

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Minutes
Wednesday, June 17, 2009

Members Present:

Michelle Thorsell	Trustee, Village of Glen Ellyn
Philip Hartweg	Trustee, Village of Glen Ellyn
David Hulseberg	Manager, Village of Lombard
Steven Jones	Manager, Village of Glen Ellyn
Carl Goldsmith	Public Works Director, Lombard
Joe Caracci	Public Works Director, Glen Ellyn

Others Present:

Tim Sexton	Finance Director, Village of Lombard
Troy Stinson	Strand Associates, Inc.
Brent Schuster	Strand Associates, Inc.
Jay Dahlberg	Strand Associates, Inc.
Erik Lanphier	Wastewater Manager, GWA
Gayle Lendabarker	Administrative Secretary, GWA

1. Call to Order at 8:06 a.m.
2. Roll Call: Ms. Thorsell, Mr. Hartweg, Mr. Jones, Mr. Caracci, Mr. Hulseberg and Mr. Goldsmith, answered "Present". Mr. Mueller and Mr. Tross were excused.
3. Public Comment – None
4. Consent Agenda

Mr. Caracci motioned and Mr. Hulseberg seconded the MOTION that the following items on the Consent Agenda be approved: Ms. Thorsell, Mr. Hartweg, Mr. Hulseberg, Mr. Caracci, Mr. Goldsmith, and Mr. Jones individually responded "Aye" during a roll vote. The motion carried.

- 4.1 Minutes from the May 14, 2009 EOC Meeting
- 4.2 Vouchers previously reviewed by Trustee Hartweg
- 4.3 Strand Amendment #1 for Design Services for St. Charles Road Project

Additional Services were required for multiple reasons during the time period we were preparing documentation for the ARRA funding. These services include, but are not limited to; modifying the front end documents, Facilities Plan submittal, additional soils testing, modifications to the building as a result of the soils testing, additional work with cellular telephone companies, and additional work related to the Park District property.

GWA requests the EOC approve the Amendment #1 to Task Order #5 in the amount of \$19,900. This would change the agreement price from \$178,200 to \$198,100.

5. Strand Amendment #3 for Anaerobic Digester Project Construction Related Services

Amendment #3 focuses on converting the part-time RPR to full-time for the remainder of the contractual schedule (through October 31, 2009). The contractor is currently behind schedule and we feel this conversion would provide a more aggressive approach to get the project completed on time. An estimated \$121,700 is expected to provide a full-time resident engineer through October 31, 2009.

The original service agreement with Strand Associates related to construction services on the Anaerobic Digester project had provisions for a part-time resident project representative (RPR).

Motion the EOC to approve the Amendment #3 for Anaerobic Digester Project Construction Related Services with Strand Associates, Inc. in the amount of \$121,700. This would change the agreement price from \$605,020 to \$726,720.

Mr. Lanphier explained that he has been talking about this item for quite some time concerning this proposal for RPR services for full-time residency to carry the Authority through until the contract completion date of October 31, 2009. Mr. Lanphier explained that the amendment allows for nine (9) hours a day five (5) days a week of resident service versus just the part-time agreement currently in place, which is almost depleted. Mr. Lanphier continued that the substantial completion date for the anaerobic digester project is scheduled for July 31, 2009, and at that point, the contractor is supposed to be on the downward side of this project; however, as he is approximately four (4) months behind, he is not going to be on punch list items and final closeouts; he is going to be pushing this project all the way until final completion. Mr. Lanphier continued by stating that we are going to need the RPR to be out during this big push that this contractor is going to have on what the Authority is considering as Phase II, which is the demolition of the existing building, demolition of the lid on the number two (2) digester, reconditioning the lid on the number three (3) digester, start-up, final punch lists items and closeout. Mr. Lanphier indicated that with a part-time resident, as mentioned before, it is going to be very difficult to monitor what this contractor is doing with the difficulties that the Authority has encountered so far and trying to keep, especially the mechanical contractor, motivated and on schedule. Mr. Lanphier indicated that it is the Authority's intent to get this project completed on October 31st, and if the Authority can accomplish this, fantastic; however, is it realistic, possibly. Mr. Lanphier indicated that if the construction of the project goes to the final completion date, and the need arises to continue engineering services, the Authority will, at that point, look at adding liquidated damages to cover those costs, however it is the staff's intent and in the Authority's best interests to get the project completed as the Authority has already gone through this once on Phase II on a previous project and would like to avoid a repeat of this type of situation. Mr. Lanphier asks the EOC to approve the amendment number three (#3) in the amount of one hundred twenty one thousand seven hundred dollars (\$121,700) to bring a resident engineer on full-time for nine (9) hours a day, five (5) days a week until the final contract completion of the project, which is October 31, 2009.

Mr. Hulseberg questioned Mr. Lanphier whom he felt was responsible for the additional engineering costs being incurred i.e. the contractor because it is a result of their actions or lack actions that is causing the Authority to incur the extra dollars.

Mr. Lanphier agreed for the most part and added that at the beginning of the project it was budgeted for part-time resident engineer allocating seven point five (7.5) days per month for this project, as it is a very difficult project from the time that it started because we had to incorporate BIP project final completion (Biosolids Improvement Project), add amendments to the incorporating CDM drawings into the digester project drawings and the contractor had to work within those two (2) different sets of drawings to make this project work. Mr. Lanphier added that in addition, there was owner supplied equipment which had to be implemented by the contractor who encountered start-up issues requiring Authority staff to work diligently with the contractor in order to make things work; however, Mr. Lanphier continued, from the beginning this project should have been funded for a full-time RPR. Mr. Lanphier advised that with the approval of this amendment engineering fees are approximately fourteen point five (14.5%) percent total engineering fees versus total project costs and by adding a full-time RPR, we are right within IEPA's mean of engineering services to total construction costs.

Mr. Caracci added that he felt the Authority should be responsible for this additional expense as the Authority sold itself short from the beginning of the project as it was mentioned, but the decision was made to make every effort to get by with a part-time engineer. Mr. Caracci continued by saying that with the money that has been spent so far on the engineering services agreement has been shop drawing reviews and not just the person out in the field overseeing the project and thinks the Authority sold itself short on that aspect. Mr. Caracci stated that if we were to go back and look at the original award for Strand, it is nowhere near what would typically be seen for resident engineering or construction management, being that it is four or five percent (4-5%) compared to eight or nine percent (8 or 9%).

Mr. Hulseberg indicated he was comfortable with the explanation.

Mr. Caracci asked when the Authority can start assessing liquidated damages; is it based on substantial completion or is it only based on final completion? Mr. Lanphier advised that the Authority can implement them at the time of substantial completion, if we so chose to, but most likely at the time of final completion which is what has been done on past projects. Mr. Lanphier explained that the Authority tries to get to completion of the project as liquidated damages tends to put a road block on a project when done at the substantial completion point. Mr. Lanphier indicated that the Authority wants to work with the contractor and give him the benefit of the doubt that he is going to complete the project by October 31st and if not, then the Authority will ask for liquidated damages.

Mr. Caracci asked what a legitimate time extension would be considering that the project is approximately four (4) months behind. Mr. Lanphier indicated that in talking with Strand that potentially a month of additional time would be allocated to the contractor

whether it be due to weather delays or from the delays front end on the projects when some upsets were encountered, however, the contractor has not yet notified the Authority that he has encountered any delays or problems to his contract schedule. Mr. Lanphier explained that the correspondence between the contractor and the engineer has been poor.

Mr. Caracci indicated that he did not feel that the Authority should hold itself to saying that they have until October 31st to complete the project; instead the contractor should be asked to submit a request for an extension of time to substantial completion and still keep the option of charging them liquidated damages open.

Mr. Jones asked if the Authority would had had full-time inspection on the project and still encountered the same nonsense with the contractor, would the Authority be any further along or is it just a question of having much more detailed knowledge, much more awareness and much more interaction with the contractor; or a good contractor and part-time R.E. better than having a bad contractor and full-time, contractor since this is the first time he has been involved in a wastewater or any project of this nature and he is curious as to what is the right mix. Mr. Jones indicated that he is always hesitant to say that a problem could have been solved with a full-time R.E., therefore, in the future one should always use a full-time R.E. Mr. Jones added, that if it is a lousy contractor, they will incur liquidated damages at the end regardless of whether a full-time or part-time R.E. was utilized.

Ms. Thorsell asked what will the additional hours provide in service to get the work done at a quicker pace. Mr. Lanphier indicated that the benefit will be coordination. Mr. Lanphier explained that currently if a situation arises that the R.E. is needed for, the contractor must wait for him to come from another job, whereas if he were already on site, the matter could be addressed more quickly as well as coordination for major steps such as concrete pours where inspections are required.

Mr. Lanphier went on to address the question posed by Mr. Jones regarding good contractor/bad contractor, full-time/part-time R.E. Mr. Lanphier indicated that he feels it goes hand in hand. Mr. Lanphier continued by saying that a good contractor with a full-time R.E. which is going to save on engineering versus a bad contractor and a part-time R.E. which will normally add hours. Mr. Lanphier went on to say that the Authority is basically expending full-time dollars on a part-time R.E. which is why the Authority is in the position it is now and the project is not where it should be had a full-time R.E. been here to watch how the progress of the project was going. Mr. Lanphier provided the following example: If the contractor was pouring the base slabs and ceiling structures and had a question for the engineer, but continued to install parts that are supposed to align with pumps; as there is no engineer present to spot the alignment problem and make adjustments, they go ahead and pour foundations when things are not aligned.

Mr. Caracci added that he would prefer a good engineer and a half-way good contractor, than a really good contractor and bad engineer, as a good resident engineer can typical control a bad contractor.

Mr. Lanphier indicated that where things stand at this point is that the digester is operating, producing methane gas and mixing the tank with the transfer to the new digester being seamless. Mr. Lanphier continued that the project is now heading into Phase II which is the critical part and with the contractor pushing over the next few months to meet his final completion date, the scheduling and coordination that he referred to earlier is going to be critical as the contractor will be moving at a much quicker rate and not having an R.E. onsite creates a potential for problems whereas, if a good R.E. were on site someone would be making observations, correcting the contractor and mechanical contractors.

Mr. Jones asked what the rate of liquidated damages per day that can be assessed is. Mr. Lanphier advised that the amount is one thousand dollars (\$1,000) per day. Mr. Jones questioned if the days were based on work week or per calendar. Mr. Caracci and Mr. Lanphier advised that the amount is charged per calendar day.

Mr. Hulseberg moved and Mr. Jones seconded the motion: The members individually responded "Aye" during a roll vote. The motion carried.

6. Construction Related Services for St. Charles Rd. Lift Station Project

Design is completed and the St. Charles Road Lift Station is approaching Bid time. In order to finalize the last part of the requirements for the ARRA loan GWA would like to recommend Strand Engineering be utilized for the construction observation services for the St. Charles Lift Station Project.

Strand continues to provide cost effective services pertinent to work related to the wastewater industry. Typically, within our industry, we expect to see total engineering fees somewhere within the 13% to 20% range. We have evaluated Strand's Construction Services proposal and feel the cost falls within the typical guidelines for work associated with similar projects. Coupled with the original design agreement, the total engineering costs equate to 15% of the anticipated construction cost. One of the benefits of this agreement is we will have the ability to utilize the Resident Project Representative (RPR) for the Lombard CSO work that, with all intentions, will be taking place simultaneously to the St. Charles Road Project

Mr. Troy Stinson will be presenting to you specific information pertaining to the St. Charles Road Project. He will also be introducing his associates, Mr. Brent Schuster and Mr. Jay Dahlberg, who are currently our Resident Engineers on the Anaerobic Digester Project. Brent Schuster is also one of the design engineers for the Lombard CSO Project.

Motion the EOC to award Strand Associates Engineers Inc. of Madison Wisconsin the Construction Related Service Agreement in the not to exceed amount of \$330,000.

Mr. Lanphier indicated that he disliked having a meeting where every agenda item involved Strand Associates, but with the pending award of ARRA monies for projects, it was necessary to call for a June meeting if the Authority hoped to receive funding for the St. Charles Road Lift Station project.

Mr. Lanphier went on to say that the Authority has all documents ready for submission except for the contract for engineering services which the IEPA requires be in place before monies are awarded.

Mr. Lanphier provided that his explanation for choosing Strand Associates instead of another engineering firm for R.E. or construction observation services was that the Authority staff is very happy with the work Strand has provided on various projects thus far and that he would not be asking the EOC Committee to approve multiple contracts if he and the Authority staff were unhappy with the service and/or work provided by Strand. Mr. Lanphier added that Strand has done a significant amount of work in the last five years, including the Headworks and grit improvement projects; they came in and took over when CDM was asked to leave the Biosolids Improvement Project (BIP), they put together work that was not completed during that project to help the Authority stay in compliance with what didn't get finished and can really pick up the ball and get running with it for us. Mr. Lanphier added that over the last four (4) projects, including where we stand with the digester project, Strand's change orders are a negative three thousand, eight hundred ten dollars (-\$3,810) on those projects with the project totals being over ten million dollars (\$10,000,000) with an average of approximately thirteen percent (13%) total engineering costs versus total construction costs. Mr. Lanphier introduced Troy Stinson to refresh those who were on the Committee when the project planning began and bring the new Committee members up to speed on the overall project plan.

Mr. Stinson introduced Brent Schuster and Jay Dahlberg who have been working on the Anaerobic Digester project. Mr. Stinson then proceeded to make a general presentation on the St. Charles Road Lift Station project as well as provide a status where the project stood on the IEPA list to receive ARRA funding. Mr. Stinson, in closing, suggested that the Authority work to go out to bid in the very near future in an effort to secure the best pricing as other ARRA projects are hitting the market, so contractors looking for work and who are willing to work at lower prices, will start to dwindle.

Mr. Jones asked if there was a timeframe for approval from the IEPA. Mr. Stinson advised that the Authority needs to submit a complete IEPA loan application but the project has been issued a construction permit which is good, as it takes a long time to normally receive the permit and would allow the Authority to proceed without loan funding; however the ARRA funding is being expedited as the government wants these projects moving. Mr. Stinson asked Mr. Lanphier about the status of the application.

Mr. Lanphier indicated that it is almost ready pending approval of this item before the Committee for approval.

Mr. Stinson asked Mr. Caracci if he knew the status on the various easements the Authority needed from other entities. Mr. Caracci advised that the Authority is close to receiving the necessary easement approvals. Mr. Stinson indicated that the approval of the Engineering Services agreement is another piece of information required before approval can be granted and that once all of the pieces are received, approval should be indicated within thirty (30) to sixty (60) days.

Mr. Hulseberg asked Mr. Lanphier how many pumping stations GWA owned. Mr. Lanphier replied there are five (5). Mr. Hulseberg asked where the stations were located. Mr. Lanphier advised that the St. Charles Lift station is to the north, Valley View Lift station to the south, SRI Lift station located on the corner of the property which pumps from the Valley View station gravity flow and pushes it to GWA, there is the Hill Avenue lift station just off the Lombard plant, which is a high flow lift station which pushes flow from the northern area to the LCSO, and the small Sunnyside Lift Station.

Mr. Hulseberg asked how the number of lift stations built, maintained and funded by GWA was determined compared to all of the pumping stations located system wide throughout both villages. Mr. Lanphier indicated that any lift stations associated with the main interceptor line is GWA's and anything on the interceptors themselves within the villages are considered the village's lift station or any flow that touches the main flow is GWA's. Mr. Lanphier added that when the regionalization was done, St. Charles was at one time, the Du Page County treatment plant and that in order to get flow to this regional plant GWA took over control as a result of the regionalization; Valley View was a similar situation as it was previously owned by Citizens Utilities; the SRI was built in the early 1990's to keep flow from the larger volume NRI from back-charging into the SRI, meaning it basically serves as protection against back-charging during high flow events in the Valley View area; Hill Avenue is a wet weather pump station and pumps into the CSO; and the Sunnyside is a small lift station that services five or six (5 or 6) homes on Sunnybrook just north of the main GWA plant. This station was put in place to realign the NRI which was originally located on the west side of the East Branch of the Du Page River and when the area was regionalized, they had to relocate the line to the east side of the river to incorporate Lombard better, as it was easier to move versus putting interceptors across the river to plug in to the main trunk line.

Mr. Jones asked Mr. Stinson if the water issues he referred to in his presentation were a result of the station being located in a floodplain. Mr. Stinson advised that it was not in a floodplain but did not have very good site drainage due to it sitting lower than St. Charles Road and the construction would improve site drainage. Mr. Jones asked what the elevation would be. Mr. Stinson indicated that the elevation would be increased by approximately two (2) feet.

Mr. Caracci indicated that curb and guttering would also be installed.

Mr. Lanphier confirmed that it is the plan to keep the lift station in full operation during the construction project, other than a brief amount of time when it will need to be shut down to tie in the new pumps and core through the new wet well as this plan will save a major expense versus requiring a contractor to have to supply by-pumping services.

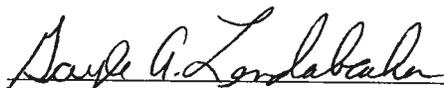
Mr. Caracci moved and Mr. Hartweg seconded the motion: The members individually responded "Aye" during a roll vote. The motion carried.

7.0 Next EOC Meeting – The next regularly scheduled EOC Meeting will be on Thursday, July 9, 2009 at 8:00 a.m. at the Glenbard Plant.

Trustee Hartweg advised that he will not be able to attend the July 9, 2009 meeting but advised he will review the vouchers and has asked Trustee Ladesic to attend in his place.

Mr. Caracci moved to adjourn the June 17, 2009 EOC Meeting and Mr. Hartweg seconded the motion. The members responded unanimously to a verbal call of "Aye". The motion carried. The meeting adjourned at 8:56 a.m.

Submitted by:



Gayle A. Lendabarker

GWA Administrative Secretary