

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Minutes
Thursday, November 12, 2009

Members Present:

Michelle Thorsell	Trustee, Village of Glen Ellyn
William Mueller	Mr., Village of Lombard
Phil 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
Rick Freeman	Sr. Plant Electrician/Electronics Technician
Gayle Lendabarker	Administrative Secretary, GWA
Jon Batek	Finance Director, Village of Glen Ellyn
Tim Sexton	Finance Director, Village of Lombard

1. Call to Order at 8:10 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. Hulseberg motioned and Mr. Gron 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 October 22, 2009 EOC Meeting
- 4.2 Vouchers previously reviewed by Trustee Hartweg
- 4.3 Lombard Magnetic Flow Meter Installation

The Lombard Combined Sewage Treatment Facility (LCSTF) has the capacity to treat 58 Million Gallons Per Day (MGD) during the most severe rain events. The flow that is pumped through the LCSTF is considered combined sewerage due to the design of the collection system within certain portions of the Village of Lombard. In order to accurately measure the flow through the LCSTF it must pass through the magnetic flow meter. The magnetic flow meter then transmits a signal to our SCADA system that gives GWA the ability to properly account for

billing information. This particular flow meter is not used for any process purposes due to the requirements of the effluent limitations.

GWA requests the EOC motion to award the contracted magnetic flow meter installation at the Lombard Combined Sewerage Treatment Facility for a not to exceed amount of \$14,265 invoiced to Infrastructure Improvements 40-580140 payable to Dahme Mechanical Industries Inc. of Arlington Heights IL.

4.4 Lombard Barscreen Bar Rack Installation

In May 2009 the Authority purchased the necessary OEM components by which to recondition this unit totaling \$55,682. It was originally assumed that the Maintenance Group staff would undertake bar rack demolition, chain removal and replacement, bar rake removal and reinstallation, and sprocket replacement. Unfortunately, work-load circumstances have prevented this project from being completed by staff to this point. At this point it is recommend that Contracted rehabilitation be undertaken, and it is anticipated that budgeted funds will be sufficient to accomplish rehabilitation by such means.

Quotations were received for completion of this work as follows:

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| • J. J. Henderson Construction, Gurnee, Illinois | \$10,990 |
| • Maxim Construction Corp., Volo, Illinois | \$20,900 |
| • Bane Nelson, Inc., Kenosha, Wisconsin | \$23,358 |

The approved FY2010 budget includes rehabilitation of this Bar Screen in Capital Improvement Division 40, Equipment Rehabilitation Account 580150, with \$70,000 budgeted. This budgeted amount less the component purchases allows for \$11,318 for contractor rehabilitation.

GWA requests the EOC motion to award the contracted Barscreen installation at the Lombard Combined Sewerage Treatment Facility to J. J. Henderson, Gurnee, IL for a not to exceed amount of \$10,990 invoiced to Infrastructure Improvements 40-580140.

4.5 Maximo 7.0 Upgrade and Installation

Since the creation of the Glenbard Wastewater Authority (GWA) in 1977, GWA has utilized a maintenance management program in the maintenance and repair of its assets. In the early days of these programs, they were paper based systems that relied on staff to physically manipulate markers on equipment record cards and inspect each equipment card on a daily, weekly, or monthly basis to gauge what work was required. In 2002, GWA abandoned the card based system for that of a Computerized Maintenance Management System (CMMS) created by MRO, commonly known as Maximo. GWA utilizes this computer based system to enter and track corrective based work requests; create, track, and forecast planned

preventive maintenance tasks; create, track, and forecast predictive maintenance tasks. Our existing software (v4.1) is no longer supported and an upgrade to the latest version (V. 7.2) is necessary.

GWA requests the EOC motion to approve software implementation upgrade and training services for our CMMS to Maintenance management Solution of Wilmette, IL for a budgeted not to exceed amount of \$30,200 invoiced to Small Capital Improvements 40-580120.

Ms. Thorsell asked Trustee Gron if the vouchers summary included in the packet provided the information he had requested at the September meeting. Trustee Gron confirmed that the report was acceptable.

Ms. Gron asked if the numbers were correct on item 4.4. Mr. Goldsmith indicated that the correct number should be fourteen thousand three hundred eighteen dollars (\$14,318).

Mr. Goldsmith asked if it would be feasible to postpone contracting out the work for this project until GWA staff had the opportunity to complete the work or is there a specific installation target date. Mr. Lanphier indicated the work needs to be completed under dry conditions and as Staff is working on a variety of time sensitive projects contracting out the work so that it could be completed before Fall wet weather began.

Mr. Goldsmith asked in regards to Item 4.5 if GWA should have been more diligent in installing upgrades between V4.1 and V7.2 and whether there could be operational problems with making such a large software jump. Mr. Lanphier advised that as the numerous upgrades became available staff evaluated the need for each upgrade and determined that they were not necessary to our operations at the time of their release. Mr. Lanphier added that the only reason for the upgrade now is that the current version V4.1 will no longer be supported by the manufacturer thereby forcing an upgrade to V7.2. Mr. Caracci asked if there was a plan that alerts GWA to when an upgrade is available. Mr. Lanphier indicated that there is and each upgrade is reviewed and costs evaluated before deciding whether or not to upgrade as V4.1 performed well for what GWA needed to do and it was only when the support of V4.1 was dropped that it became necessary to upgrade. Mr. Caracci asked if the upgrades which became available each year were free. Mr. Lanphier sought input for GWA's Senior Plant Electrician/Electronics Technician, Mr. Rick Freeman, to answer Mr. Caracci's question. Mr. Freeman advised that previous upgrades had been available at no charge.

5. Strand Associates Inc. Amendment No. 4

Amendment #3 to the Engineering Services contract with Strand Associates for the Anaerobic Digester Project increased efforts from part-time to full-time RPR. Substantial completion was scheduled by contract for July 31, 2009 with final completion being

October 31, 2009. However based on the letter sent to WBCI (Williams Brothers Construction Inc) the date that we have allowed them to become substantially complete is November 20, 2009. If that date is not met GWA will be assessing substantial completion liquidated damages from October 1, 2009 until the completion dates are met per contract.

Amendment #4 to the June 6, 2007, Agreement for Construction-Related Services – Anaerobic Digester Improvements will provide engineering services for the remainder of the Anaerobic Digester Project. This amendment includes a schedule that will retain Strand Associates Inc. through the month of May 2010.

Motion the EOC to approve the Amendment #4 for Anaerobic Digester Project Construction Related Services with Strand Associates, Inc. in the amount of \$174,900. This will change the agreement price from \$726,720 to \$901,620.

Mr. Lanphier began by stating that this amendment is the second one which pertains directly to the engineering services, extending the current amendment from what would have been the final October 31st to May 2010 and is based on a sliding scale from full-time RPR services through December, to half-time RPR services for January and February 2010 and quarter-time services March through May 2010. Mr. Lanphier advised the contractor's most recent scheduled projected December 25th as their anticipated substantial completion date with punch lists, submission of final O&M manuals and final closeout which is anticipated sometime in March or April 2010. Mr. Lanphier reminded the Committee that November 20, 2009 is the date agreed to for allowing the contractor to reach substantial completion before GWA potentially started assessing liquidated damages. Mr. Lanphier added that if substantial completion is not reached by November 20th, GWA will begin assessing substantial completion liquidated damages as of October 1, 2009. Mr. Lanphier continued that if liquidated damages become necessary, then these funds would potentially cover the costs of the additional engineering costs being requested in this amendment.

Mr. Hulseberg asked if the contractor had made any recognition of the fees. Mr. Lanphier indicated that GWA had not received any formal indication that the contractor would not be meeting the November 20th date and that he has a letter prepared to send to the contractor indicating GWA is assessing liquidated damages and would like the EOC Committee's authorization to send the letter should it be needed.

Mr. Caracci confirmed that GWA had received a confirmation letter from the contractor accepting the terms for meeting the November 20th substantial completion date.

Mr. Goldsmith asked if Mr. Lanphier had any inclination as to whether the December 25th date would be met. Mr. Lanphier indicated that he has no confidence that the contractor will even meet the November 20th deadline based on the engineer's reports and his own observations that it will be almost physically impossible for the contractor to meet the November 20th date for substantial completion. Mr. Lanphier added that the liquidated damages are doing what they are supposed to do in motivating the contractor and their subcontractors to speed up the pace of work, however, this pace should have been established months ago as we are still receiving submittals and not approved to

submittals to date and the original substantial completion date has come and gone.

Ms. Thorsell asked if the excessive rain during the month of October played any role in delaying the project. Mr. Lanphier indicated that it did not as most of the work being done is interior work.

Ms. Gron asked how concrete the December 25th date for substantial completion is as it is likely the November 20th date will be missed. Mr. Lanphier indicated he speculates the chances of the contractor making the December 25th date as moderate to likely for substantial completion with final completion including punch list items, which the engineer's time is being proposed on a decreasing time required scheduled, but they are focusing on the critical path items so they can reach the substantial completion point. Mr. Lanphier advised there are items for discussion later on the agenda which will provide additional background information and that the important item at this time is keeping Strand Engineering on board so they can keep pushing the contractor to get the work done.

Mr. Mueller asked expressed concerned over the fact that the overall project cast has not changed at all. Mr. Lanphier indicated that in reality, the project costs have decreased. Mr. Mueller asked why Strand's fees are increasing if the project cost was not increasing. Mr. Lanphier advised that their fees are not based on the contract price but the costs of their time and effort for observation, submittal reviews etc. Mr. Mueller asked if their fees are calculated based on the project costs. Mr. Lanphier indicated that there is specific formula for calculating engineering costs, however in the beginning of the project GWA made an effort to save engineering costs by contracting for RE services part-time, which we learned is not in the best interest of the project and only recently sought out full-time RE coverage. Mr. Lanphier added, over all, the engineering costs are still around twelve (12%) percent of project costs.

Mr. Caracci offered the prospective that if the project had gone according to plan and time schedule, GWA would not be in this current position and as he has encountered on Village of Glen Ellyn projects, engineers still need to be on site to make sure the contractor is performing the work according to contract specifications. Mr. Caracci continued by saying that it is typical to see engineering costs in the eight to ten range utilizing normal and when a project goes beyond project dates, the engineers still need to cover their expenses and is usually not a reflection of the engineer but of the contractors inability to perform. Mr. Caracci added that in this particular case, it is anticipated that the collection of liquidated damages will cover the cost of the additional engineering expenses incurred as a result of the contractor not keeping to the proposed project time schedule.

Mr. Mueller noted that Mr. Caracci indicated engineering costs on average of eight to ten percent of contract costs and yet, Strand will be at twelve percent with the approval of this amendment. Mr. Mueller added to him, it seems as if every project GWA works with Strand on seems as if there are numerous amendments for additional engineering services and wonders if it is a reflection of every contractor or on the RE services being

provided by Strand. Mr. Caracci indicated the Village of Glen Ellyn has experienced increases above the eight to ten percent when projects have gone beyond projected completion dates and that he does not think that Strand's unit cost or time estimates are higher than any other engineers and it is more a situation of the nature of the projects.

Mr. Jones provided an example where the Village of Glen Ellyn is currently dealing with a road contractor who missed a series of completion dates and the village is incurring additional engineering costs in an effort to make the projects get done, fortunately the Village is assessing liquidated damages which will probably offset the additional engineering costs.

Mr. Lanphier added that as stated in the documentation provided by Strand that the costs are not for the purpose of punishment but to cover owner's costs.

Mr. Mueller stated that if Mr. Lanphier was comfortable with the costs, then so be it, however to him, he feels that every time Strand comes up, we have a problem with them. Mr. Caracci added that to Strand's credit, GWA has had some problem contractors which has not made things easy for Strand.

Ms. Thorsell made the observation that matter such as this can sometimes be attributed to going with the low bid on projects. Mr. Caracci agreed as in the current economy bids are being received which are twenty to twenty-five under engineering estimates, and what routinely happens is that an engineer will assemble their costs based on the engineering estimates prior to the bid and they exceed the eight to ten percent, only lower to the ten percent and when the proposal comes in at twenty-five percent of the proposal, then engineer's costs are at twelve percent of the contract so the bidding climate has changed the percentages in the last year and half.

Ms. Thorsell asked if that is what happened in this particular case. Mr. Caracci confirmed it did not. Ms. Thorsell asked if the fees are based on an hourly rate whereas originally they were based on percentage of costs. Mr. Lanphier explained that the original was a percentage based on what their anticipated project cost. Mr. Caracci indicated that all of the proposals are based on hours, it is just that they will typically reduce their costs to hit a percentage, so that when someone is looking at a contract the engineering costs listed are not based project costs, and they bill on a per hour basis. Mr. Lanphier reiterated that GWA had originally contracted for part-time RE services which lowered the percentages on the front end of the project.

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

6. Loan Agreement between the Villages of Lombard and Glen Ellyn regarding the repayment of the approved St. Charles Lift Station Project capital fund utilization.

Presented by Jon Batek Finance Director, Village of Glen Ellyn.

Mr. Jones indicated that he would be addressing this item instead of Mr. Batek.

Mr. Jones began by indicating that the two elected officials from the Village of Glen Ellyn have no idea what he was about to say as this topic has been subject to on-going discussions until this morning. Mr. Jones continued by bringing new Committee members up to speed on the history of the St. Charles Road Lift Station and the proposed project by stating this project was envisioned several years back as an improvement for GWA. Mr. Jones added that the FY2010 budget was prepared and approved with the plan to pay for the project using cash, although there had been the prospect for a grant which everyone is aware of, the budget assumed cash payout. Mr. Jones went on to say that after the St. Charles Road project had gone to bid and were about to receive contracts, some very legitimate questions were brought up by the Village of Lombard management asking how has the funding worked over the years; so they, the Village Managers and Finance Directors, went back, looked at past practices and based on equity issues determined that a philosophical issue that was missed over the years with GWA and re-examined the way things had been funded. Mr. Jones continued by saying that at that point in time, he and Mr. Hulseberg came to the agreement that the philosophy going forward will be one that individual projects that affect only one community, such as this lift station, needs to be funded by that community as opposed through funds within the GWA. Mr. Jones stated that a number of motions were approved at the October EOC meeting, which talked about one hundred percent funding for the project by Village of Glen Ellyn, talked about the fact that we would approve the contract, the fact that the Committee would come back for the November meeting with a payment plan with the actual approval for one hundred percent funding through GWA with a payback plan to be worked out by the Village of Glen Ellyn. Mr. Jones went on to say that the Village of Glen Ellyn has been looking at how we, the Village of Glen Ellyn, would handle this; how is the long term water and sewer capital fund set-up right now, what is our commitment with the upcoming road projects as well as internally with the funding and based on this review feels that it we are at a point where the Committee needs to seek termination of the contract with J.J. Henderson, re-look at the internal funding mechanisms in Glen Ellyn to see if we are in a position where this project can be done short term. Mr. Jones continued by saying that there are a number of new elements they have added to the overall GWA expense pot through the re-looking at the Johnson Study and for those who are not familiar with the Johnson Study, it was a study done a number of years ago that talked about capital replacement and what both Villages and Glenbard should be kicking into the pot so that as major capital replacement is done the funding is present to pay for the work, unfortunately, this hasn't been done in a long time and since one motion at the last EOC Committee meeting was to re-do that study, there is a new element of unknown or uncertainty that is going to be added to both communities that needs to be figured out, as well as how to pay for the lift station project. Mr. Jones went on to say that he and Mr. Hulseberg and their respective teams have been talking about payback possibilities with the last real specific discussion between Mr. Jones and Mr. Hulseberg being a twenty year payout back to Glenbard with the Illinois Funds rate dictating the rate and then Lombard had subsequent issues as to whether or not Glen Ellyn should be borrowing from the co-mingled funds because the question then becomes that if something were to happen at the Glenbard plant, and if one Village has sucked the money out how the repair be paid for. Mr. Jones expressed his belief that a situation

exists where there are some philosophical issues that still need to be worked out with regard how the capital fund is being handled between the two communities and GWA, Glen Ellyn has some internal payback issues and it will be handled and unfortunately, even with a great price, this morning it was decided that this puts Glen Ellyn in a situation where the comfort level is not there; the Village needs to do some homework; Joe Caracci needs to have his capital improvement projects looked at, see a one or two years if there are water and sewer related work that can be deferred that would free us some cash that would make a logical repayment option for the St. Charles Lift Station project. Mr. Jones summarized that the Village of Glen Ellyn is coming to the EOC and requesting two things; one, send notice to J. J. Henderson cancelling the contract and second, that the Village reserves an ability, at some point in time to back and use the one hundred percent funding if that is what it takes as approved by the EOC and subject to terms being worked out. Mr. Jones continued by saying there are two parts, and apologized for hitting everyone with this without warning as the decision not to proceed was made only twenty minutes prior to the meeting.

Mr. Hulseberg indicated that he had no hesitation with the first part of the request to issue a notice cancelling the agreement with J. J. Henderson. Mr. Hulseberg went on to explain that the difficulty became in trying to ascertain how much of the four million, nine hundred thousand dollar reserve pot was belonged to Glen Ellyn and how much belonged to Lombard and even though everyone can come up with a calculation that they are comfortable with, whether it be using flow splits, having a forensic audit done to determine the actual numbers of what is present in the fund, using the splits outlined in the Johnson Study, etc. Mr. Hulseberg continued by saying when Glen Ellyn suggested using the flow splits, staff at Lombard evaluated the recommendation and determined that this methodology was not fair at all, and Lombard recommended using the Johnson Study to ascertain out the dollars that way; however when that was looked at it, Lombard started to see that Glen Ellyn, basically, taking all of their available funds and some of Lombard's funds and that any future need that was done by Glenbard Waste would have to come from Lombard's funds which gave Lombard an very uncomfortable feeling asking where is the equity how do we handle the money that has been borrowed from the Lombard fund on top of that and if we are partners in something, the whole idea of a reserve fund is that there are adequate dollars should something happen to fund whatever needs to be done; a little troublesome thought comes to mind in saying if the Oversight Agency has no money, meaning the Village of Glen Ellyn, to partner into this and Lombard is the only one with money and things need to be done, what's to prevent the Oversight Agency from saying we have no funds so we are not going to do it, just as a scenario and not throwing stones towards Glen Ellyn. Mr. Jones indicated he understood Mr. Hulseberg was only outlining a situation that if two entities had a bad relationship could very well happen. Mr. Hulseberg went on to say that he felt the relationship between the two communities was a very good one but at the same time, Mr. Jones is also focused on what is best for the Village of Glen Ellyn and while he looks out for the best interests for the Village of Lombard then at the same everyone sitting on the board together are suppose to say what's in the best interests of GWWA. Mr. Hulseberg continued by saying that the first part of motion is easy to agree to, however, the second part is so convoluted in trying to reach something and he feels that Lombard can continue to work on something that assists Glen Ellyn, but a twenty year agreement when

we don't know what the Johnson Study is going to say is not a fair thing to do. Mr. Hulseberg went on to say that it is his understanding that in the last seven years, Glen Ellyn's policy has been to not borrow any money, and asked Mr. Batek for a confirmation whereas Lombard is continually issuing debt and anticipates having to issue debt on a million dollars that we are anticipating we will need for the CSO plant based on the capital plan that we will have to go ahead and probably issue some seven year debt to pay for that and referred back to the original GWWA agreement and it does spell things out; now granted what is spelled out in the agreement and what has been the past practice it appears are two different things and I think with the way this world has now become economically, we are looking every single element of every single agreement we are involved with and saying, what does it say and what's our responsibility because like Glen Ellyn, Lombard is looking at costs and saying how do we make it and how do we get through this very difficult time and with that said Mr. Hulseberg indicated that he had no issues with the first part of Mr. Jones' request but had reservations.

Mr. Jones indicated that in regards to the second part, the EOC has already given authority for one hundred percent use of GWA funds, but does not specifically say anything about term, which is basically where all informal conversations were up to that point. Mr. Jones continued by saying that the way Glen Ellyn is viewing the situation as there was a change to the rules in the middle of the game and does not mean it in a negative way, but the reality is that this project was budgeted so Glen Ellyn did not make any arrangements to start shuffling capital projects around a year or two ago to internally fund this, and this is something before his and Mr. Hulseberg's time, that the EOC and the GWA boards of both communities basically said, through the passage of the budget through the expenses being passed on to the agency as opposed to the Village of Glen Ellyn, that this project would be funded through GWA so everything Glen Ellyn did proceeded along that basis including the adoption of the budget last year. Mr. Jones continued by saying when the rules changed, Glen Ellyn scrambled after agreeing with some of the equity positions that came out of discussions between himself and Mr. Hulseberg which had taken place long before it came down to this project and the key is that the rules changed and put Glen Ellyn in a position where suddenly, the two million seven hundred thousand dollars or whatever the total dollar amount will be is one hundred percent on Glen Ellyn's back as opposed to being funded as it was anticipated; Glen Ellyn looks at a twenty-year as being something in view of the fact that would have been one hundred percent funded by GWA per approvals of the board and now we would pay it back.

Mr. Hulseberg indicated he was in disagreement with Mr. Jones, in that when he looked at it and looked at the agreement it made it very clear, and referring to past practice when Gary Webster and Bill Lichter ran things. Mr. Hulseberg indicated that he spoke with Mr. Lichter regarding the agreement and the manner in which things were handled in the past and Mr. Lichter indicated that he was not aware that capital funds were not being allocated as outlined in the agreement. Mr. Hulseberg continued by saying he was in shock when he asked Mr. Lichter if he realized how the capital fund was being funded and Mr. Lichter's response was that he had not been aware of how it was happening, he assumed things were following the agreement, he listened to and trusted Mr. Webster to

be following the agreement. Mr. Hulseberg agreed that there is a practice issue but when he looks at what the agreement says, to him, it is clear as to how things should have been done. Mr. Jones indicated he was in agreement with Mr. Hulseberg however, in Glen Ellyn's context for thinking that what the EOC Committee did with one hundred percent funding should still be considered part of any future project because of the fact that whether there was a practice issue or an interpretation issue, the bottom line is that this was something funded by this EOC and by our respective Village Boards; we have examined the equity issue and agree there is an equity issue here and that is why there is a repayment that Glen Ellyn agreed to.

Mr. Hulseberg indicated he felt it was too premature to be giving carte blanche. Mr. Jones indicated that it has already been given. Mr. Hulseberg countered that he guessed it should be taken back because in looking at things quite honestly, there is no way that he could recommend to his Village Board that we take monies from Lombard's reserve that is in there and allow Glen Ellyn to borrow, as Lombard is not a bank and he cannot see the Village of Lombard loaning money to the Village of Glen Ellyn to go ahead and do a project. Mr. Hulseberg went on to say if there was money that was controlled by the Village of Glen Ellyn within that fund and they want to wipe it out from the reserve account and handle it themselves, and then have some sort of secure mechanism that if some sort of project comes up, that Glen Ellyn will find the funding to cover the costs then that was a whole different world. Mr. Jones pointed out that with the rules changing in the middle of the game is that this would have been utilized by Glen Ellyn at no payment back to GWA per the way the EOC and our Boards approved the budget. Mr. Jones continued by saying that Glen Ellyn agreed there is an equity issue and that some of the points made probably should be implemented that's why there is a provision for a payback as opposed one hundred percent GWA funding of it. Mr. Hulseberg indicated that there should not be one hundred percent funding by GWA.

Ms. Thorsell indicated that both Village Managers had expressed their views and asked if any other Board members or Mr. Lanphier had any comments regarding the matter.

Mr. Caracci asked if there was a desired amount of cash reserve that the EOC or Village Managers or Finance Directors want to have on hand as example, a two million dollar reserve that the EOC would like to establish within the capital fund that would pay for any unforeseen projects that are coming up. Mr. Caracci expressed what he felt the EOC is getting at, which is turning the Glenbard Wastewater Authority from a complete sanitary sewer system into a treatment facility that we are sitting at right now; the that the Lombard Combined Sewer facility really is a Lombard only facility that you may as well just have Lombard take ownership of and maintain; the St. Charles Lift Station would become a Glen Ellyn asset which we will take over and maintain; the Glenbard Wastewater Authority is charged with maintaining an entire system that they no longer have control over any of the financing for either of those two systems and from that standpoint this is where Mr. Lanphier is struggling with the realization that GWA is being turned into a treatment plant, basically there a pipe that comes in and from now that is where GWA starts and we are going to discharge into the river anything that comes from there let the two Villages deal with. Mr. Hulseberg indicated that when one looks at the Johnson Study, says that twelve percent of the assets come from the CSO

plant and when looking at the IGA agreement it says that Lombard will pay one hundred percent of all costs associated with that, so it is very much you flush, you pay, if it goes through your collection system, it is your responsibility to pay for it. Mr. Hulseberg went on to say that the problem that happened and everyone knows what the problem was, the Johnson Study failed to take into account the lift stations that benefit the Village of Glen Ellyn and as a result, over the years, GWA has been eating that cost; and now the time has come to replace at a major cost, the St. Charles Road lift station, and to make the assertion and to say well, okay, it's always been this way and it not listed in the report clearly so it's a GWA expense when the Village of Lombard does not benefit from it whatsoever, so there is a true issue of equity. Mr. Jones indicated that is why it was acknowledged on the Glen Ellyn side that there should be some payback.

Mr. Caracci asked if there was an idea of the reserve that the EOC is looking for. Mr. Hulseberg expressed that he feels that is where a new Johnson Study would be telling you what those dollars are you are suppose to have in reserve and preparedness for the future it is actuarial accounting that is going to look at that and give you the direction, therefore the right approach would be to get a new Johnson Study done and go from there. Mr. Caracci stated that two years ago when GWA was going through budget preparation, it was decided as an EOC to not bond certain projects that were coming up which were the St. Charles lift station and the Lombard CSO weir replacement project that is coming up, there was a serious discussion and he thought maybe Mr. Lichter was on the EOC so it was prior to Mr. Hulseberg coming on to the EOC, wherein the discussion was whether or not to provide debt to GWA or should the EOC utilize the five or six million dollars in cash on hand and save GWA from having to go into debt and the decision was to yes, use the cash to avoid any debt and now everyone is saying let's take a step back, have a new Johnson Study completed, redevelop a new cash reserve and take a new philosophy, which is what he believes is being stated and has no issues with it, if that is what the EOC wants. Mr. Caracci continued by saying the decision was made to spend down the cash reserve and now a backwards approach of building up the cash reserve is being considered.

Mr. Hulseberg indicated that the EOC needs to know what the appropriate cash reserve should be based on a new Johnson Study. Trustee Thorsell as when the last Johnson Study was completed. Mr. Hulseberg advised that the last study was completed in 1985. Mr. Jones indicated that Mr. Hulseberg is absolutely correct when he states that the previous study does not include the lift stations. Trustee Thorsell asked what would be involved in getting a new study started. Mr. Jones advised that at the last EOC meeting a motion was approved to compile a scope and prepare an RFP was approved. Trustee Thorsell asked for a status on the work. Mr. Lanphier advised he had not yet moved forward with the process as a timeline of one (1) year was assigned to the task to avoid rushing into the process as he thought an understanding had been reached on the method of funding a certain way and was waiting for the result of discussion to figure out how it was going to be funded and the asset analysis was going to take place after that time and not push for the this coming budget year but be prepared for the next budget year with the understanding that the communities were going to be able to do this project and then figure out how to fund it because of the great bidding climate. Mr. Caracci advised that there was no way to get a study completed in time for the coming fiscal year considering

how late in the year it is so it moved the priority from get it done today to get it done in a month or two as it could take three to five months to get the study and reports prepared, so the plan is to have FY2012 budget reflect results of the study.

Ms. Thorsell surmised that based on the inability to have a study done, that the St. Charles Road lift station is still at risk. Mr. Caracci confirmed that based on conversations with the village managers prior to the EOC meeting that the project will be push off indefinitely, we still have design, still need to move forward with it and are taking a calculated risk that the station is not going to fail and we are not going to have provide constant by-pass pumping.

Ms. Thorsell asked if the agreements made with the DuPage County and the Glen Ellyn Park District were valid for a year. Mr. Caracci indicated that they are permanent and construction agreements and would only need to renegotiate the timing of when we can close the East Entrance of the Ackerman Park facility and that would be an arrangement with the park district only and did not believe that closure of the entrance was specifically called out in the agreement. Mr. Lanphier indicated that a specific time frame was outline in the construction schedule that would have to be revisited with the park district depending on when construction was started. Mr. Caracci indicated that the time was not part of any legal agreement just a verbal discussion that was incorporated in to construction schedule as the easement agreement was basically an area of property that we could obtain.

Mr. Mueller mentioned that he remembered back to 1975 when he sat on the Village Board and was Lombard's representative to the EOC when the GWA facility was built and one thing we've had all the way along, from that time anyway, is the great working relationship we've had between the two communities and feels that the communities can be proud of what they have accomplished and that the communities need to remember to continue to work in that direction we have had over these great many years. Mr. Mueller stated he is concerned with Mr. Caracci's comment that the direction the EOC seems to be taking that Glen Ellyn will be one hundred percent responsible for the St. Charles Road lift station, Lombard would be responsible for the CSO and the GWA would not be responsible for anything until it comes into the station here, what about all of the lines that are coming from St. Charles Road and Lombard. Mr. Caracci asked if Mr. Mueller was referring to the NRI (North Regional Interceptor) and explained that his comment was more of a concern that it almost seems that is the direction we are going and upon hearing Lombard is going to bond the CSO project and wonders is Lombard is going to bond the project or will GWA be bonding it with the support of Lombard because it is a GWA asset and not a Lombard asset; so it would almost be that GWA would need to go out and get the bonds but they need someone to represent them since they are not a bonding agency, so if Lombard goes out for bonds themselves, then they are saying it is a Lombard asset and not part of GWA's. Mr. Caracci explained that he is expressing more of a concern on how we are funding things as funds had been held in a community pot in the past and if we are going to continue to do that he feels there are some procedural things that we may be overlooking.

Mr. Hulseberg stated that everyone agrees that the document itself is eleven (11) years old and needs to be re-written, we all sat down and went over the major portions that have to be re-written we certainly had great dialogue between the two communities from the Administrative Staff in suggesting yes, in fact, there should be a treatment facility cost center that is based off of flow, and then the various other assets should be based off use and flow, so we certainly had this discussion and it absolutely, from his perspective, follows what the existing GWA agreement calls for; it just that the practice, however that occurred, was not following what the agreement called for and that is the rub.

Ms. Thorsell asked what would happen if another opportunity for grant for this lift station as every year there more opportunities for grants or is it too much work to apply for the grants. Mr. Lanphier indicated that it is not so much that it is too much work to apply, but that GWA's current standing with the IEPA is not the best alluding to an issue with efforts to receive ARRA funding earlier this year. Ms. Thorsell indicated that the problem is with one particular project manager and not the agency as a whole. Mr. Lanphier indicated that it a had reached a section head. Mr. Caracci indicated that the matter was elevated when the elected representatives went to the IEPA and voiced their displeasure with the handling, however there is nothing that says we cannot go back and make an application for the IEPA's revolving water fund, and it is possible that we could secure funding next October and re-bid the project with the proper aspects of the specification included, however, that would get us another IEPA loan that we have to pay off over time and again, right now based on discussions this morning internally from Glen Ellyn, without knowing what the future obligation is going to be based on a new Johnson Study, Glen Ellyn does not know what their annual contribution is going to be. Mr. Caracci went on to say that Glen Ellyn went through their sewer fund the previous night and Glen Ellyn does have some money above and beyond our minimum reserve in that fund, however staff is not confident enough right now to say that we have enough for a twenty year (20) loan repayment plan plus any future repayment plan which may result from a new Johnson Study; Glen Ellyn is going to have to start putting money away for another St. Charles Road lift station before we even do the first one. Ms. Thorsell questioned the second lift station. Mr. Caracci explained that he was referring to replacement of the one that has not been done yet and that Glen Ellyn will need to start putting money away towards the sinking fund for our additional assets and we do not know that dollar amount is; with not knowing what future water rates are going to be; raising our rates as part of Glen Ellyn there is too much uncertainty right now; we might be able to get it figured out if we get a Johnson Study done in advance but it's almost as if we are putting the project off, we are probably going to put it off for two years at a minimum because Glen Ellyn needs to determine what the funding strategy is going to be before committing to doing that project.

Mr. Mueller asked if not moving forward with the St. Charles Road lift station project will any other part of the system be affected. Mr. Caracci indicated that we are opening ourselves up to continuous sanitary sewer overflows, excursions things like that in Glen Ellyn side, but as far as how it affects the NRI, there is no impact on it. Mr. Caracci continued that we are dealing with a thirty year to thirty-five old facility on a twenty-five year life cycle we are just taking our chances. Ms. Thorsell asked if we are taking

chances with the upstream versus the downstream. Mr. Caracci confirmed she was correct.

Mr. Mueller asked if funding other than through the IEPA can be sought from the St. Charles Road lift station and Lombard CSO projects independently as Itasca has received funding from Representative Roskam for their new plant.

Ms. Thorsell asked for a brief recess as an emergency situation has arisen with GWA staff must address immediately.

After a brief break, GWA staff returned for and the meeting resumed.

Mr. Mueller continued with his previous line of thought by adding that a Lombard resident had brought to his attention a report featured on a local news channel that Mayor Richard Daley, was looking into the prospect of selling the water system to American Water Works indicating that the DuPage Water Commission's planned increase would be nothing compared to the increase villages could see if the sale takes place.

Mr. Hulseberg brought the conversation back to the topic on the agenda by saying that the Lombard approached Glen Ellyn saying that if there is short-term borrowing that is needed in order to move the project forward, absolutely, Lombard has no issue with trying to help for a six month or even nine month period if that is what it took, to go ahead and do bridging so that Glen Ellyn could issue their own bonds should Glen Ellyn chose to do that. Mr. Hulseberg added this was done to be helpful as Lombard understands the predicament Glen Ellyn is in and Lombard wants to be of assistance; however, the level of assistance that he feels he can represent even with two of Lombard's trustees present, he feels he would literally have to go back to the full board for Lombard and ask their input on loaning Glen Ellyn the funds from Lombard's portion of the reserve fund. Ms. Thorsell as if the terms were still being looked at. Mr. Jones indicated that Glen Ellyn is not at a short-term basis and that the project needs to be deferred until Glen Ellyn can figure out how the capital and water and sewer is going to be looking over the next ten years, although Lombard's offer is wonderful, it is not going to put Glen Ellyn is going to have confidence in six months or nine months; it's going to take a Johnson Study, the potential rearranging of some water and sewer projects related to the road program to get shuffled or pushed off to then come up with a confidence level that, whatever the funding scheme is, is not going to bring the water and sewer fund down to six percent of reserves or something incredibly short. Mr. Jones continued by saying the question then becomes with the talk of a DuPage Water Commission rate increase, Glen Ellyn is probably going to have some sort of sewer rate increase when we do come to this conclusion, so there is an awful lot of uncertainty and anything that would be done here today and if we did not give a notice to terminate the contract, we would be locking Glen Ellyn Board into decisions in the budget process which I do not think we are even prepared to justify right now, let alone locking the board in on those things. Mr. Jones went on to say that at five o'clock the previous evening he thought Glen Ellyn had it covered, but then the further staff drilled into things because they have pushed come roads forwards and backwards, the associated water and sewer costs

obviously have come along with them, and that has been our priority up to this point and that is how Glen Ellyn has taken a long term view of this. Mr. Jones continued by stating that the St. Charles Road lift station project was a GWA project so it never made the radar screen and now that it is on the radar screen, it has to be dealt with.

Mr. Mueller asked what the cost on the St. Charles Road lift station project came in at. Mr. Caracci advised two million four hundred seventy-seven thousand dollars for construction and is estimated at two million nine hundred thousand dollars including engineering costs. Mr. Lanphier mentioned a contingency. Mr. Caracci indicated the contingency was included in the two million nine hundred thousand dollars is a total construction costs.

Mr. Gron asked what the timeline on the study was. Mr. Caracci advised that GWA staff is anticipating getting an RFP out and would probably be a four to six month study by a consulting engineer, so we would have results probably next summer definitely in advance of discussions on budgets for the next year.

Mr. Mueller asked if the two million nine hundred thousand dollars was our estimated total for the project. Mr. Caracci and Mr. Lanphier advised that the engineer's estimate was three million five hundred thousand dollars. Mr. Mueller asked where the two point nine million number came from and asked whether the project had been bid. Mr. Caracci indicated that it had been bid and that the two point four million price was J. J. Henderson which the EOC approved the contract award for last month and have already signed the contracts and before giving notice to proceed, we wanted to have a motion so we know which way to go and have direction for GWA to proceed so out of this discussion, we should have a motion on the table that says we are going to terminate the contract and continue moving forward with trying to fund this project, but we would need to specifically terminate the contract with J. J. Henderson.

Mr. Mueller stated that he feels it is important that the we work together as two communities to resolve any differences in the old agreement so forth, but shares some of the concerns that Mr. Caracci expressed that if things happen as they look like they are going to with the DuPage Water Commission or could get as bad as it looks with the City of Chicago, is there any way at all or where should we be positioned ourselves so that we do not have to really give our residents the biggest hit in the world and is there some way we can work together so that doesn't happen; Glen Ellyn cannot afford it nor can Lombard afford to give to our residents, but the bottom line is that we are the responsible for it and we are going to have to do it, but is there some way at all that we can maybe as the contracts are worked out between the two communities, is there some way that Lombard can help each other considering that the shoe could be on the other foot and it could be Lombard looking at some cost related like this wondering how we are going to pay for it! Mr. Mueller continued saying that we are here together as two communities and the project has got to be done somewhere along the line and how we accomplish what needs to be accomplished. Mr. Jones replied that the GWA budget budgeted for three million five hundred thousand dollars for the St. Charles Road lift station project and seven hundred thousand dollars for the Lombard CSO project and the cash is there to do both projects with absolutely no specific impact with regard to debt for either

community without regard to rate increases being done by individual communities, it is a GWA impact. Mr. Jones continued that Mr. Hulseberg's concern is absolutely correct in regards to something blowing up at the main plant or some type of meltdown at the main facility and if we use those dollar amounts to fund what is in Glen Ellyn and Lombard there is a little bit less buffer or ability for us to have GWA to take care of a major problem, then there could be some sort of bonding or debt financing but it is just pushing it then to another level of debt, debt still becomes the solution and the plant is going haywire. Mr. Jones continued by stating that the way both projects were budgeted originally, they were going to be paid for with cash, the pot of money was going to handle it, neither Lombard or Glen Ellyn were going to ante up with bonds and we're going to pass this on to the rate payers directly, which can be done during this fiscal year; potentially, the Johnson Study current a baseline wherein a whole new funding mechanism and that could be the point of where we start doing some of these philosophical changes versus doing it now, that is a possibility; the motions that were approved at the last EOC meeting were the two towns trying to come up with that cooperative spirit to deal with some of the equity issues and to deal with these things on an individual basis. Mr. Jones suggested undo those motions that were made and say this fiscal year, runs just as it was budgeted and as soon as the Johnsons Study is done we come up with implementing some of the philosophical issues, regarding funding, what's Lombard, what's Glen Ellyn and what's joint.

Mr. Caracci stated that the current budget book includes doing both of those projects, St. Charles Road lift station and the Lombard CSO project and at the end of next year, there will be approximately two hundred fifty-nine thousand in the bank when both projects are complete. Mr. Caracci added that this was a decision made two years ago that the EOC felt comfortable we are going to reduce our sinking fund contributions and we are going to accept the fact that we are not going to be sitting on a large capital reserve fund; so we approved that budget last year it went to both boards and they approved it; we could do both of these projects with cash on hand, but again, we are sitting with three hundred thousand dollars in the bank should anything happen. Mr. Caracci went on to say that after these projects are done looking at the long term, there are no large projects on the books, not saying something could not happen but the next big project down the road which probably based more on federal mandate down the road is our phosphorus conversion so there is a two million five hundred thousand dollar project in Fiscal 2015 other than that there is nothing in the planning that is more than a seven hundred thousand dollars as a project; so we budgeted to do both of these projects with cash on hand, once we started looking into the intergovernmental agreement, that's when Glen Ellyn started thinking why should we supplement Lombard's project and why should Lombard supplement Glen Ellyn's project, all that kind of stuff, so, if we wanted to say let's go forward with the projects, the cash is there and that is where our philosophical differences have come up in the last six to eight months.

Mr. Lanphier referred to the budget in pointing out that the two hundred fifty-nine thousand dollar balance on the capital plan was based on a three million six hundred thousand dollars lift station project that we are now doing for two million nine hundred thousand dollars so approximately seven hundred thousand dollars is going to be added back in to the bottom line so in actuality, the capital fund will be at approximately one

million dollars reserves at the end of Fiscal 2011, so our goal when we sat down and started this several years ago was to have a couple million dollars as a reserves and stay above that, we are going to go below it but we are not going to have to borrow for either of these projects. Mr. Lanphier added that the GWA capital account was created for these; did it particularly identify these lift stations, no, but this is what it was created for, it was a cooperative effort between the villages when a budget was presented and approved, we would bring those projects to the EOC, they would evaluate the bottom line and then we would go from there; it was really tracked on the "in" and the "out" was approved by the Oversight Committee on a financial basis and on a need. Mr. Lanphier continued by saying all projects are placed on a schedule that is planned out twenty years so there were not any surprises and everyone saw where the money was going; so the bottom line is we are looking a potentially one million dollars after these two projects are completed and if this project gets tabled, there is a possibility that we, as GWA or however the Village Managers determine this funding comes through, there may be an additional one million two hundred thousand dollars added to the cost of this project. Mr. Lanphier emphasized that the bid for this project was a very low bid and J. J. Henderson now know what the average bid is going to be for this project plus rising costs, this is a great bidding climate which may not exist whenever the Villages determine this can be done, engineering fees are going to go up, product prices are going to increase.

Ms. Thorsell asked if there is any way that we could go forward with these projects with an agreement in the future to retroactively look at refunding based on proportions that the Johnson Study comes up with and take care of the reserve pot or something like that, because based upon Mr. Lanphier said, it is very true we really need to think about where we are right today and what is going to benefit for the future. Mr. Jones indicated that, from a Glen Ellyn prospective, he feels the answer is yes, but that action would bind that decision upon Village Boards of the future without us even knowing what the results are so it is like saying "trust us, we think it will be okay" and if it is not the Boards will have. Ms. Thorsell asked if we already have a bid and signed contract how can it not be okay. Mr. Jones agreed but the question is the Johnson Study creates what the sinking fund levels are and referring back to Mr. Mueller's thought, if we were to somehow continue funding these two projects the way the budget called for this year and forget all of the philosophical change we have made, implement the philosophical change after the Johnson Study then, in effect, the funding of these projects can occur, Glen Ellyn pays the piper in the future but it is a forward issue as opposed to a retroactive issue. Mr. Hulseberg said he had agreed by saying let's not go back and dig up all the dollars in the past because he candidly believes that Lombard has absolutely contributed much more than its fair share over the last ten years, hands down not a question in his mind and when he looks at the reserve amount that is there right now, the bulk of that is the Village of Lombard's, it is our contributions that are there and he has a very hard time sitting back and saying let's just wipe out the books and pay everything when the larger portion of the money is coming from the Village of Lombard and is benefiting the projects that are in the Village of Glen Ellyn; and just cannot stand forward and represent his community as its Administrator and say that is right, fair or just, he just cannot do it. Mr. Jones stated that there have been some differences between the towns as to who owns what share of the balance, a couple hundred thousand dollars difference, but basically

the auditor's books over the last ten or fifteen years have shown about a fifty-five to forty-five split. Mr. Jones went on to say that if he were sitting in Mr. Hulseberg spot, he would certainly be making some of the same arguments but a lot of the new philosophy that going into where we have gone in the last few months is a little of changing the rules of the game and that is not meant to be a value judgment, it's just a fact that we are looking at things differently and we are trying to apply it back to the past to a certain degree and apply it to the future and unfortunately, we have to apply it to the present right now with this project so anything can be done, but there is a risk that we would really saddle our own Village or future Village Board with some of the impacts of those decisions now.

Ms. Thorsell indicated that she was not necessarily thinking about going all the way back to the beginning of time, but was thinking of this specific place we are right now with those two projects. Mr. Jones stated that if we were to fund the projects as budgeted right now, there would be some money left over and if there were some sort of study that reconciled the two hundred thousand dollars difference and we said that Glen Ellyn owns this much and Lombard owns that much, potentially, that would be applied to a credit towards the full contract price, the Johnson Study could be melded into that and there could be some future mechanism to fund the sinking fund, do a payback or any numbers of things that would basically make both communities feel that they were whole but that is also imposing some decision making that has already been done by our Village Boards for the future, but we are using this existing pot of money and doing all of the reconciling of the difference in ownership, then the burden is a seven hundred thousand dollar (\$700,000) versus a two million nine hundred thousand dollar burden but assumes that Glen Ellyn is using its portion, which gets right back to the issue of the plant; if the plant blows up now there isn't that buffer to basically fund repairs. Mr. Jones went on to say there are too many moving parts for us to really feel confident and if the EOC undid the motions that were done last month, and let's just fund these two projects out of the budget, we are fine and then we go ahead and try to figure this out with the Johnson Study and how our future allocations will be, but right now, we are kind of at a philosophical junction and there are too many moving parts.

Mr. Gary Scott, Senior Plant Mechanic for GWA, asked to address the EOC Committee, and mentioned that the Committee should bear in mind regarding the potential operations of the facilities which is that both of these facilities have had repairs pushed off for four budget years, GWA's maintenance costs have gone up and obviously do not compare with new construction costs. Mr. Scott continued by saying that the lift station itself is if it is pushed off, in his personal opinion, more than a year, is going to require extensive rehabilitation again to be able to maintain its capacity; the Lombard Storm Water facility, if not given rehabilitation attention has more severe consequences in that it can provide for EPA violations by loss of equipment ability and given the opinions or conditions that exist with our local EPA representatives, that could be a very serious consequence monetarily given violations. Mr. Scott went on to explain the worse case at the Lombard is the failure of the troughs for which the costs to repair is going to be excessive and not quite to the same as the total reconditioning planned, but the scope of work will be very similar and although it is not for me to decide the issues, obviously, it is for me to be concerned about maintaining the operation and permit compliance in those

regards and he certainly understand the financing issues, but he also understands that he is going to deal with it and those consequences will fall back to this group for costs. Mr. Hulseberg stated that Lombard is saying that we are aware the CSO needs to move forward and are prepared to go ahead and fund it and does not have difficulty in doing that. Mr. Scott replied that he is not responsible for the funding mechanisms and that he is only responsible for what he has and just wanted to make sure those considerations were on the table, as it is his personal opinion that Lombard facility is at the most risk right now.

Mr. Jones suggested making a motion to approve funding for the St. Charles Road Lift Station and the Lombard CSO projects as approved in the existing GWA budget with the intent that if that motion were approved, that the second motion would be something along the lines that we implement our philosophical funding changes upon completion of the Johnson Study and we also resolve the issue of the ownership of GWA assets and again it is only a couple hundred thousand dollar difference on a four point two million dollar amount but that could be somehow factored in to the overall Johnson Study future allocations and future responsibilities within both communities; so kind of a double-sided motion, one to guarantee that these issues of philosophical funding are going to be resolved and to say that the existing budget stands and we not worry about the CSO being funded by Lombard and the lift station being funded by Glen Ellyn and we do what we approved in the budget and makes this in the form of a motion.

Mr. Mueller asked if Mr. Jones was making one motion or two motions. Mr. Jones explained that the second motion is a separate motion and is irrelevant if the first motion does not pass. Mr. Caracci indicated that he thinks the second motion needs to be done before the first motion can be done. Mr. Mueller stated he was in agreement with Mr. Caracci because regardless of what goes on, the second motion has to be done first. Mr. Caracci indicated that by doing number first, you are committed to doing both. Mr. Jones made the following two part motion: Motion Part A, fund the St. Charles Road lift station and the Lombard CSO as approved in the existing GWA budget and Part B, implement the philosophical funding changes and future funding of the agency as it relates to the Villages' individual assets beginning at a point after the Johnson Study is approved and accepted by the GWA EOC and at that point we basically begin doing the things we have discussed.

Mr. Mueller stated he had no problem moving on Part B of the motion but does not think the two motions to should be dependent on each other as he has some concerns with Part A and that Part B should become independent of its own. Mr. Jones withdrew the previous motion and moved that the EOC implement the philosophical funding changes to the GWA system or structure upon the completion of the Johnson Study II. Mr. Caracci motioned and Mr. Hartweg seconded the motion.

Mr. Gron explained that with a recent change in board members on the Village of Lombard's Board of Trustees, two new members present themselves as fiscal hawks and I am thinking that this is going to be a difficult sell to these two guys anyway you look at it without something more substantial, the Johnson Study obviously would be part of it, but does not see how to get around the monetary end of it without something more concrete

and feels it is going to be a little tough. Mr. Mueller indicated that it is tough here too and it is tough for both communities if we go back to the community and say we're sorry but with all the problems we are having, and it's not our problem but something we created, we have to double your water and sewer rates, people will not understand that.

Mr. Mueller asked for clarification of on Study I and Study II. Mr. Caracci explained that the original Johnson Study was done back in 1985 with Johnson being the consultant who prepared the study and for lack of having named the new study, we are simply referring to it as Johnson Study II but should probably be referred to it as the new Asset Analysis Study.

Mr. Goldsmith asked Mr. Jones if the intent of his motion that as we proceed with the asset allocation study to not look at the two and half million dollars that is being taken out of the fund balance for your project and the one point one million dollars presumably for Lombard's project as part of that study, you are saying there is no look back to those to those budgets. Mr. Jones replied that he is saying that the budgets as adopted right now, points both projects as GWA. Mr. Goldsmith asked if when looking at the new rate study if those two projects will not be factored into any asset allocation or cost sharing. Mr. Jones indicated they would in terms of replacement value. Mr. Goldsmith questioned whether there would be a look back to the CSO project and Mr. Jones confirmed Mr. Goldsmith assessment.

Mr. Hulseberg stated that the problem with that is, there it is a million dollars that the Village of Lombard loses and he absolutely could not concur and feels he has an absolute obligation to take this issue to his Village Board for him to vote on if they are in favor of this. Mr. Mueller asked if Mr. Hulseberg was referring to approval to move forward with the study and Mr. Hulseberg replied no; under the way the motion was made, its saying that the money that's sitting in the pot right now could be spent and it would not be allocated based off of contributions, it could just be spent so using quick numbers there is two point nine million for the lift station project and one point three million dollars to do the CSO plant; if you add those up and based the split off of flow and not the Johnson Study, the lion share of the money is being spent to benefit Glen Ellyn and would argue in two fashions; 1) a larger portion of the reserve dollars that are there came from the Village of Lombard; 2) the larger amount of money that is getting spent is benefitting the Village of Glen Ellyn so when you start to look at those differences, you are easily over a million dollars. Mr. Hulseberg asked his Finance Director, Tim Sexton, to provide a quick figure. Mr. Sexton indicated he needed to quickly look a few numbers before he could provide an answer and suggest the Committee continue its discussion. Mr. Lanphier stated that he understands we are trying to equitable and match project for project; and in 2002 there was almost a million dollar project completed over at the Lombard CSO facility and those numbers were presented and their offsetting costs are very close to what numbers have spent at the Lombard CSO facility in the last ten years versus St. Charles has never had a major expense. Mr. Caracci indicated that there is still an issue of how to pay for the St. Charles Lift Station. Mr. Hulseberg stated that is he why he cannot have someone throw out a number and say here take the CSO plant when I would say take the NRI and the SRI and then do a full accounting. Mr. Lanphier stated that he was referring to Mr. Hulseberg's comparison of costs between the

St. Charles and Lombard CSO projects. Mr. Hulseberg responded by stating because the conversation right now is referring to the dollars to be spent.

Ms. Thorsell asked that if the motion was amended to include these two projects as part of the asset allocation would that be acceptable. Mr. Hulseberg indicated that personally he would rather have a special meeting because this is all getting dumped staff from the Village of Lombard and would like to be able to go back to his Village Board to get direction from them on how to vote.

Mr. Gron asked if the notice to proceed for the contractor had to be signed within the next three days. Mr. Caracci indicated that it did as there is a signed contract and in the contract there is a set timeframe that we must execute a notice to proceed and that timeframe is coming up in the next few days. Mr. Caracci offered that we could request from the contractor that they give us a one month extension on this, but the problem we get into is they need to order materials and parts and we have specific window based off of our agreement with the Park District that we can only work between November 1st and either March 1st or 30th to get the project done and that is a pretty tight time schedule for the amount of work that needs to get done so it is a difficult situation to be in. Mr. Gron indicated he understands the difficult position, but as things came up today and trying to make a decision is difficult.

Mr. Caracci asked what the time frame would be for the Village of Glen Ellyn and the Village of Lombard to meet with their respective Boards to discuss this. Mr. Hulseberg indicated that the Village of Lombard board meets next Thursday, November 19th. Mr. Caracci indicated that the Village of Glen Ellyn has a workshop the following Monday, November 16th.

Ms. Thorsell asked what would become of the pending deadline for issuing the notice to proceed. Mr. Caracci indicated that GWA could ask for a couple week extension. Mr. Caracci indicated that one of the issues we have is that Mr. Lanphier is going to become inaccessible for approximately one month as he has surgery planned for the next day and will not be able to really leave home.

Mr. Hulseberg asked Mr. Jones if he was in agreement with the suggestion to seek their respective Boards' approval and convene a special meeting to discuss make a final decision. Mr. Jones indicated that he was in agreement however, asked for clarification on what the Village Managers were bring back to their respective Boards and asked if there was a need for some sort of motion contingent upon our Boards' approval so there is some specific proposal before them. Mr. Hulseberg stated that candidly we are probably best of trying to sit down ourselves administratively and ask what are we trying to do and then go back to the Village of Lombard's Board, layout it all out and say where they want to be. Mr. Gron stated he was in agreement with Mr. Hulseberg's suggestion.

Mr. Caracci stated that it is a difficult decision for either Finance Committee or Director to vote on because we do not know what the outcome of any study is going to be and we could be talking about having to contribute half a million dollars each year which neither Village is in a position to start doing, the new asset analysis could come back and saying

we are ten million dollars underfunded, how are we going to make that up. Mr. Hulseberg agreed and indicated that the Villages would come back and make an agreement on an amortization plan that over time.

Mr. Goldsmith expressed his opinion that the big issue is whether there is an inclusion of the two projects or not and feels that if there was a commitment to include the two projects, that Mr. Hulseberg would probably have a better comfort level. Mr. Hulseberg indicated that it would probably be easier for him to get Lombard's Village Board to agree to it if that were the case. Mr. Hulseberg indicated that his quick numbers point to an approximate two million dollar swing and referred to Mr. Sexton for a confirmation on his number. Mr. Sexton indicated that there is four and half million dollars in cash and depending on which theory is used on how we allocate that, roughly around two million dollars for Glen Ellyn and two and half million dollars for Lombard give a take a hundred thousand dollars either way. Mr. Sexton continued by saying that you are talking about a two point nine million dollar project for the lift station compared to the two million dollars that's there if we were to allocate Glen Ellyn's portion now and likewise the one point two million dollars for the CSO project out of the two and half million dollars that is Lombard's because the CSO has always been broken out as separate contribution, there is only about five hundred thousand available.

Mr. Jones asked Mr. Batek if we had some sort of formula that said both of these projects can be funded within the existing GWA budget however, in view of the fact that Glen Ellyn only has approximately two million dollars of that share, and had Glen Ellyn had come up with the other nine hundred thousand dollars could our budget that is in water and sewer capital absorb the nine hundred thousand over a time period which would then get added to the new Johnson Study payback period and the nine hundred thousand would get split out over ten years. Mr. Jones added that this would address one-third of the comfort issues we encountered this morning. Mr. Batek indicated all that could be done would be to go back and put pencil to paper meet either collectively or separately however you want it, as he did not feel he could here sit without any formula and say theoretically that is something that could come together and whether the EOC is able to extend the notice to proceed or not would be something Mr. Caracci to answer as we are right at the gun on the project. Mr. Jones suggested to alleviate some of Lombard's concerns about their money being funneled to the lift station project, if the distribution of assets sort of draws the firewall between what Glen Ellyn can go to and what Glen Ellyn has to fund internally, and then nine hundred thousand becomes part of the new Johnson Study future allocation, does that put Lombard in a situation where Mr. Hulseberg feels that is a fair approach. Mr. Hulseberg indicated that he felt that was a fair approach to bring back to his Village Board because literally when he looks at it, he sees that it is to the benefit of Glen Ellyn by approximately two point two million dollars and he just cannot see that as fair. Mr. Jones asked Mr. Hulseberg where the two point two million dollars figure came from because thought the issued was only nine hundred thousand dollars. Mr. Hulseberg referred by to Mr. Jones' original scenario of just paying for the projects as budgeted then it is a two point two million dollar swing, however if we are talking about taking the two million out and then borrowing the nine hundred thousand dollars, is in the realm of what Lombard said was fine, then, the concern we all should have is what happens in the future if something happens at the plant; as Glen Ellyn is

cash strapped, how are you going to come up with those dollars should something happen as you have not bonded anything out, so certainly you could bond out some emergency short term certificates out there to get some dollars out there and that would be Glen Ellyn's decision on how they would get financing.

Mr. Jones indicated that there is a motion on the table talking about the philosophical issues being implemented upon the Johnson Study II, then potentially Mr. Jones could make a subsequent motion talking about the projects being funded as approved in the GWA budget however, the asset distribution of cash at hand would only fund a dollar up to that level and Glen Ellyn being responsible for anything above contingent upon approval by the two Boards so that would be a second motion later after this.

Mr. Gron indicated it was three.

Mr. Goldsmith stated that in determining how much of the fund reserve was Glen Ellyn's and how much was Lombard's it was unfair to say that Glen Ellyn had a two million dollar threshold until we know for certain. Mr. Hulseberg indicated that based on Lombard's numbers that he is in agreement with the two million dollar figure. Mr. Goldsmith indicated that he had not been involved in Mr. Hulseberg's conversations. Mr. Hulseberg explained that they had taken the current Johnson Study and the four point five million dollars and allocated based on the Johnson Study to the various areas, Glen Ellyn would have thereabouts two million dollars and Lombard would have about two and half million dollars versus using flow as the factor.

Mr. Gron surmised that Glen Ellyn would have to pay nine hundred dollars. Mr. Caracci indicated that Glen Ellyn is stating that they will borrow that sum and pay it back. Mr. Caracci explained that Glen Ellyn would utilize its own funding and Glen Ellyn's only debt is debt towards the capital that has really been contributed by Lombard and then Glen Ellyn would pay that back into the fund at GWA. Mr. Mueller asked how long the term on the loan would be. Mr. Caracci advised a ten year payback is in the plan. Mr. Jones added that it would also be factored in when the Johnson Study II is determined, this number would be factored into the future allocations.

Mr. Hulseberg asked Mr. Jones where they would borrow the nine hundred thousand dollars from. Mr. Jones answered GWA. Mr. Hulseberg indicated that we run into the issue of being very clear in letting Lombard's Board know that the money is coming from the Village of Lombard's share. Mr. Caracci commented on the fact that it would be money that Lombard had already invested. Mr. Hulseberg asked why the Village of Glen Ellyn cannot go out borrow nine hundred thousand dollars in the market place versus borrowing from GWA which is the Village of Lombard's share that is left. Mr. Hulseberg continued by stating that if Glen Ellyn is willing to borrow money, why not go to a bank and borrow money versus the Village of Lombard as to him it is a very clean and easy way to go ahead and sure, where that leaves the Village of Lombard a little bit negative, and Glenbard Waste a little bit negative is we don't have as much reserve dollars that are in the pot available should happen; yes, Lombard has it and if you need money, you are actually then going to be taking Lombard's money to pay some GWA expenses and not anything that Glen Ellyn has contributed.

Ms. Thorsell commented that the reserves are under GWA and not either town. Mr. Hulseberg agreed with Ms. Thorsell, and continued by saying that the contributions made. Ms. Thorsell indicated she understand everything Mr. Hulseberg is saying and it is theoretical in all this that the plant were to blow up or if something happened on Lombard's part of the system and something came up where there were no reserves to pay for any repairs, Glen Ellyn would have to step up at that point, if not, it is reserves and the allocation study is going to fix that. Mr. Hulseberg indicated he agreed but stressed the one point he is trying to make is that if Glen Ellyn goes ahead and takes all of its money out of the reserve account, its share would be zero and any expense that comes up that is need to go ahead and do something at the facilities, whether it be the NRI or SRI or the plant itself, except for the CSO as it is one hundred percent Lombard anyway, Glen Ellyn is always using Lombard money, the Lombard contribution area is their line and he is just putting it out there to let everyone understand that issue. Ms. Thorsell agreed and stated that if there were not enough in the GWA reserves a condition would be made that Glen Ellyn would have to step up and make up the shortage.

Mr. Goldsmith asked if it would be cleaner up front to just have Glen Ellyn borrow the shortfall on their project. Mr. Hulseberg agreed they should borrow the shortfall anyways. Mr. Goldsmith continued by saying that way, there is no chance that we are going to be drawing down the reserves to fund operational issues moving forward. Ms. Thorsell asked what kind of chance exists, a ten percent, five percent chance or one percent chance that something is going to happen. Mr. Goldsmith indicated that the Committee had just heard that there are operational issues which are short-term at the CSO plant which is not set for replacement until next year. Mr. Lanphier indicated that the repairs have been continually put off which is why the project is scheduled for next year. Mr. Goldsmith indicated that per Mr. Scott's comments that if something were to blow up at the CSO facility the cost for repairs would be relatively similar to what the replacement costs would be. Mr. Scott corrected Mr. Goldsmith indicating that his point was that the actual scope of work he would have to do is replacement of weirs, the actual cost would not be comparable to a total replacement of the entire facility and there it is most suspect that something could happen there that could cause a breach of our IEPA permit requirements. Mr. Rick Freeman, GWA Senior Electrician/Electronics Technician, added that the greater risk is the St. Charles Road Lift Station as it operates seven days a week, twenty-four hours a day versus the CSO plant which only runs approximately nineteen to twenty-two days a year. Mr. Freeman continued by saying that we are talking about a system that is on the brink of failure and if you put it off it is definitely going to cost GWA more money.

Mr. Caracci summarized what Mr. Hulseberg was saying is Lombard would be willing to go ahead and allow the utilization of capital funds right now to pay for both projects up to the contributions of each community, Lombard would also offer a short-term loan of the nine hundred thousand dollars to Glen Ellyn until they could repay the nine hundred thousand dollars with the term "short-term" needing clarification and asked Mr. Hulseberg if he would be comfortable with that. Mr. Hulseberg advised that was not what he had said. Mr. Hulseberg repeated he suggestion that Glen Ellyn could go ahead and take their two million dollars out, he could understand that, however, there needs to be some sort of safety mechanism then written saying that should there be major repairs

that Glen Ellyn is going to come up or if there are expenses going on that are using reserve dollars or what he is calling the "Lombard share" then somehow those are accounted for and reimbursed with interest at whatever the prevailing rate would be if we looked at that and that would mean that Glen Ellyn would have to go borrow nine hundred thousand dollars someplace but not from GWWA. Mr. Hulseberg indicated that this seemed like a very easy option for him to go to his Board and present and sell and would feel comfort in doing this, but he could not promise that the new board members were going to buy into it as Lombard has an interesting dynamic going on right now and stated that this seems palatable to him and asked Mr. Jones how palatable it seemed to him.

Mr. Jones indicated that in lieu of going to the public, he did not think Glen Ellyn could go out for debt at this time especially after just going through the Library and it's three million dollar issue, other budget issues; and the beauty of this is that this is how it was funded, these two projects were funded this way there was no outside debt required and by Glen Ellyn paying back GWA, Glen Ellyn, in effect, is doing more to replenish that reserve and doing more to make Glenbard whole then we would have if the budget, as approved, would have been followed.

Mr. Lanphier sought to clarify for the Committee and asked Mr. Batek to correct him if he was wrong, that is a capital fund and not a reserve, there really is not a formal reserve set up for this and he knows that this is for long-term capital equipment replacement which is what this fund was initially set up for. Mr. Lanphier went on to say that he knows that there were discussions at prior EOC meetings to determine what that reserve should be and that is where we are at now and if Glen Ellyn wants to take what we are determining what is their share of this, every year we re-contribute to the capital fund so with that analysis, now that would be identified that they are basically starting with a debt against that borrowing from the Lombard side of the general fund and that is where Mr. Jones is referring to that this is a budgeted item in a general fund that we have for capital replacement. Mr. Hulseberg added that there is one important note from the meeting when both himself and Mr. Jones first sat together for an EOC Committee meeting, and this St. Charles Road lift station came up and it was talked about going with grant dollars, eighty-percent of it was going to be federal dollars it immediately came on his radar screen right then and there saying, this does not seem fair and he needs to take a look at things but candidly, it was only twenty percent and he had talked to Mr. Lichter about that, and as it was only going to be twenty percent coming out of Glenbard Wastewater's fund, so no big deal, now it is a much bigger ship when you go from twenty percent to one hundred percent saying what your stomach and granted it was not his budget and he did not vote to approve it and likewise for Mr. Jones, so we are sort of stuck in this mess saying, how do we make the right adjustment there. Mr. Jones agreed and said that is why Glen Ellyn has agreed to pay back that portion of asset they are borrowing that doesn't fall into Glen Ellyn's ownership. Mr. Jones went on to say that it was not his fault or Mr. Hulseberg's fault as all of the planning that was done from the capital side for Glen Ellyn was done by GWA and that is our problem but the rules changed in the middle of the game and puts us in a situation where we got to somehow come up with a way to say part of this is ours we can use it and part of this is yours we'll pay it back.

Ms. Thorsell added that there is no additional cost to each town by utilizing the GWA funds right now and the agreement for Glen Ellyn to pay their fair share that has to be reasonable if that is part of the way that the agreement is worded so we can move forward. Mr. Hulseberg stated herein again, you have a philosophical issue of whether the Lombard Village Board feels it is okay to utilize what we will call "Lombard money" versus Glen Ellyn money to Glen Ellyn is one component and the second component is if they agree to that, what is a fair number of years to go ahead and pay that back and what is the rate that it gets paid back at, so it is twenty years or seven years. Mr. Hulseberg added our two communities have a little bit different philosophy on how long we want to budget something like this, Lombard would go with something like seven years versus extended it out twenty years because that's the product life. Mr. Mueller indicated that Glen Ellyn had said ten years. Mr. Caracci indicated that previously, Glen Ellyn had proposed twenty years. Mr. Jones indicated that it had been twenty years on the two point nine million dollars, since the amount is down to nine hundred thousand, it would be ten years or an amount equal to approximately one hundred thousand dollars per year pay back.

Mr. Caracci suggested each community go back to their respective Boards with that option and if the Lombard Board is acceptable to lending Glen Ellyn nine hundred thousand dollars for ten years, then we come back to this meeting saying that we went back to our board and they said yes or they said no and that gets us to the position he feels we need to be because then Glen Ellyn could prepare for if we are able to borrow the money from Lombard with a payment plan then we may feel comfortable moving forward with the project; if we come back as an EOC and the answer was no, we are not willing to do that, we would be prepared to say the project either stops or we have come up with a way to fund the nine hundred thousand dollars and thinks that were the Committee stands.

Mr. Gron stated that in lieu of that, Mr. Jones needs to remove his motions from the floor. Mr. Jones stated all his motions are removed.

Mr. Gron made the motion to take the information back their respective Village Boards for their next scheduled round of meetings and present the option for their decision. Mr. Hulseberg asked if the EOC wanted to have a special meeting. Ms. Thorsell indicated the Committee would have to have special meeting as the next regularly scheduled EOC Committee meeting is not scheduled until December. Mr. Goldsmith suggested a special meeting date of Friday, November 20th as Lombard was meeting on Thursday, November 19th and Glen Ellyn was scheduled for Monday, November 16th. Ms. Thorsell asked if that was enough time to discuss things. Mr. Hulseberg said it would work for him as he would be flying out the afternoon of the 20th. Mr. Caracci indicated that Mr. Lanphier would work through the engineers to request a time extension with the contractor on issuing a notice to proceed which assuming that happens we should be okay.

Motion each village will seek approval from their respective Village Boards and receive approval to pay for upgrades at both the St. Charles Road Lift Station and the Lombard Combined Sewer Treatment Facility utilizing the budgeted funds in the GWA capital fund. In addition, as the St. Charles Road Lift Station project

exceeds the Village of Glen Ellyn's owned asset value of cash, the difference between what the Village of Glen Ellyn owns and what the final project cost is will be repaid to GWA over a ten (10) year period at the Illinois Fund Rate and that the projects will be included in any future asset analysis study.

Mr. Gron moved and Mr. Hulseberg seconded the motion: All members responded "Aye". The motion carried.

7. Other Business

7.1 E/M Corporation Pretreatment Violations

Mr. Lanphier explained that this applied mainly to the Village of Lombard and GWA as a whole in that E/M Corporation experienced several zinc content violations. Mr. Lanphier explained that management at E/M Corporation has been very cooperative in notify GWA of the violations which were due mainly to process and operator error in a wash down tank and have installed some alarming systems and the disabling of some pumps. Mr. Lanphier advised that GWA levied two sets of fines, the first being for five hundred dollar and payable to the Village of Lombard and the second fine was for fourteen hundred dollars comprised of two seven hundred dollar fines, one for a daily zinc violation and the second for a monthly zinc violation and these fines are levied per the Village of Lombard's Pretreatment Code.

Mr. Hulseberg advised the Committee that the Village of Lombard is changing their practice in that in the past, these fees had been dumped into the Village of Lombard coffers, Lombard has cashed these checks and will be cutting checks back to GWA in the amount of the fine, as GWA is the Administrative Arm and probably have additional costs that had to be associated with this, therefore, the Village of Lombard should not take the money.

7.2 Anaerobic Digester Improvement Project

7.2.1 Digester Cover #3

7.2.2 October 31, 2009 Final Completion Date

Mr. Lanphier began by explaining that digester cover #3 had recently been inspected by an outside contractor, Walker Process, who was hired by the general contractor as a sub-contractor to inspect the underside of the cover and do an evaluation of the structural steel and advise GWA the condition of the steel as per the contract with WBCI as well as provide what and how to proceed with the repair of this cover. Mr. Lanphier continued by saying the report for this cover came back indicating that the cover was substantially deficient in a variety of ways, trusses, paraffins, flat steel, angled steel, etc., as this report was close to one hundred pages and very technical in nature, he did not include it in the packet, but just based on the letter that was included in the packet from Williams Bros. Construction, GWA had allocated twenty thousand dollars for repairs to this cover and according to Williams Bros. Construction what it will cost them to

subcontract and then manage that repair was approximately one hundred sixty-seven thousand over that allowance, just for the repair. Mr. Lanphier indicated that the letter went on to indicate that there are times when extensions are required, three months to take the project to February 20, 2010 those funds based off of the two thousand dollars a day and the fifteen hundred dollars of winter work came to approximately three hundred twenty-five thousand and five hundred dollars in additional fees for a total of four hundred ninety three thousand dollars to repair the cover and that is not including additional engineering fees which we are paying now at a cost of one hundred seventy five thousand dollars so to include the cover in this project as it stands, would have approximately six hundred seventy thousand dollars. Mr. Lanphier indicated that he had not yet received a formal quote for a new cover, however the cost of a sixty foot floating cover that was included in the project was approximately one hundred to one hundred and fifty thousand dollars with sixty thousand dollars for the installation of a new cover, so a ball park of two hundred thousand dollars to do a new cover under a separate contract if we wanted to wait and let this project settle. Mr. Lanphier indicated that he had contact Mr. Caracci and the Strand engineers and told the contractor that GWA is not interested in moving forward with this phase of the project as the costs are absolutely absurd and GWA is not going to give them three months pay for doing the work that their contract is already paying them to do and giving them an out for another time extension, so GWA pulled the cover out from underneath them and forcing them to comply with their November 20th date and in a nutshell, that is where the liquidated damages discussions come in. Mr. Lanphier explained that to date, GWA has not received a letter from Williams Bros. requesting a time extension, except for this letter regarding the number #3 cover, which we responded to them and said no thank, we are not interested in your outrageous costs so on that note, Mr. Lanphier asked the EOC to approve his sending out a letter to Williams Bros. notifying them that we will be assessing them liquidated damages as of October 31, 2009 for final completion which is two thousand dollars a day and if they do not meet the November 20, 2009 deadline, based off of the EOC's approval of a letter he sent out, we gave them two months of substantial completion forgiveness which was from July 31, 2009 until September 31, 2009; we gave them that and as a carrot, we will also say if you can meet your stated November 20th time for substantial completion, we will also forgive you for October and if you do not meet November 20th, we are going to charge you substantial completion for the month of October so we will now move forward with charging them for substantial completion which is two thousand dollars a day as of October 31st, it would be substantial and final completion which are separate charges as specifically outlined in two separate liquidated damages clauses in the contract as two separate per day charges if those are not consecutively and until they meet that substantial completion date, it will be a four thousand dollars per day liquidated damage charge, potentially and again the contract states that liquidated damages are not meant to be a punishment but meant to cover costs for the owner.

Mr. Caracci indicated that he recommended to Mr. Lanphier that he seek the Committee's approval before sending out the letter. Mr. Mueller asked if this was a motion. Mr. Lanphier said it was not a motion, but just a request for authorization to proceed with the notification to Williams Bros.

Mr. Gron asked if there was a provision in the contract where if they finished ahead of schedule would Williams Bros. receive a bonus. Mr. Caracci indicated there is not such clause in the contract and that in recently, the Supreme Court and tossed a law stating that liquidated damages could not be accessed if the contract did not provide of a bonus payout for early completion and the in the past Glen Ellyn had applied bonuses to contracts only to find out the workmanship on those jobs was sub-par and it was not worth the time to go back and redo the work.

8. **Next EOC Meeting – The next regularly scheduled EOC Meeting will be on **Thursday, November 12, 2009 at 8:00 am at the Glenbard Plant.****

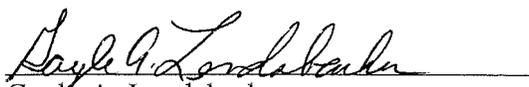
Mr. Caracci thanked everyone for spending a little extra time at the meeting to discuss with everyone present.

Mr. Mueller expressed his appreciation to Mr. Hulseberg, Mr. Jones and their respective teams for their work in trying to accomplish the task at hand and from an elected official stand point, he has to look at what the possibilities could be and what both communities are facing in the economic conditions that we have and if at any time that we should try to find a time to work together, this is the time that we need to do it granted, we still need to go through and get out house in order, but certainly, this has changed quickly over the last week and has thrown more worry into his mind as to where things will end up going to our residents with who knows what figure and it is even more important, especially on a project like this that we get control of this so that we can find a way to work together and just ask that everyone continues to work together and have good faith considering we did not create this problem and every needs to continue to work on moving forward.

Motion to Adjourn

Mr. Mueller moved to adjourn the November 12, 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 10:01 a.m.

Submitted by:


Gayle A. Lendabarker
GWA Administrative Secretary