

**GLENBARD WASTEWATER AUTHORITY**

**Executive Oversight Committee**

**Minutes**

**Thursday, March 11, 2010**

**8:00 A.M.**

**Meeting will be held at the Glenbard Wastewater Plant  
21 W 551 Bemis Rd, Glen Ellyn, IL**

Members Present:

Michelle Thorsell	Trustee, Village of Glen Ellyn
William Mueller	President, Village of Lombard
Steven Jones	Manager, Village of Glen Ellyn
Tim Sexton	Finance Director, 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
Gayle Lendabarker	Administrative Secretary, GWA
Jon Batek	Finance Director, Village of Glen Ellyn

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

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

- 4.1 Minutes from the January 14, 2010 EOC Meeting
- 4.2 Vouchers previously reviewed by Trustee Hartweg
- 4.3 Anaerobic Digester Project Change Order #5

The contractor for the Anaerobic Digester Project has submitted change order number five (5) which contains a total of six (6) different projects that were successfully completed. All change orders have been reviewed and recommended by our Project Engineers (Strand) and deemed necessary and appropriate by GWA. Itemized descriptions of the projects included in Change Order No 5 have been provided to you as an attachment.

**Motion to approve Change Order No. 5 for the Anaerobic Digester Project which results in a total net increase of the contract in the amount of \$4,193 for a revised contract amount of \$7,454,193.**

**4.4 Contract Extension – Oxygen System Maintenance Services**

Under the approved contract, an agreement for Oxygen System Maintenance Services was approved by the Executive Oversight Committee and signed by President Hase on May 1, 2006 which extended the previous Agreement for a period beginning April 30, 2006 through April 9, 2010 between the Authority and Lotepro (M<sup>2</sup>T). GWA would like to request an extension of the current contract for an additional four (4) years at the same cost as the previous four (4) year agreement.

**Motion EOC approve to award a four (4) year extension to the contract agreement with Mixing and Mass Transfer Technologies, LLC (a division of Lotepro, Inc.) of Peekskill, New York at a contract price of \$152,000.**

*Mr. Caracci advised the EOC Committee that the pricing reflected on the contract for M<sup>2</sup>T reflected no price increase over the previous four (4) year contract and that he would be adding into the contract the "Freedom of Information Act" information and adjust the date on the new agreement to 2010 instead of 2006.*

*Mr. Jones asked if, in light of the vendor keeping their pricing fixed for the next four (4) years, it would be better to go out to bid for these services or is this a sole-source vendor. Mr. Lanphier explained that this is a sole-source supplier situation due to the uniqueness of GWA's process in using a pure oxygen cryogenic facility. Mr. Lanphier added that M<sup>2</sup>T comprises the staff of the original manufacturer of the system, Union Carbide, and have been servicing the system for a minimum of ten (10) years and to his knowledge, there are no other vendors who perform the same five (5) year and one (1) year turn around, support, training and consulting services of this nature.*

*Ms. Thorsell suggested that in the future on items where a sole-source vendor is being contracted, the Mr. Lanphier include a similar explanation as he had provided on M<sup>2</sup>T in writing.*

**5. Auditor Selection**

We are in the process of securing an independent accounting firm to perform the annual audit of the Authority's finances for fiscal year 2010. The Authority's policy directs that the audit firm be changed at least every five years. The firm of Baker Tilly Virchow Krause has now performed the Authority's audit for the past five years concluding with the year ended April 30, 2009.

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Requests for proposals were distributed in late January to five local audit firms having experience in governmental accounting. Proposals were requested for the Authority's next five fiscal years ending on April 30, 2010 through 2014 with the EOC renewal of the audit agreement on an annual basis. Proposals were due on February 12, 2010. Staff received proposals from three of the five firms invited to participate.

Attached is a summary of the cost proposals from each of the three firms submitting proposals.

The pricing for the Annual Financial Report was extremely close with only a \$500 difference separating the high proposal from the low proposal over the five year span. However, there was greater differentiation in pricing for the Single Audit Report, with fees ranging from \$2,160 to \$5,100 in the first year. A Single Audit is required in any fiscal year when the Authority receives more than \$500,000 in Federal money. With the completion of the Digester project, FY2010 should be the final year the Authority will need a Single Audit.

All three of the submitting firms are well qualified and well respected in the field of governmental auditing. Staff would be comfortable working with any one of these firms. As such, Staff is recommending that the Authority award the contract to the firm with the lowest combined cost for the Annual Audit Report and Single Audit Report. In addition to having submitted the lowest total cost proposal, Wolf & Company LLP has familiarity with the Authority as they were previously engaged as the Authority's auditor for FY2000 thru FY2004.

**Motion to approve the award of independent auditing services for the Authority's fiscal year ending April 30, 2010 at a cost not to exceed \$12,440 as identified in the Proposal for Auditing Services dated February 5, 2010 by Wolf & Company LLP, plus an additional amount of \$2,160 for a Single Audit Report.**

*Mr. Batek advised that the five (5) year contract with Baker, Tilly, Virchow and Krause of Madison, WI, has been completed and the Authority has a five (5) year rotation policy on audit firms and that based on the proposals recommended Wolf & Company LLP.*

*There was discussion regarding the use of Lombard's auditing company and it was indicated that their pricing on the single audit that is required due to the IEPA loan was a deciding factor in the contract not being awarded to them. Mr. Sexton assured the Committee that Lombard was in agreement with the contract going to Wolf & Company.*

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

6. FY11 Draft Budget

The FY 2011 GWA Draft Budget was provided to the EOC for review on March 4, 2010. The EOC is asked to recommend the approval of the Budget to the board at the scheduled Annual Board Meeting to be held April 15, 2010 in Lombard.

**Motion the EOC recommend to the GWA Board for approval the proposed FY11 Annual Budget for the Operation, Maintenance and Capital Improvements for all GWA Facilities for a total amount of \$12,848,900**

*A packet containing some very last minutes changes were distributed to the Committee members who were present. There were discussions indicating that due to a number of last minute changes to the budget and the absence of the Trustee Representatives from both Villages and Lombard's Village Manager, it would be best to delay the approval of the FY2011 budget until the April Committee meeting so that they could be included in the approval process.*

*Mr. Lanphier advised that the Committee is being asked if, from a financial standpoint, it would be beneficial to move the asset analysis study from FY2011 to FY2012 to assist both the Villages of Lombard and Glen Ellyn with current financial constraints. The Committee was advised that the delay of the Asset Analysis Study would have no impact on the revisions currently being made to the IGA as an acceptable formula was determined for use in the budget which can be carried over to the IGA.*

7. GWA Annual Meeting Draft Agenda and Minutes from the 2009 meeting

The Annual meeting of the Glenbard Wastewater Authority is scheduled for Thursday, April 15, 2010 at 6:30 p.m. in the Community Room at the Village of Lombard Village Hall. A proposed Agenda and minutes from the 2009 Annual Meeting are attached for review.

**Motion the EOC approve the proposed Agenda and 2009 Minutes as prepared for the scheduled April 15, 2010 Meeting of the GWA Board.**

*Mr. Jones asked for confirmation that the time schedule for the April 15<sup>th</sup> meeting was the EOC Committee starting at 5:30 p.m., dinner at 6:00 p.m. and the EOC Full Board meeting beginning at 6:30 p.m. Mr. Caracci confirmed this.*

*It was also noted that the meeting location on the Agenda needs to be amended from Glen Ellyn to Lombard.*

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

8. Strand Associates Inc. Amendment No. 5

GWA and Strand are continuing to do the best we can to get the contractor to finish the job per contract and specifications. A table has been submitted as part of the request for the addition of Amendment #5 to the original contract. This amendment is even more difficult to outline than Amendment #4 due to the "Unknowns" regarding the closeout of the project.

Amendment #5 to the June 6, 2007, Agreement for Construction-Related Services – Anaerobic Digester Improvements include the estimated engineering fees for engineering services from January 2010 through May 2010 based on our best estimate of the Contractor's construction schedule considering the contract work remaining to be completed.

**GWA would like to discuss with the EOC the best way to proceed with Engineering Services to finish out the Anaerobic Digester Project. This is the second amendment that we have brought to your attention in a four (4) month period and we want to avoid a potential for another amendment due to the unpredictable progress of the contractor. The motion provided below is only to be utilized if the EOC agrees that documented contract changes for engineering services as outlined by Strand in their attachment is the best management practice for this particular situation.**

**Motion the EOC to approve the Amendment #5 for Anaerobic Digester Project Construction Related Services with Strand Associates, Inc. in the amount of \$104,900. This will change the agreement price from \$901,620 to \$1,006,520.**

*Mr. Lanphier presented details outlining the need for Amendment #5 covering deficiencies by Williams Brothers Construction Inc. on the Anaerobic Digester project. The deficiencies have resulted in the full-time utilization of the R.E. instead of the reduced time schedule outlined in Amendment #4 as WBCI works to get things done has required additional administrative work on the push to reach substantial completion. Mr. Lanphier asked the Committee if they wanted to proceed with the approval of the Amendment as it is, or is there an alternative that should be discussed in regard to close-out of the project.*

*Mr. Caracci advised the Committee that before any discussions take place, that there is threatened litigation on the project and if there are going to be any discussions regarding strategies and the Committee is going to deal with certain things, then he prefers this be discussed in Executive Session so that the open information the Committee provides is not breathed to the contractor. Mr. Jones asked if there would be a separate set of minutes for an Executive Session.*

*There was discussion regarding the allegations by WBCI that the delays were due to Owner and/or Engineer. Mr. Caracci indicated there were thus and thus confirming the need for Executive Session.*

**Mr. Jones moved and Mr. Caracci seconded the motion the EOC Committee convene for Executive Session to discuss threatened or pending litigation. The members responded unanimously to a verbal call of "Aye". The motion carried.**

**8:43 a.m. EOC Committee convened Executive Session.**

**9:25 am. EOC Committee returned from Executive Session and re-convened regular session.**

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

9. Other Business

9.1 Correspondence to Bemis Road Neighbors regarding Sludge Hauling the first week of February – **No Action**

9.2 George W. Burke Facility Safety Award Nomination – **No Action.**  
*This is the third (3<sup>rd</sup>) time GWA has been nominated for the award and last won the award back in 2003, but there were significant things that have happened this past year worthy of submitting which Gary Scott put together in his absence. The Committee will be advised if GWA wins the award.*

9.3 Travelers Insurance Annual Inspection – **No Action.**

9.4 Anaerobic Digester Discussion

*Mr. Lanphier also noted that GWA has exceeded its longest excursion record of 957 days consecutive without any violations at the Main facilities, the previous record was 954 days which is the longest period of time. Unfortunately, the Lombard CSO plant is lagging behind that record as in calendar year 2009 there were two (2) wet weather events that caused fecal violations of greater than 400.*

*Mr. Lanphier indicated that there are on-going discussions regarding a chemical contract award which will he hopes to have finalized by the April Committee meeting for approval.*

*There was discussion by the Committee on the status of the revisions to the IGA indicating that the finalization of a new agreement would not be until after May 1, 2010; this way both of the villages have their respective budgets done and approved and the IGA can have the appropriate attention to detail it deserves.*

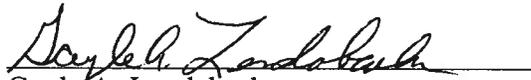
*Ms. Thorsell indicated that the Yalding house has been moved out of GWA's warehouse and asked if equipment had been moved into the vacated space yet. Mr. Caracci and Mr. Lanphier advised that equipment cannot be moved in yet as the area is still being used as an evidence locker by the Glen Ellyn Police Department and until they move their items out, and surrender access, GWA cannot begin using it for storage.*

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- 10. Next EOC Meeting** – The next regularly scheduled EOC Meeting will be on **Thursday, April 15, 2010 at 5:30 p.m. in the Community Room at the Village of Lombard Village Hall.** The Annual Meeting of the Glenbard Wastewater Authority Board will follow at 6:30 p.m.

**Mr. Caracci moved to adjourn the March 11, 2010 EOC Meeting and Mr. Jones seconded the motion. The members responded unanimously to a verbal call of “Aye”. The motion carried. The meeting adjourned at 9:34 a.m.**

Submitted by:



Gayle A. Lendabarker  
GWA Administrative Secretary