

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Agenda
October 10, 2024
8:00 a.m.
Glenbard Wastewater Authority
Main Conference Room
945 Bemis Road
Glen Ellyn, IL 60137

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment
5. New Staff Introduction
6. Consent Agenda – The following items are considered to be routine by the Executive Oversight Committee and will be approved with a single vote in the form listed below:

Motion the EOC to approve the following items including Payroll and Vouchers for the month of September of 2024 payroll in the amount of \$911,431.25 Trustee Christiansen).

- 6.1 Executive Oversight Committee Meeting Minutes:
September 12, 2024 EOC Meeting
- 6.2 Vouchers Previously Reviewed:
September 2024 Payroll – Trustee Christiansen
- 6.3 Ratification of Email Poll Items

- 6.3.1 Authorization to reject the bids received at the September 18th, 2024 “2025-2027 Biosolids Hauling Services Public Bid Opening”.

On September 18th, 2024, the Authority held a bid opening for its 2025-2027 Biosolids Hauling Services. Unfortunately, the Authority only received one bid, priced at \$36.95 per cubic yard of biosolids hauled. The basis of bid is on the dollar per cubic yard hauled, as the amount of biosolids produced at the Authority in a given year varies, so it’s most appropriate to base the bid on a unit price. The Authority’s existing contract is for \$32.95 per cubic yard of biosolids hauled, making this a 12.1% increase over the existing rate. For estimating purposes, it is assumed the Authority will produce 12,000 cubic yards of biosolids per year, which would result in the apparent low bidder’s cost about \$48,000

higher per year of the contract – totaling an estimated \$144,000 over the life of the contract.

After speaking with other plan holders who did not submit a bid, the Authority learned that there was interest in bidding the job, but they could not meet the insurance requirements listed in the bid documents. Therefore, the Authority spoke to its legal representation, and was given the recommendation to lower some of the insurance requirements to allow more contractors to be able to bid. The numbers in the existing bid documents were carried over from previous bid openings and were out dated. The Authority’s legal representation also indicated it is within the Authority’s rights to reject the bid(s) received for any reason and rebid it.

The Authority is seeking a motion to reject the bids received at the September 18th, 2024 “2025-2027 Biosolids Hauling Services Public Bid Opening”.

6.3.2 Authorization to Purchase Spare Parts for the Combined Heat and Power Engines

After a power failure on Monday, September 9, the Authority’s CHP 1 shut down as part of normal protocols during a power failure. Upon attempted to restart the engine, it failed multiple times. After further investigation the throttle control actuator was found to be bad. The Authority had a spare actuator as part of a spare part inventory, which was used to replace the failed actuator, and staff was able to restart the engine to keep it running. Only less than two hours of run time was lost due to the spare part being available immediately.

Although the throttle actuator is only \$3,306.45 (shipping included), the Authority has spent in excess of \$25,000 on parts and services from Nissen in CY2024, therefore, all purchases for the remainder of 2024 are required to obtain EOC approval.

The Authority is requesting a single motion to waive competitive bidding in accordance with Section C.1.f. “Standardization Purchases” of the Village of Glen Ellyn’s purchasing policy and to authorize the purchase of a new throttle body actuator in the amount of \$3,306.45 from Nissen Energies, Inc.

7. 2025-2027 Biosolids Hauling and Disposal Contract Award

In September the Authority re-advertised a public bid opening for bid for a three-year contract for the removal and disposal of municipal bio-solids from the main Glenbard plant. At the bid opening date on September 30th, 2018 at 10:00am, there were seven registered plan holders. At the bid opening GWA received two bid packets.

After review, *the Authority recommends the EOC motion to authorize the Authority to award the three-year contract for Disposal of Municipal Bio-Solids to Stewarts Spreading, Inc, for the amount of \$34.28 per cubic yard of biosolids hauled and disposed of.*

8. Final CY2025 Budget Requesting Recommendation for Approval to GWA Full Board

After the presentation of the first draft of the CY2025 budget to the Executive Oversight Committee at the September 10, 2024 EOC meeting, comments were received and the budget was modified to reflect those changes, and further updates have also been inserted into the draft budget that were not available at that time. Below summarizes the changes in the proposed budget:

Capital Fund 40:

Several capital projects that were expected to occur or start in CY2024 that are delayed or deferred have been moved into CY2025's capital budget.

Operations & Maintenance 270:

Maintenance Support/Contractual – Updated to an increase of 29.7% (\$15,700) versus the 29.3% (\$15,500) that was communicated in the previous memo.

Sludge Disposal – Increase of 4% (\$15,540). Based on the results of the September 30th, 2024 bid opening for services to be provided in CY2025 through CY2027.

To summarize, at this time the budget has an O&M increase of 5.12% (\$268,193). About 56% of the O&M increase is a result of personnel increases, while nearly 14% of the increase is a result of health insurance costs, and about 7% as a result of the increase in the liquid oxygen costs. This is a lower increase from CY2024's budget, which saw a 6.71% O&M increase.

The budgets overall increase including capital is 4% or \$363,385 over the CY2024 approved budget. Comparatively, the Consumer Price Increase for the Chicagoland area was 3.5%

This proposed budget has been reviewed by the Technical Advisory Committee as well as the Finance Directors, who have provided comments that have been addressed.

It is requested that the EOC make a motion to recommend approval of the proposed Glenbard Wastewater Authority's CY2025 Budget to the Full Boards of Glen Ellyn and Lombard at the November 21st, 2024 Full Board Meeting located at Lombard Village Hall, 255 E Wilson Avenue, Lombard, IL 60147.

9. Discussion

9.1 Solar Discussion

After extensive discussion that was held at the September 12, 2024 Executive Oversight Committee (EOC) Meeting (as seen in section 5.1 of the packet, meeting minutes), the EOC directed the Authority to meet with the Technical Advisory Committee (TAC) and the Village's Finance directors to further evaluate funding options.

It was found that since the Authority would be realizing incentives from the selling of Solar Renewable Energy Credits (SRECs) and the inflation reduction act, it would not be eligible for any other grant or incentive programs. The only other alternative to receiving funding from the Villages would be to seek outside financing such as a loan or bond.

During the September 26th meeting between the TAC and the Finance Directors, several internal funding options were presented. It had previously been determined that the EOC did not feel the Villages should loan the amount to cover the entirety of the project, therefore, that option was not discussed any further. The Authority was able to demonstrate that by deferring projects to better accommodate cash on hand values from year to year, the Authority was able to cover approximately \$4.5M out of the total \$6.0M project cost, meaning the Authority would only need to "borrow" \$1.5M from the Villages. Also, due to the incentive structure, the Villages would be able to be refunded the entire \$1.5M during Year 1 of an operational solar field, meaning it would be a very short-term loan. In order for the Authority to fully fund the project up front it would require deferrals of projects, equipment, and other offsets that would not be feasible.

Village Finance Directors felt that presenting an option of borrowing only \$1.5M from the Village's (roughly at a 60%/40% split between the Villages) would be much more palatable, especially since due to federal tax credits and sales of SRECs would result in the money being paid back during the first year of operation. However, other questions arose to ensure that the predicted return on the solar investment is as accurate as possible. Specifically, a second opinion was advised to be sought out, as well as inquiring with other agencies as to their experiences.

All responses came back overwhelmingly positive, with some sites reporting generation rates being close to 50% higher than what was predicted in models. The oldest field close to 12 years old and is located at the City of Galena's Wastewater Treatment Facility. None of the facilities surveyed experienced solar panel degradation rates greater than what was anticipated during the procurement of the panels.

If a second opinion validates the material proposed to the Authority, and the Finance Directors agree on an appropriate method to fund the project, the Authority would recommend to seek a motion from the EOC to begin negotiating a construction contract with GRP Wegman giving the Authority authorization a not to exceed amount of \$6,200,000. The actual proposal that was received by the

Authority was a slightly lower amount, however there are unknown costs relating to ComEd interconnection fees and other permitting that cannot be realized until permit applications begin.

- 9.2 Pending EOC Action Items
 - 9.2.1 Vehicle Purchase
 - 9.2.2 CHP Supplies (oil)
- 10. Other Business
 - 10.1 Other items
- 11. ***Next EOC Meeting*** – The next regularly scheduled EOC Meeting is set for ***Thursday, November 14, 2024 at 8:00 a.m.***