

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Minutes
Thursday, August 13, 2009

Members Present:

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

Others Present:

Erik Lanphier	Wastewater Manager, GWA
Gary Scott	Sr. Maintenance Mechanic, GWA
David Goodalis	Sr. Plant Operator, GWA
Gayle Lendabarker	Administrative Secretary, GWA

1. Call to Order at 8:05 a.m.
2. Roll Call: Ms. Thorsell, Mr. Mueller, Mr. Hartweg, Mr. Gron, Mr. Jones, Mr. Hulseberg, Mr. Caracci and Mr. Goldsmith, answered "Present".
3. Public Comment – None
4. Consent Agenda

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

- 4.1 Minutes from the June 17, 2009 EOC Meeting
- 4.2 Vouchers previously reviewed by Trustee Hartweg
- 4.3 Contract Award for Bulk Liquid Oxygen

Request for proposals were sent to Praxair Distribution Inc., of Hillside Illinois, and Airgas North Central, Inc., of West Chicago for "Liquid Oxygen Supply". Both responded to the RFP with vastly different numbers. Praxair has been distributing gas to us uncontested for close to ten years. Two years ago they increased their cost for liquid oxygen supply from \$0.32 per 100 cubic feet to \$0.75 per 100 cubic feet. We have tried over the years to locate companies through competitive bidding, direct contact via phone calls or emails, and this year we were fortunate enough to find a supplier in the liquid oxygen arena.

GWA requests the EOC motion to award a one year, unit price contract of \$0.395 per 100 cubic feet of Liquid Oxygen, to Airgas North Central, Inc., of West Chicago, Illinois.

4.4 Dewatering Building Time and Material Work

This is a two part, time and materials pay request. The first request is regarding the stairway landing in the Sludge Dewatering building. For the past few years the maintenance staff has been doing spot repairs to the metal pans, and staircase landings. Several of the step pans and frames have deteriorated to a point beyond what is repairable.

The second part to this pay request for time and material work is regarding a leak in the second floor ceiling that was causing water to run down the wall during a severe rain event and into the truck bay below. This leak would have compromised the painting work that was taking place in the truck bay, as well as causing corrosion problems to the lintel that is supporting the southern opening of the original building.

GWA requests the EOC motion to approve payment for work already completed to Williams Brothers Construction, of Peoria, IL 61654 in the amount of \$16,121.45 invoiced to Capital Account 40-580140.

4.5 Lombard CSO ARRA Rejection Letter

On July 28, 2009 GWA and Strand Engineering Associates received dreaded news from the IEPA that the Lombard CSO project did not get included with the ARRA project list. According to the IEPA they received more than 500 facility/project plans and are currently working on "only" the first 250 project plan sets they received. As it is the 250 project plan limit has doubled the allocated funding of \$575.1 million dollars to \$1.1 billion dollars.

GWA requests the EOC motion to approve that we respond to the IEPA with a letter that states that we are not interested in proceeding through the loan program with the intent of self-funding the GWA Lombard CSO Project.

5. Cryo Cooling Tower Rehabilitation

GWA is seeking the approval of the EOC regarding: purchasing the necessary OEM parts, the cleaning, sandblasting, and painting of the cold water basin and casing, and installation of the replacement parts by the OEM representative, Chicago Cooling Tower Company Inc., Niles, Illinois. This work is to be completed during the 2009 Cryo turnaround which typically takes place in the fall. The work that will be completed by Chicago Cooling Tower Incorporated is anticipated to last approximately 10-15 years.

GWA requests the EOC motion to award approval of the budgeted maintenance work associated with the Cryo Cooling Tower in the amount of \$33,985, payable to Chicago Cooling Tower Company Inc., of Niles, Illinois.

Mr. Lanphier advised the Committee that the rehabilitation was a budgeted item for FY10. However the costs were approximately five thousand dollars (\$5,000) more than projected as exact costs were not available at the time of budget preparation. Mr. Lanphier indicated that GWA has always used OEM parts for the cryogenic cooling system due the specificity of the system and its use.

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

6. Monopole Cell Tower

Discussions have been ongoing regarding the installation of a Monopole Cell Tower located on the GWA site. The discussions began with site locations at GWA that would not affect the neighborhood aesthetics, or the potential for damage to any of GWA's surrounding structures due to unforeseen structural failure of the pole. The proposed location is in the far Southeast corner of the main plant grounds. There are no structures, processes, or private homes that would be affected by the monopole. There is Com-Ed power that could be dropped to the site for stand-alone power versus utilizing GWA's power. The aesthetic appeal of the neighborhoods would not be affected due to the location, and most importantly the GWA facility would not be losing any needed space to accompany the requested 7'x7' leased space.

GWA requests a discussion regarding philosophical direction and opinions with a motion to proceed with Village requirements if EOC discussion warrants.

Mr. Lanphier advised the Committee that Clear Wire was looking to lease a 7'x7' area for the control panel and an area of approximately 15'x15' being fenced off. Mr. Lanphier explained that GWA currently has three (3) small storage containment areas in the southern most containment area, which is where GWA would prefer the tower be located. Mr. Lanphier indicated that this location is ideal due to the fact that when looking from the west to the east, the pole would blend in with the ComEd easement that GWA has on the eastern part of the property in between homes in Butterfield East Subdivision. Mr. Lanphier continued that the pole being proposed has changed since a meeting with both Public Works Directors in that the pole height would be one hundred and twenty (120') feet, as the original location was on the southwest corner of GWA but due to easement issues—i.e. having to be one hundred (100') feet away from houses—was moved to the new proposed location as there is nothing within the required one hundred feet of the site. Mr. Lanphier advised that if the EOC approved the motion to move forward, the Village of Glen Ellyn would have to go through the process of approving a lease agreement with Clear Wire and then move to the Village of Lombard for zoning approval.

Trustee Thorsell asked if a special use request would be coming to the Village of Glen Board.

Mr. Caracci added that the Village does not have any issue with the location of the tower on GWA property as this becomes a revenue source for GWA. Even though the actual agreement would be between the Village of Glen Ellyn and the cell company, all of the revenues would be directed to GWA. Mr. Caracci stated that as the property owner, the Village would have to make all of the zoning and variance applications to the Village of Lombard for approval. Mr. Caracci added that the goal of the discussion was to determine if anyone had any reservations about moving forward with further discussions between GWA and Clear Wire and that ultimately, the Village of Glen Ellyn Board would have to approve actually moving forward. Mr. Caracci said that the Board has had some issues with cell towers in the past, however in this particular situation the tower would be located as far away from residential areas as was possible, so as long as the Committee does not have any issues, the Village of Glen Ellyn could proceed with Clear Wire in starting the application process.

Mr. Hulseberg asked what the revenue stream the Village of Glen Ellyn has typical seen with leases of this nature is, considering how many the village has. Mr. Caracci indicated that with the small number currently in existence, there has approximately been between fifteen thousand dollars (\$15,000) and twenty-five thousand dollars (\$25,000) per year per carrier.

Mr. Jones indicated that the Village is currently negotiating a contract with a new carrier for the cupola at the Civic Center and the revenue starts at twenty-six thousand dollars (\$26,000) per year with an increase every five years based on a pre-calculated escalator. The Village's attorney who specializes in leases of this nature indicated that this amount seems to be the current industry standard. Mr. Caracci added that it is not currently clear how many carriers would be able to have access to the pole.

Mr. Mueller asked what the distance to the nearest residence was in relation to the pole location. Mr. Lanphier indicated that the closet residence would be approximately three hundred feet (300') to the west of the tower's proposed location on the south property line opposite the two (2) south primary clarifiers with a service road and drainage creek in between. Mr. Lanphier continued by indicating on a map of the facility, that the area directly south of the proposed tower is a field that is not utilized by a school as it is a low lying area that turns into a wetlands type area when it rains.

Mr. Mueller asked for a refresher on the issues raised when the Lombard Park District wanted to allow a cell tower at the golf course which met with neighbor resistance and was eventually withdrawn. Mr. Hulseberg indicated that in that particular situation, the tower was going to be pretty much in a resident's back yard, approximately one hundred fifty feet (150') to the nearest resident. Mr. Hulseberg advised that every resident within a two hundred fifty foot (250') radius of the property limits will receive notice of the pending zoning application.

Mr. Mueller asked if there had been objections from patrons of the golf course. Mr. Hulseberg indicated that no patrons of the course raised any objections.

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

7.0 Williams Brothers Construction Inc. Substantial and Final Construction Request

WBCI has provided a letter requesting GWA forego assessing liquidated damages until October 31, 2009. I have provided a cover memo and the letter from WBCI which outlines the request, and indicates they are fully aware that after October 31, 2009 liquidated damages will be assessed.

GWA requests a motion to grant WBCI's request and waive Liquidated Damages until October 31, 2009. If WBCI has not reached substantial and final completion of the project by this date, we have the right to assess liquidated damages to cover additional costs incurred by GWA.

Mr. Lanphier began by saying that the new project manager has turned the project around and progress is even more visible than before. Mr. Lanphier indicated that the project has reached the point where the number two (2) digester's new roof is in place and the crew is starting to work on the number two (2) digester. Mr. Lanphier referenced a letter from Williams Brothers dated August 3, 2009 in which WBCI states that they are going to make an honest effort to reach a deadline of November 20th for Substantial Completion and a Final Completion deadline of January 22, 2010. Mr. Lanphier indicated that WBCI is working on doing punch list items as they go in an effort to save time at the end. In addition, they are working extended hours during the week and on Saturdays with the understanding that any work being done cannot be covered or require inspection or sampling by the R.E. Mr. Lanphier clarified that work such as completing demolition work, digging projects, setting of forms and tying of rebar are items that WBCI is using the additional time to accomplish on an overtime basis. Mr. Lanphier indicated he is asking the EOC to forego assessing liquidated damages between July 31st and October 31st in an effort to get the project completed without either side having to worry about getting lawyers involved. Mr. Lanphier added that he had spoken with Mr. Caracci, indicating that there may be some legitimate reasons for some time extensions that WBCI may have prior to July 24th, which the letter stated would be waived. Mr. Lanphier conveyed his belief that WBCI is making every effort to get the project back on track and completed by the new dates outlined and that it is in the best interest of all parties to forego the liquidated damages at this point in time and GWA would begin assessing liquidated damages at the rate of four thousand dollars (\$4,000) per day after October 31st. Mr. Lanphier continued in stating that the overall goal is to keep the project moving and address the issue of monies at the end of the project as is customary in projects of this nature.

Mr. Gron asked for confirmation that WBCI will reach Substantial Completion at the end of November. Mr. Lanphier confirmed that is the current anticipated date and that the new project manager is very aggressive in motivating the sub-contractors and holding them accountable for getting the work done as they will be responsible for any liquidated damages that are incurred, as WBCI feels that they are not responsible for missing the original contract dates.

Mr. Hulseberg indicated that he has concerns about making the motion now instead of proceeding with the assessment of damages versus keeping it close to our vest in order to have them to continue to produce and get things done. Mr. Lanphier explained that the only cards that GWA is folding is the time between July 31st and October 31st and WBCI knows that after October 31st, four thousand dollars (\$4,000) per day will be on the table starting at that time. Mr. Hulseberg indicated that a lot of money was being left on the table for the 90-day period that could benefit GWA. Mr. Lanphier agreed with Mr. Hulseberg's point and stated that GWA is looking at the matter from the point of view that WBCI will be focused on getting the project completed instead of trying to focus on the project and not postulating themselves for any type of legal issues which is what would happen. Mr. Lanphier conveyed his preference for WBCI to know that going into October 31st that this is their deadline and if they do not make this deadline, damages will start being accessed at the four thousand dollar (\$4,000) per day rate seven days a week until Substantial Completion has been reached.

Trustee Thorsell asked if this could be viewed as an incentive to get the project completed. Mr. Lanphier stated he believed it was more of a cooperative effort to get the work done.

Mr. Hulseberg added that the crews out in the field are not the ones who will be worried; it is the administrative side of WBCI who will be worrying about the matter. Mr. Lanphier indicated that the current project manager is here once a week, which is more than the previous manager and is based out of the home office located in Peoria, IL, so he has direct contact with the administrative arm of the company who will be dealing with any of the dollar figures associated with the missed deadlines. Mr. Lanphier went on to say that the project manager would be splitting his attention between getting the project done and preparations for legal action which would not be in the best interest of GWA. Mr. Lanphier continued by stating that he felt that by folding our cards slightly, WBCI is folding their cards to a greater extent by stating they will not asking for time extensions based on T&M work we have asked them do, weather delays, process and in ground problems encountered at the start of the project or other delays prior to the July 24th date.

Mr. Caracci asked Mr. Lanphier if it was accurate to say that there is approximately one (1) month's extra activity that was done that would warrant a time extension excluding delays due to weather. Mr. Lanphier indicated that Mr. Caracci was correct in that there is legitimately a month's worth of time that we can give to WBCI; however, WBCI could very well come back to GWA wanting additional time during the ninety days (90).

Mr. Jones asked if out of the three months in question, one month and a-half is legitimate work and the other half is to be construed as good will. Mr. Lanphier advised he was correct. Mr. Jones added that based on the information contained in the letter, WBCI is acknowledging that they will not make the October 31st completion date and would incur damages of approximately eighty thousand dollars (\$80,000) between October 31st and November 20th. Mr. Caracci added that the amount of damages would be approximately one hundred twenty-six thousand dollars (\$126,000) until the January 26, 2010 date. Mr. Jones asked if WBCI has been supplying calendars which reflect a much more aggressive schedule. Mr. Lanphier indicated that GWA has been receiving schedules on a weekly basis since the new project manager came on board. Mr. Jones asked if there was a way to use the weekly schedules and tie the assessment of liquidated damages to the percent of work complete per the schedule instead of simply moving along at its current pace to the October 31st date and risk the matter ending up in the legal arena. Mr. Lanphier advised that this had already been attempted and the problem was developing text that

all of the parties could agree to. Mr. Lanphier continued by stating that the best measuring stick, as recommended per the contract agreement, is being supplied with the weekly schedules and using it to judge the progress. Mr. Lanphier stated that this boils down to the fact that GWA has the right to assess liquidated damages after October 31st for not meeting Substantial and Final Completion deadlines. Mr. Lanphier stated that the onus is on WBCI to complete the project as they are projecting and if WBCI cannot make the October 31st date, GWA will assess liquidated damages at the rate of four thousand dollars (\$4,000) per day, seven days a week. This has been discussed and relayed to the vice-presidents and project manager for WBCI. Mr. Lanphier did add that the only unknown issue currently on the table relates to the digester number three (#3) cover. Mr. Lanphier explained this cover was not planned for replacement and the work is being done based on an inspection that was completed three (3) years ago which was strictly a visual inspection, no metals testing. Mr. Lanphier continued that an attempt to remove the lid for inspection, sandblasting and painting failed as the lid was too heavy for the crane that was on-site and as a result, the lid will be sandblasted and painted in place, re-inspected to determine if the integrity of the steel would hold should another lift be attempted. Mr. Lanphier added that if the lid does not pass inspection, then the lid becomes a critical path item that is outside the scope of the contract which would result in a two and half (2-1/2) to three (3) month delay to have a new lid built and this or some other unforeseen catastrophic failure would be the only reasons a time extension would be granted as it is completely outside the scope of the contract.

Mr. Caracci added that WBCI could also claim that weather conditions prevented them from completing the project on time, as future weather conditions for November through January cannot be known at this time. Mr. Caracci asked if GWA could propose not assessing damages for two (2) months, August and September, with the stipulation if WBCI meets the November 20th Substantial Completion date, GWA would then not assess damages for October in an effort to keep WBCI moving forward on the project.

Mr. Hulseberg indicated that he would rather delay making a definite decision on the current motion until the suggestion made by Mr. Caracci is presented to WBCI for discussion. Mr. Caracci asked in the event that WBCI is in agreement with GWA's suggestion should final signature on the agreement be held until the September EOC. Mr. Hulseberg indicated that it should as there is no legal action in process.

Mr. Jones asked if GWA was going to incur any additional expenses, specifically overtime, so that WBCI staff could work the extended hours. Mr. Lanphier advised that the times WBCI is working are covered except for a half hour on weekdays and until two-thirty (2:30 pm) on Saturdays.

Motion to table this item until a draft of a revised agreement is discussed and ready for approval by the EOC Committee.

Mr. Jones moved and Mr. Hulseberg seconded the motion: The members responded unanimously to a verbal call of "Aye". The motion carried.

8.0 Other Business – St. Charles Lift Station Bid Notice

8.1 The bid notice for the St. Charles Lift Station Project was published in the Chicago Tribune on Thursday, August 6th.

Mr. Lanphier indicated that this is an informational item for the EOC Committee to be aware of the fact that the project has reached the bid notice stage and that Strand Associates has already received some inquiries. Bid sets are onsite and the bid will be opening in September 22, 2009 at the Civic Center. Mr. Lanphier expressed his hope for a sizable number of contractors as well as reasonable bids as he knows of many projects in the municipal sector that are receiving bids lower than expected thanks to the current state of the economy.

Mr. Caracci asked when Strand or GWA anticipated hearing from the IEPA in regards to whether or not this project will receive ARRA funding. Mr. Lanphier advised that due to the IEPA being overwhelmed with project requests, they have not been able to set an exact deadline. Mr. Lanphier added that Strand is in constant contact with the IEPA to make sure they have everything they need to make a decision on our project.

Mr. Lanphier indicated that Strand is also pursuing some other options for additional monies through a Green Initiative, which is another grant program that relates to VFD's, variable frequency drive motors, the efficiency of the generator planned for the project as well as possible option of using the existing wet well instead of ripping it apart and building a new one, which could contribute approximately twenty percent (20%) of the project cost or approximately six hundred fifty thousand dollars (\$650,000).

Mr. Caracci indicated that it is a good sign for the St. Charles project that GWA has already received the rejection letter for the Lombard project, as did Glen Ellyn for a project it had submitted, so if one had not yet been received for St. Charles it could be taken as a sign that the project will be approved.

Trustee Thorsell asked if there was a timeline established for the distribution of funds to the projects that have been approved. Mr. Lanphier advised that there had been at the start of the application process. However it has been communicated that due to the IEPA being so overwhelmed, new distribution schedules have not been confirmed. Mr. Lanphier assured the Committee that as soon as confirmation is received from the IEPA, he will promptly notify the Committee.

9.0 Next EOC Meeting – The next regularly scheduled EOC Meeting will be on **Thursday, September 10, 2009 at 8:00 a.m. at the Glenbard Plant.**

Motion to Adjourn

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Mr. Jones moved to adjourn the August 13, 2009 EOC Meeting and Mr. Gron seconded the motion. The members responded unanimously to a verbal call of "Aye". The motion carried. The meeting adjourned at 8:40 a.m.

Submitted by:



Gayle A. Lendabarker

GWA Administrative Secretary