

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Minutes

August 13, 2020

8:00 a.m.

Zoom Link: <https://us02web.zoom.us/j/82142446338>

Glenbard Wastewater Authority Meeting Procedures Statement

On March 16, 2020, Governor Pritzker issued Executive Order No. 5 in response to COVID-19, which temporarily suspended certain requirements of the Open Meetings Act ILCS 120 allowing Executive Oversight Committee members to participate electronically in Executive Oversight Committee meetings.

The Public is welcome to observe and participate in all meetings of the Executive Oversight Committee. Meetings are able to be viewed using the link

<https://us02web.zoom.us/j/82142446338> or by calling (312) 626-6799 and using the Meeting ID: 821 4244 6338. All public comments received during the meeting will be read into the record during the appropriate portion of the agenda.

Members Present:

Keith Giagnorio	President, Village of Lombard
Diane McGinley	President, Village of Glen Ellyn
William Ware	Trustee, Village of Lombard
Kelli Christiansen	Trustee, Village of Glen Ellyn
Scott Niehaus	Village Manager, Village of Lombard
Mark Franz	Village Manager, Village of Glen Ellyn
Carl Goldsmith	Public Works Director, Village of Lombard
Julius Hansen	Public Works Director, Village of Glen Ellyn

Others Present:

Matthew Streicher	Executive Director, GWA
Tom Romza	Assistant Director, GWA
Jon Braga	Maintenance Superintendent, GWA
David Goodalis	Operations Superintendent, GWA
Ashley Staat	Environmental Resources Coordinator, GWA
Christina Coyle	Finance Director, Village of Glen Ellyn
Gayle Lendabarker	Administrative Secretary, GWA
Jamie Wilkey	Auditor, Lauterbach & Amen

1. Call to Order at 8:00 a.m.
2. Roll Call: President Giagnorio, President McGinley, Trustee Ware, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith, and Mr. Hansen answered "Present".
3. Pledge of Allegiance
4. Public Comment

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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 June 2020 \$716,770.05 (Trustee Christiansen).

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

- 5.1 Executive Oversight Committee Meeting Minutes:
○ July 9, 2020 EOC Meeting
- 5.2 Vouchers previously reviewed by Trustee Christiansen
○ July 2020
- 5.3 Approval of new 3-year contract for Janitorial Services

The Authority’s existing janitorial contract expired in early 2020 during the COVID crisis, and it was decided that in the interim cleaning would be done in-house, as to avoid bringing in outside parties. Since more safeguards have been implemented, and the janitorial work is becoming too burdensome for in-house staff to continue, the bid package was put together and advertised in late June. The bid opening occurred on July 22nd, and bids from seven (7) vendors were received. In the weeks leading up to the bid opening, six vendors walked through the facility to garner a better understanding of the scope of services needed.

Vega Building Maintenance Inc. presented the lowest bid of \$1,148.33 per month for three day a week cleaning. Due to the Authority’s smaller staff size and diligent staff, it was realized that costs could be reduced by scaling back to three days a week instead of the previous five day a week service. The total cost of the contract is equal to \$13,780 per year. GWA will see a \$1,540 increase in cost per year compared to the previous contract, but it will also include a greater scope in order to provide more adequate janitorial services that were previously lacking.

Therefore, GWA would like to request authorization to enter into a three-year contract with Vega Building Maintenance Inc. in the amount \$13,780/year to be invoiced to account 270-520971 during CY’s 2020-2023.

6. CY2019 Financial Audit

Attached is the Annual Audited Financial Statements for the Glenbard Wastewater Authority for the fiscal year that ended December 31, 2019. Financial highlights for the Authority’s fiscal year 2019 (FY2019) are presented on pages 6-7 of the report. A

complete narrative summary of the Authority's operations and financial position is found in Management's Discussion and Analysis on pages 5-14. Village of Glen Ellyn Finance Director Christina Coyle will present highlights of the financial report during the EOC meeting and our audit partner, Jamie Wilkey, will present the auditor's opinion.

Motion to accept the Audited Financial Statements of the Glenbard Wastewater Authority for the fiscal year ended December 31, 2019 and to forward the audit report to the full Authority Board for final approval at the next annual meeting.

Ms. Coyle stated that she would be presenting the financial highlights of the CY2019 Audit report and the operating surplus and will then ask Jamie Wilkey, audit partner from Lauterbach and Amen, to give a Managers Report. Ms. Coyle stated that at the end there will be two (2) items that will need action by the EOC Committee, 1) accept the Audit for GWA full board meeting approval; and, 2) make a determination as to the disposition of the CY2019 Operating Surplus.

Ms. Coyle directed the Members to view the page in the packet that focuses on the Management's Discussion and Analysis, pages 6 and 7 in the auditing packet or page 45 of the EOC packet; and drew attention to the fact that CY2019 operating expenses had increased by approximately \$500,000, or 14% over CY2018, with the two main driving factors being IMRF accrual adjustment, increased maintenance costs due to reaching a milestone on the CHP engines which required additional maintenance, as well as increased sludge hauling expenses due to weather. Ms. Coyle indicated that even with the budget increase from the previous year, there was still an Operating Fund surplus of \$191,724.

Ms. Coyle stated that the cash reserve policy of 25% was met; however, the entire amount of the surplus, \$191,724, cannot be disbursed as it would drop the fund below the 25% requirement, meaning only \$181,469 can be distributed in a manner to be determined by the EOC Committee. Ms. Coyle added that during her tenure as Finance Director for the Village of Glen Ellyn, the EOC Committee has customarily distributed the O&M surplus each year to GWA's Capital Improvement fund to help fund capital projects and it is her recommendation for the CY2019 surplus funds.

Ms. Coyle directed EOC Committee members to page seven (7), or page 46 of the meeting packet, of the report which highlights the current flow splits for the past three (3) calendar years.

Ms. Coyle also highlighted item number seven (7) on page (7) which noted that as of December 21, 2019, GWA has spent \$18.1 million dollars on the FIP project.

Ms. Coyle noted that there were not any Management Letter Comments for 2019, which will be covered by Ms. Wilkey, but noted this resulted in a page in the report which stated such.

Ms. Wilkey expressed her appreciation to Ms. Coyle and the Finance Department for the well prepared audit, especially under the current working environment and to come out of the audit with no Management Letter Comments nor any need for any audit adjustments, demonstrates everything was well prepared for the Audit. Ms. Wilkey stated that an Unmodified Audit Opinion is the highest and best rating to receive.

Ms. Wilkey explained that there are two (2) reasons for the audit; 1) to insure that the financial statements as presented are, in fact materially correct, as indicated by the Unmodified Audit Opinion, and 2) assess the internal controls by taking a look at all of the policies and procedures to insure that staff is in fact following them, and noted that if there were any red flags or finding of issues, they would have to bring those forward this morning and put provide formal documentation. Ms. Wilkey explained that as the audit did not reveal any issues, there was no need for a Management Letter.

Trustee Ware made the motion and President Giagnorio seconded to accept the Audited Financial Statements of the Glenbard Wastewater Authority for the fiscal year ended December 31, 2019 and to forward the audit report to the full Authority Board for final approval at the next annual meeting. President McGinley, Trustee Ware, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Hansen responded “Aye” during a roll vote. The motion carried.

Motion to distribute the operating surplus of \$181,469 in a manner determined by the Executive Oversight Committee.

Mr. Niehaus asked Mr. Franz if he was comfortable and in agreement with distributing the surplus funds to Capital Improvement Fund. Mr. Franz indicated he was in agreement with following previous EOC Committee practices. Mr. Niehaus asked if it was prorated based on current flow or average flow over the last year. Mr. Franz asked Ms. Coyle to verify how the surplus was credited. Ms. Coyle explained that since the surplus is from the O&M side, calculations based on O&M flow is used to determine each Village’s share and becomes part of the general funds for capital projects. Mr. Niehaus asked Mr. Goldsmith if he was comfortable with distributing the funds to the Capital Improvement Fund. Mr. Goldsmith indicated he was in agreement.

Mr. Goldsmith made the motion and Mr. Niehaus seconded to distribute the operating surplus of \$181,469 to the GWA Capital Improvement Fund. President Giagnorio, President McGinley, Trustee Ware, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Hansen responded “Aye” during a roll vote. The motion carried.

7. Request for Authorization to Purchase New Program Logic

Since the inception of the Supervisory Control and Data Acquisition System (SCADA) at the Authority in the late nineties, we have utilized Allen Bradley Programmable Logic Controllers (PLC’s) to automate, control, and monitor the numerous process control aspects of the treatment facility. These PLC’s are approximately 20 years old, are at end of life, and discontinued by the manufacturer. Procurement of replacement PLC

components due to failure, has become increasingly difficult to obtain and are very costly if they can be had. Based on the above stated needs, we are proposing upgrading our PLC and Communications System at the Bemis Road Facility at this time

With this mind, the Authority began dialogue internally and with Concentric Integration in August of 2019. Shortly thereafter, we requested Concentric provide a PLC Migration Assessment Budgetary Proposal with a breakdown of hardware costs versus installation/programming/documentation, with the idea of soliciting quotes from three vendors for the hardware and utilizing Concentric Integration, as a professional service, to perform the installation/programming/documentation aspect. This concept was brought forward to the Technical Advisory for guidance as to whether this was an acceptable methodology.

A proposal in the amount of \$216,360 was received from Concentric Integration (see attached), to perform the hardware replacement, programming, provide documentation/As-Builts etc. (Installation is planned to take place next year CY-21). I recommend utilizing Concentric as a professional service. The CY21 Budget 40-580180 will be appropriately designated for such funds once approved. This item will be brought forward again after the CY21 budget is approved with the designated funds in it.

Proposals from three vendors were received for the purchase of the hardware. The purchase is recommended via Revere Electric in the amount of **\$88,293.11 (Purchase this year CY-20)**. This amount will be sourced from CY20 Budget 40-580180, which had a \$250,000 budget designated for PLC and MCC replacements.

Mr. Streicher explained that the Program Logic Controllers (PLC's) is hardware used in conjunction with software to control the Supervisory Control and Data Acquisition System (SCADA), which monitors and controls various processes and equipment in the plant. Mr. Streicher explained that most of the PLCs are original to the SCADA system when it was installed in the late 1990's and are approaching the end of their useful life, as well as replacement parts becoming more difficult to find. Mr. Streicher explained that Mr. Freeman has been spearheading this project, which will be a two (2) part project, part one will be purchase of the PLCs and part two will be the hardware replacement, programming and documentation and as-built's. Mr. Streicher indicated that part two will be budgeted for in CY2021 budget and will be brought forward sometime in late CY2020 or early CY2021 for EOC Committee approval, after the CY2021 budget is formally approved.

Mr. Goldsmith motioned and Mr. Franz seconded to authorize the purchase of replacement PLC components from Revere Electric in the amount of \$88,293.11. President Giagnorio, President McGinley, Trustee Ware, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Hansen responded "Aye" during a roll vote. The motion carried.

8. Discussion

8.1 Capital Improvement Projects Update

FIP Project:

Mr. Romza indicated that a lot of progress has been made since the last meeting in that the punch list in the filter building only has a few items remaining and work will move to the outdoor part of the building once the UV drain line is repaired that was damaged when Boller was installing effluent box from the filter building.

Mr. Romza continued by stating that the chemical feed system was fully operational with the hypo being fed into the non-potable water for the filter building.

Mr. Romza stated that the low flow pumps are operating and have been performing well for the past few months, as well as one of the new high flow pumps running was running at the end of last week and testing finished earlier this week; and has been performing well, especially during a shutdown when the low flow pumps had to be shutdown, the plant was running off the one high flow pump. Mr. Romza added that the second pump is scheduled to be connected to the plant next week.

Mr. Romza continued by stating that the UV drain line repair is in process, but Boller is having difficulty finding some of the underground assets. Boller is nearly complete with the work on the drying pad drain line repair with backfill work being all that remains.

Mr. Romza stated that the current completion date from the most recent schedule is shown to be the end of October and based on comments during a meeting the previous day it could be pushed back another week or two as a result of several shutdowns taking longer than anticipated and not the fault of any party in particular.

Mr. Romza highlighted that due to some work changes directives that were made in an effort to keep the project going, a future change order will be needed. The work changes directives are as follows: the chemical feed issue which was due to an omission on the design where the engineer did not design the pumps to be strong enough to operate correctly and GWA had to purchase of larger pumps; low flow bracing where they did not anticipate having to brace the discharge pipes from the low flow pumps; and lastly the header support where all the main pumps are connected

to had the plans calling for one of the old pipe supports to be re-used, however with the new pipe having a slightly larger diameter than the old pipe in outer diameter the old braces to be re-used would not fit, a new one had to be ordered at a cost of approximately \$12,500 and the hopes are that the cost will be below this estimate, as the work has not yet been completed and is based on time and material change directive. Mr. Romza stated he wanted to make the EOC Committee aware as a change order covering these three items is anticipated before the next EOC Committee meeting.

Mr. Streicher wanted to emphasize that these changes were missed in design, and while it counts as a strike against the design engineer, they are costs that GWA would have to bear if they had been included in the original design and were things that were simply missed, not changes to the project scope.

Mr. Romza highlighted photos in the presentation, especially the one of the impeller of one of the old raw pumps that shows chunks of it missing and shows the importance of this project.

Admin Building HVAC

Mr. Romza advised that this project is pretty close to being completed; punch list items are being addressed except for some items relating to replacement of equipment with manufacturer defects, which are awaiting delivery. Mr. Romza added that the final completion date was set for Friday, August 14th, and feels that the project is 98-99 percent complete with the outstanding items being the delivery of the replacement parts, which GWA cannot push them on since it is not within their control. Mr. Romza did state that if the other aspects of the project are not completed by the August 14th date, then GWA will be enforcing liquidated damages, particularly with our engineers, as they are pretty much out of budget.

Trustee Christiansen was asked how much money was at stake with liquidated damages. Mr. Streicher stated the contract states \$2,000 per day. Mr. Romza stated that it may be difficult to actually collect as it can be hard to prove that GWA actually suffered any damages. Mr. Romza explained that Mr. Freeman, his team and himself have been putting in substantial time, working to keep the contractors focused on correcting items and to push the project to the finish line, and does think the amount of damages would not be substantial, unlike the FIP Project where the amount could be close to a \$1 million dollars.

Electrical Grid Upgrade Project:

Mr. Romza stated that a notice to proceed must be issued to Broadway Electric by September 1, 2020, which means GWA will most likely not receive any grants for the project. Mr. Romza explained that the DCOE indicated they had received over 300 applications and made the decision to hold off on awarding any grants until near the end of the year and one of the key stipulations for the award is that a notice to proceed has not been issued.

Mr. Streicher expressed his disappointment at not receiving any grants, but indicated that as this project was delayed from 2015, again in 2018, and now pushing into 2021, it will need to proceed without the grant funding.

BioSolids Dewatering Project:

Mr. Romza stated there is not much to report on this project other than the design work is nearing completion and the IEPA SRF loan application is nearly done. Mr. Romza advised that GWA has received the Village of Glen Ellyn's loan ordinance and the one from the Village of Lombard was approved and is nearing the end of the 30-day petition period before it can be included with the loan application.

Mr. Streicher advised he anticipates having to ask the EOC Committee to approve an intent to award a contract in either October or November which is required for the final loan application.

Mr. Romza highlighted the slide showing an uptick in his RE hours and advised the graph does not include the extra effort by all of the Superintendents on various projects.

8.2 CY2021 Budget Update

Mr. Streicher provided a brief preview of the CY2021 budget, which reflects a .9% increase over the CY 2020 budget; an .08% increase on the O&M side and 1% Capital Contribution which is set in the long term planning and while there is a need to increase this contribution rate to keep the Capital Fund operating in the black, the increase was kept due to current economic hardships. Mr. Streicher continued by stating that not including any type of contribution would be short-sighted for long term planning.

Mr. Streicher summarized the areas where O&M expenses were reductions were made and the expenses where increases are occurring and which items are increase that are not in the control of GWA or the Villages, as well as items that will impact the Capital Improvement fund. Mr. Streicher asked for feedback from the EOC Committee to determine if the numbers were looking acceptable or if a zero increase was desired.

Mr. Franz thanked Mr. Streicher for the advanced notice is comfortable with the numbers he is seeing at this point; however, he would ask that GWA, maybe through the TAC, do a deep dive on the CHP and illustrate how the system has performed, what the future holds, does the FIP impact its performance and what maintenance costs are in the future over the next five years. Mr. Streicher indicated that he had recently presented to the TAC how the ROI was looking for the project and advised that ROI is currently at 16 years, but there will be ongoing maintenance that the engines will require, much like automobiles do. Mr. Streicher did remind the EOC that the CHP does help reduce GWA's electrical costs.

Mr. Niehaus expressed he concern that there be parody between the Villages internal staff and GWA, in that the Villages will be facing tough staffing decisions in the near future due to COVID and has already had discussions with their unions advising that wage increases may be deferred in CY2021. Mr. Streicher advised that GWA's CY2021 budget reflects no increase in salaries for the year. Mr. Niehaus expressed his appreciation that Mr. Streicher kept that in mind when developing the budget.

Mr. Streicher indicated that a draft budget will be discussed at the next TAC meeting with the Finance Directors and will work to find any additional cost savings if feasible. Mr. Streicher advised that he will bring a draft budget plan to the September EOC Committee meeting, with the final draft for recommendation at the October meeting.

9. Other Business

- 9.1 Technical Advisory Committee Updates
- 9.2 Pending Agenda Items

10. ***Next EOC Meeting*** – The next regularly scheduled EOC Meeting is set for ***Thursday, September 10, 2020 at 8:00 a.m. via Zoom.***

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Mr. Niehaus moved to adjourn the August 13, 2020 EOC Meeting and Trustee Ware seconded the MOTION. The members responded unanimously to a verbal call of “Aye”. The motion carried. The meeting adjourned at 8:59 a.m.

Submitted by:

Gayle A. Lendabarker
GWA Administrative Secretary