addressed in the 2016 calendar year to the satisfaction of the Auditors.*

*Ms. Coyle highlighted the O&M budget surplus of \$48,692 and asked for the EOC to make a recommendation on what should be done with the funds; the surplus can either be refunded to the Villages, transferred to the Capital Fund or left in the Operating Fund.*

*Mr. Franz indicated that the EOC Committee opted to transfer the 2015 surplus was to the Capital fund with the restriction that it be held and used as additional payments on the F.I.P. project loan. Ms. Coyle confirmed that was the decision reached by the EOC Committee last year.*

*Mr. Goldsmith inquired as to when the single audit as per the IEPA loan requirements would come into play. Ms. Coyle advised in 2018 once GWA began taking payments from the IEPA that exceed \$750,000.*

7. Request Consent of the Lamar Advertising Billboard Proposed Lease Concept per the Intergovernmental Agreement Section X, USE OF AUTHORITY PROPERTY.  
Presented by – Executive Director, Erik Lanphier

The Technical Advisory Committee (TAC) reviewed the documents at the May 26, 2017 meeting and recommends approval of the proposed lease concept being presented to the EOC.

Per Lombard Village Board authorization, Lombard staff has been working with Lamar Companies since 2014 to explore opportunities to construct and operate automatic changeable copy billboard signs on selected Village owned properties. Through this effort, staff has negotiated a draft lease agreement for three locations along Interstate 355, with two of the sites being located on the Glenbard Wastewater Authority (Authority) Combined Sewer Overflow (CSO) Facility site located on Hill Avenue. Over the next few months, Lombard staff will be bringing the draft leases for Village Board consideration after requisite zoning public hearings are held. Additionally, Lombard staff is bringing this matter before the Authority so that the approvals by the Executive Oversight Committee (EOC) of the Authority can be in place prior to Board consideration.

The lease provisions that are the main drivers include:

- \* The proposed lease will be for a 20-year term, with a renewable option for a second 20-year period. The financial terms of any additional leases would be undertaken at the end of the expiration of the original lease term.
- \* The sign proposed to be located at the northeast corner of the site would have a digital LED panel on the south face for northbound traffic and will have a static panel on the north face for southbound traffic. The sign at the southeast corner

would have an LED panel on the north face for southbound traffic and a static panel on the south face for northbound traffic. These LED panel locations were selected primarily due to the best sight lines given the physical limitations of the sites. There is a "re-opener" in the draft lease if Lamar seeks to change all signs to digital signs. (Location of the signs do not inhibit operations or affect daily routine of the CSO Facility)

- \* Through negotiations, Lamar and Lombard have completed the financial terms of the lease. The annual lease payments would be \$75,000.00 or 20% of the revenue generated on each sign structure, whichever is greater. Lamar would pay the base land rental of \$75,000.00/sign structure in advance each year.
- \* Per the Intergovernmental Agreement Between the Village of Glen Ellyn and Lombard, Page 13, Section "X", Use of Authority Property the revenue collected from the lease would be transmitted to the Authority's Capital Equipment Replacement Fund.

*Motion the EOC to Approve (per the Intergovernmental Agreement Section X. Use of Authority Property) the proposed lease concept for the Lamar billboard placement and companion easements located at the Authority's CSO Facility site on Hill Avenue.*

**Mr. Franz motioned and Mr. Giagnorio seconded the MOTION to approve (per the Intergovernmental Agreement Section X. Use of the Authority Property) the proposed lease concept for the Lamar billboard placement and companion easements located at the Authority's CSO Facility site on Hill Avenue. President McGinley, President Giagnorio, Mr. Enright, Mr. Fugiel, Mr. Franz, Mr. Niehaus, Mr. Hansen and Mr. Goldsmith responded "Aye" during a roll vote. The motion carried.**

*Mr. Lanphier highlighted a proposal that will result in increased revenue from GWA from the land lease for two (2) advertising billboards at the CSO facility. Mr. Lanphier explained that the discussions have been ongoing for some time and that it has finally come to fruition. Mr. Lanphier indicated that location of the proposed billboard towers using the maps in the GWA conference room and highlighted that the base revenue is \$250,000 for the two (2) billboards with the potential for additional revenues if the billboard owners exceeded their projected revenues. Mr. Lanphier advised that there is an annual increase calculated in the annual lease renewals. Mr. Lanphier indicated that the construction of the billboards will have no impact on the operations at the CSO facility.*

*Mr. Franz asked when the lease will go into effect. Mr. Niehaus advised 2018. Mr. Franz asked about the "brightness" of the lighting of the billboard and if it would be controlled. Mr. Niehaus indicated that the per advice of legal counsel, they did not put restrictions on the content to be featured other than political content that involved the Village of Lombard and but with regards the brightness, he feels it will be the standard as those on the other major tollways!*

8. Discussion

8.1 Facilities Improvement Project – General and Earth Retention System Updates

*Mr. Streicher provided a status on overall FIP project with the focus being on the sand filter building and the upgrade to disk filters. Mr. Streicher indicated that work is progressing well with 50% of the existing filter beds being sealed off and demolition taking place in preparation for the piping work and installation of the new disk filters; additionally, the replacement of the non-potable water and natural gas lines are progressing. Mr. Streicher indicated that the first payment application has been submitted and is being reviewed before authorization sought for payment.*

*Mr. Streicher indicated that the original earth retention contractor was terminated from the project by the general contractor and new proposals/design sought and are in the process of being evaluated. Mr. Lanphier advised that the current resolution is being vetted involves two (2) contractors, one grout and one sheeting, performing the work, but provides for better oversight by the contractor as well as GWA and Black & Veatch. Mr. Lanphier indicated that the revised estimate for the work is approximately \$3 million dollars; while the original number submitted in the contract was \$850k for total dewatering and the earth retention system; the number now appears to be more in the estimated area of \$2 million. Mr. Lanphier indicated at the goal has been to find an acceptable solution then worry about the compensation of the net difference between what was originally proposed and what the actual cost will be. Mr. Lanphier advised that as a result of the delay in this portion of the project, which a request for an extension has been received pushing the project to July of 2019. Mr. Lanphier advised that discussions will need to take place regarding liquidated damages as well as additional engineering costs associated with the request for the extension.*

*Mr. Lanphier indicated that he hopes to bring to the EOC some sort clear information or approval request at the July meeting.*

*Mr. Goldsmith stated that the official position of GWA to deny the argument of a change in field conditions so GWA is at a point where any costs is being borne by the contractor, pending any legal negotiations. Mr. Goldsmith also expressed his thought that the contractor needs to be held to the schedule as much as possible and only be granted an extension to completion as it relates to the completing the work that involved the earth retention problems and not a blanket extension which would allow the contractor to take their time in completing the overall project. Mr. Streicher indicated that the request for extension received only pertains to the earth retention system and not the overall project. Mr. Lanphier indicated that the goal has to keep the project moving around this particular issue.*

8.2 Power Fault – Update on the Co-Gen Bus Duct Failure Experienced on 5-24-2017  
Presented by – Electrical Superintendent, Rick Freeman

*Mr. Freeman provided timeline for the power failure and that estimates to properly relocated the buss duct are currently being sought. Mr. Freeman indicated that the bulk of the equipment needs to be moved inside to reduce the exposure to outside elements and until the repair/move can be made GWA is incurring the costs for temporary cabling to keep the system functioning. Mr. Freeman advised that this works needs to be completed by companies experienced specifically in high voltage work.*

*Mr. Lanphier included the report from Homestead Electric on the overnight work they have completed to get the system operational.*

*Mr. Franz asked if the repair for this item would be on the July agenda. Mr. Lanphier indicated he is hopeful that it will be sooner but otherwise anticipates it will be July.*

9. Other Business

- 9.1 Technical Advisory Committee Updates
- 9.2 Water Online Article – Spinning Biogas into Gold
- 9.3 Pending Agenda Items

*Mr. Franz advised that the Village of Glen Ellyn is schedule to have changes to their plumbing code on their agenda later in the month and with the ordinance. Mr. Goldsmith advised that he has a meeting schedule for review and comments and scheduled for Lombard's board in July. Ms. Frieders indicated that once all of the reviews and revisions are made, it will need to be resubmitted to the IEPA since it has changed from what was originally submitted and approved and should probably be done before the Villages approve something the IEPA does not agree with. Mr. Goldsmith indicated that the one issue that keeps hitting a discussion points is finding a way to assist the local mom and pop establishments meet the ordinance compliance and knows is wondering if there is some sort of funding mechanism that can be put in place to assist these business owners.*

*President McGinley asked if there was some way to quantify non-compliance. Mr. Goldsmith indicated that the Village of Lombard is installing grease treatment at their pumping stations and cost around \$100k per station; however, it is hard to quantify because it impacts each village as well as then impacting GWA.*

*Mr. Goldsmith asked if the TAC should pursue drafting a program for aiding business owners.*

10. ***Next EOC Meeting*** – The next regularly scheduled EOC Meeting is set for ***Thursday, July 12, 2017 at 7:30 a.m. at the Glenbard Facility.***



EOC Meeting/June 2017  
Minutes

**Mr. Niehaus moved to adjourn the June 8, 2017 EOC Meeting and Mr. Giagnorio seconded the MOTION. The members responded unanimously to a verbal call of “Aye”. The motion carried. The meeting adjourned at 9:20 a.m.**

Submitted by:

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Gayle A. Lendabarker  
GWA Administrative Secretary