

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Minutes
October 10, 2024
8:00 a.m.

Members Present:

Mark Senak	President, Village of Glen Ellyn
Keith Giagnorio	President, Village of Lombard
Trustee Christiansen	Trustee, Village of Glen Ellyn
Mark Franz	Village Manager, Village of Glen Ellyn
Scott Niehaus	Village Manager, Village of Lombard
Dave Buckley	Works Director, Village of Glen Ellyn
Carl Goldsmith	Public Works Director, Village of Lombard

Others Present:

Matthew Streicher	Executive Director, GWA
Andy Pakosta	Operations Superintendent, GWA
Rick Freeman	Electrical Superintendent, GWA
Michael Kavanaugh	Maintenance Superintendent, GWA
Ashley Staat	Environmental Resources Coordinator, GWA
Gayle Lendabarker	Executive Assistant, GWA
Tim Sexton	Finance Director, Village of Lombard
Patrick Brankin	Finance Director, Village of Glen Ellyn

1. Call to Order at 8:00 a.m.
2. Pledge of Allegiance
3. Roll Call: President Giagnorio, President Senak, Trustee Christiansen, Mr. Niehaus, Mr. Goldsmith and Mr. Buckley. Mr. Franz arrived after roll call was taken at 8:01 a.m. Trustee Bachner was excused.
4. Public Comment
5. New Staff Introduction – Michael Kavanaugh, new Maintenance Superintendent
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).

Mr. Franz motioned and Trustee Christiansen seconded the *MOTION that the following items, on the Consent Agenda be approved. President Giagnorio, President Senak, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Buckley responded “Aye” during a roll vote. The motion carried.*

- 6.1 Executive Oversight Committee Meeting Minutes:
September 12, 2024 EOC Meeting
- 6.2 Vouchers Previously Reviewed:
Month of September 2024 and 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 Stewart Spreading, Inc, for the amount of \$34.28 per cubic yard of biosolids hauled and disposed of.***

Mr. Goldsmith motioned and Mr. Buckley seconded the MOTION to award the three-year contract for Disposal of Municipal Bio-Solids to Stewart Spreading, Inc, for the amount of \$34.28 per cubic yard of biosolids hauled and disposed of. President Giagnorio, President Senak, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Buckley responded "Aye" during a roll vote. The motion carried.

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

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 60148.

Mr. Streicher noted that in response to a question that Trustee Christiansen and others have commented on, he wanted to point out that flow split has changed and the Village of Glen Ellyn's flow is a higher percentage of the flow split now; and Glen Ellyn's percentage is increasing, even though they are paying less.

Mr. Franz asked what the percent of contribution was for the Capital Budget. Mr. Streicher advised the rate was 2.5%.

Mr. Niehaus noted that the GWA Full Board meeting is being set for Thursday, November 21st at 5:00 p.m., just prior to the Village of Lombard's regularly scheduled board meeting.

Mr. Niehaus motion and Mr. Buckley seconded the 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 60148. President Giagnorio, President Senak, Trustee Christiansen, Mr. Niehaus, Mr. Franz, Mr. Goldsmith and Mr. Buckley responded “Aye” during a roll vote. The motion carried.

9. Discussion

9.1 Solar Discussion

Mr. Franz asked what are the underlying deadlines GWA is trying to meet. Mr. Streicher advised that the incentive to receive a 40% incentive during the first year of operation will cease being offered in May 2025; meaning GWA need to acquire all of the equipment prior to then. Mr. Streicher added, that while May seems like a far-off date, it is in reality, a tight window to execute an agreement, review shop drawings and get the equipment ordered, could not be guaranteed. Mr. Streicher continued by stating that after May 2025, the 30% incentive will remain until around 2030, since it is part of the Inflation Reduction Act. Mr. Streicher explained that the additional 10% that was being offered as an incentive to all of Northern Illinois as part of an “energy community”, and while he is not sure what qualifies GWA for the incentive, is set to expire in the Spring of 2025. Mr. Streicher added that the S-req’s, solar requisitions, will be offered but the incentive rate will vary from year to year and it would be difficult to estimate.

President Senak stated that he was interested in hearing the Finance Directors on the matter. Mr. Brankin, Village of Glen Ellyn’s Finance Director, stated it was not feasible for the Village to begin modeling this project to determine if it was a feasible project, due to the lead service pipe replacement project that the Village will be undertaking in the new future, that is being projected to cost \$11 Million Dollars over the next ten (10) years, which the Village does not currently have a way to pay for. Mr. Brankin continued by stating with that looming over the Village, it is difficult to delve into the possibility of the Village being able to fund this project.

Mr. Sexton, the Village of Lombard’s Finance Director, stated that the Village of Lombard is in the same boat with their lead service pipe replacement project being estimated at a cost of \$22 Million Dollars. Mr. Sexton noted that the Village had just approved water and sewer rate increases for the next five years, prior to receiving the cost estimate.

Mr. Niehaus noted that the TAC Committee was started some years ago, and during the time following, the TAC Committee has uniformly, dug into an issue and came up with a definitive recommendation; usually their memos come forward and say, we recommend to the EOC Committee that we do this. Mr. Neihaus continued that this topic has now been looked at twice, with the first review within a very short time of the information being gathered and took another look about a month later, there is nothing at the bottom of their memo that states this is a “slam dunk”, no lose situation; and if the solar panels do not perform at 90% or at 80%,

it kicks up the ROI. Mr. Niehaus stated that given the fact that Mr. Streicher had previously noted that GWA is in the process of hiring an Assistant Director, and used the term extraneous project, he does not believe it makes sense to take on this project with everything else that is going on, to let the May deadline force a decision. Mr. Niehaus added that he believes some form of the incentives program will come back around in the future, and that the EOC Committee should not grab at the shiny new thing, just because it is being dangled.

Trustee Christiansen stated that she is in agreement, especially as both Villages will be dealing the costs of the lead service line replacements over the next ten (10) years; and would rather wait until the lead service lines are under control. Trustee Christiansen, reiterated that she is in support of the project, however, feels the timing does not lend itself to proceeding at this time.

Mr. Streicher agreed with Trustee Christiansen stating the new facility plan, while not completely done yet, preliminary costs for the phosphorus removal that will be required in the near future are in the ball park of \$60 million dollars and could actually being higher than that once all of the numbers are finalized. Mr. Streicher stated that knowing how close the cash on hand numbers are skimming the line, if the project were to come in at \$80 million dollars it would impact the capital fund negatively, so, he is hesitant to proceed with funding a solar project.

Mr. Niehaus stated that he believes there is still value in this mental exercise for residents who may ask why haven't you considered it; and the response can be we have and provide the valid reasons why it has not been done. Mr. Streicher stated it is something that he will continue to keep tabs on, just as it has been done in the past, for opportunities that present a favorable ROI. Mr. Streicher stated that solar is something that is continuing to move forward, not just in wastewater industries, but all industries, and is something that GWA will certainly not lose sight of, if it becomes a good opportunity.

Mr. Franz asked if the 30% incentive is through 2030. Mr. Streicher stated the 30% is sticking around for a longer period of time, and it could be 2030 or 2033; but in 2030, the percentage starts to go down to 28%, 22%. Mr. Franz stated that just from a project management standpoint, rushing this project in at this point in time, is tough, but the 30% is still significant, and it something that we should continue to look at and pursue on our schedule, and not theirs.

President Giagnorio stated he was in agreement with Mr. Franz's statement.

Mr. Buckley asked Mr. Streicher if he could pick a date for when he thought phosphorus removal and that project, what ballpark year. Mr. Streicher stated that at the moment, the DuPage River Salt Creek Work Group is negotiating with the IEPA where the requirement would not be implemented into GWA's permit until 2038 or possibly 2040; however, GWA would need to have a facility that could treat it by 2035 to allow for a three (3) year demonstration period, as with many

biological nutrient removal facilities, it takes a while to hone the process in to reach and maintain the required limit. Mr. Streicher explained that GWA is looking at its Capital Budget, as is most other facilities in the DRSCW are doing, and has 2030 budgeted for design, with the goal of having the facility constructed by 2035.

Mr. Buckley stated that he is in agreement with everyone, and with the ROI, even if it was not to this level, at some point, GWA is either to going be saving money or making money, how anyone wants to look at it; and those funds can contribute to that project down the road; Mr. Buckley added that he thinks this project should not be put on the back burner, but kept on the front burner, and based on the lead lines plays out over the one (1), two (2) or three (3) years and we have a plan that we can try and implement it, because if in year 15, 20 we are making money that can go towards big projects that are coming.

Mr. Goldsmith noted that most of the conversations have been around GWA owning and operating the equipment, but there had also been conversations about a land lease to an outside company and asked Mr. Streicher what the revenue stream compared to the capital outlay would look like. Mr. Streicher advised that Mr. Goldsmith is referring to a power purchase agreement, and stated that there would not be any revenue, as GWA would be locking in a power purchase price for 20 years, and would not have control over the panels nor reap any of the incentives. Mr. Streicher advised that with all of the organizations he has spoken to, those who went the PPA route before incentives were available, stated that the next field they are doing will be self-ownership. Mr. Goldsmith asked for confirmation that GWA would receive no financial benefit from that approach other than locking in a rate and how would that rate compare with today's rates. Mr. Streicher stated that none of the developers proposed a PPA rate because GWA's current rate is locked in until February 2026 and is lower than any of them could offer. Mr. Goldsmith noted that a PPA is not a viable option for GWA. Mr. Streicher stated that at this point in time, no; however, he anticipates a sizable rate increase after the current contract expires in 2026, which would make a PPA probably comparable or, at least competitive, but no one can tell what the pricing will be ten (10) or twenty (20) years out; and with PPA, the rate is locked for 20-25 years. Mr. Goldsmith asked if the only significant benefit comes from GWA owning and operating its own solar system. Mr. Streicher confirmed it is, and stated that in speaking with other agencies, that is the route many of them went as well.

Mr. Streicher noted that there is another option, that he just learned about the previous day and will be presenting at the next TAC meeting, known as Community Solar. Mr. Streicher explained that it is an almost guaranteed savings anywhere from \$11,000 to \$25,000 per year with almost no risk. Mr. Streicher stated that he intends to bring the item to the next TAC meeting and advised that there may be an email poll or an agenda item for a future meeting for EOC Committee approval. Mr. Franz asked if the contract was for a year or two. Mr. Streicher noted that it is

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a twenty (20) year contract. Mr. Streicher explained that a solar community is where a party earns s-req's but has to pay 90% of it back to the community and GWA would reap a 10% benefit. Mr. Franz asked if this option precluded GWA from pursuing its own solar field at some point in the future. Mr. Streicher confirmed it does not.

Mr. Senak noted that, for him, it is important to move in that direction but in a financially responsible way; and agreed with Mr. Niehaus' statement that the due diligence that has been done was worth the effort.

Trustee Christiansen expressed her gratitude to everyone for the work that went into thoroughly evaluating the project.

- 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.***

President Senak called for a motion to adjourn the October 10, 2024 EOC Committee meeting, Mr. Niehaus motioned, and President Giagnorio seconded the MOTION. The members responded unanimously to a verbal call of “Aye”. The motion carried. The meeting adjourned at 8:41 a.m.

Submitted by:

Gayle A. Lendabarker
GWA Executive Assistant