

Waterworks Committee

January 16, 2023

6:00pm - City Hall Council Chambers

Chairman Ptak Called the Meeting to order at 6:00pm

ROLL CALL

Present: Chairman Lavieri, Aldermen Ptak, Thompson, Bacidore, Crane, Reynolds

Absent: NONE

Others Present: Mayor Jeff Grove, Finance Director John Duncan, Deputy Clerk Brent Bader, Alderman Herndon, Director of Public Works Patrick Watson, Public Works Brad Reese

A quorum was present.

Brad Reese started the conversation in regards to the water tower needs and the maintenance needs that are required by the IEPA. Reese wanted bring in Chad Johnson to have a more in-depth conversation about what is best for the City of LaSalle currently with the four water towers that are in use. Reese, along with Director of PW Patrick Watson, spoke with Mr. Johnson already in regards to some plans that would be beneficial to the City of Lasalle and the water towers. They wanted to bring all that information to the Waterworks Committee.

EXHIBIT A – Power Point presentation – Water Tower Maintenance Plan/Schedule

Chad Johnson approached the committee to explain his water tower maintenance program. The main reason is to introduce the program to the city of La Salle. Johnson did inspections on all water towers to assess conditions. Johnson was looking at all features to get towers back to a “like-new” condition. It would be ideal to be proactive on maintenance and repairs, which is what the EPA is always looking for. Johnson also stated that having the proactive attitude would save the city money in the long run. Johnson’s program is tailored specifically for the city in order to make the repair necessary. The intent of such a program would be to take care of any repairs before there would be major catastrophe to any of the water towers.

Johnson began his discussion on what doing business would look like if the city decided to do business with Veolia. Veolia provides different options for the city and they would then help spread cost. The city would allocate funds for the towers, and then free up funds for other things that need to be done instead of going to a bid market. Johnson referred to the Civic Tower as the most recent example to use, since it was one of the most recent projects. The city went to bid market for this water tower and were told that it would be ‘X’ amount of dollars and the city would be held to that market. Johnson’s concern with the bid market is that the city would have to go out to an engineering firm to

get inspections and pay the engineering firm. Johnson believes that the engineering firms like to elevate costs because they get paid on the bottom line.

Johnson continued to explain how the city would know exactly what their costs will be based on the schedule that he has created for the city. Each tower has a different scope of work, in different years. He mentioned that his intended plan is to help the city out to manage assets along with manage the city budgets.

Johnson did mention that there are two definite guarantees with water towers: Prices will go up and they will need to be painted and repaired. He will secure prices now for the city, instead of waiting to see what prices do in 10 years. Mr. Johnson stated that his business will manage the tanks plan, implement the necessary means to manage the tanks for the long term, and also do repairs. They will be the manpower and expertise on implementation that concurrently goes along with EPA requirements. If the city agrees to such a program, they would be transferring maintenance risk to Veolia. Johnson will also be able to provide predictable budget. He is able to extend the life of the tanks, protentional and indefinitely. He would also be able to keeps the tanks in compliance with safety and sanitary regulations.

Johnson discussed an example for those who may agree to one-two year work agreements for painting of water towers. If the paint coating were to fail, one would have to go out to the bid market. The engineer that bid the job will blame it on the coating manufacturer, they would then blame it on the one who put on the paint and then the painter would blame the engineer for specifying the coating manufacturer.

Alderman Reynolds asked about if inspections were done on the city's towers. Johnson has inspected all four of the towers.

Johnson referred to the "New Approach" slide. His program offers a high-value sustainable solution that ultimately saves the tank owner time and money, and limits most of the aggravation of owning a storage tank.

There is a lifetime warranty on coating, as long as the city is paying for the program. Johnson mentioned Price vs. Cost. The city paid "x" amount of dollars for the tanks but the cost over lifetime will far exceed the price of the water tower. He stated that the price he will give the city will save costs in the future for the city. There will be **no** engineering fees, inspections fees, specifications, change orders, bonding fees, limited warranties, or added risks.

Johnson explained slide number 10 in regards to balancing funds and spreading costs. Instead of bidding out for a one-year warranty, Johnson's program will alleviate costs over the four tanks. The program does have a discretionary rate increase of 3.5% and can potentially go up to 5% depending on extraordinary conditions. He has had to raise only a few at the 5% increase. They then price out, using those increases, and spread it out for the life of the tank. Veolia has its own service center and does not subcontract out.

They will maintain the tanks so there is not a flux on repairs in between normal maintenance.

Alderman Crane asked if they are an all-in house company. Johnson stated Crane was correct. They do have a wash out crew in Ottawa. Their service center is in New Lenox.

Mr. Johnson explained how it could work if you chose a company like Max Corps., or even Veolia, and the city need to only do a project when a repair or maintenance is needed. These companies do have a one-year warranty on the tank but there would not be program that would allow for future maintenance work ahead or spreading the cost overtime. He wanted to explain this to the council because the last engineer that was used on Civic Rd. Picked a paint that was quadruple the amount of a normal price paint. This engineer thought that if one were to put the high-quality paint on, it would adhere better and last longer potentially. Johnson's program does not allow for high quality purchases for the city's projects because they will be responsible to maintain the towers and not allow for the towers to have a paint chip or another issue.

Alderman Crane asked if there was a paint recall or if EPA didn't find a certain paint suitable for the project, who that would fall back on. Johnson stated that it would be on him.

Alderman Lavieri wanted to clarify that Mr. Johnson would not bid out jobs but take responsibility of each job. Mr. Johnson agreed with Lavieri's statement. Johnson will be providing everything that is complaint for each job. The last engineer for the Civic project priced out paint that was four times the cost of paint that the city needed and the city ended up paying more for the project and for the engineer.

Johnson went on to explain how they take responsibility for each job. Before a paint project were even to begin, they would take a paint sample to the lab and have them assess what paint would even work best for the project. If the paint then did fail, it would be Johnson's responsibility to fix. Also, if he allowed for a project to be worked on and the conditions weren't right (cold, wet) and the paint didn't adhere correctly, he would be responsible to take care of that also.

Johnson explained how the annual fee collected is spread out further so the city will not have big spikes in cost. The city will not have to figure out where to find the money if a problem or project were to arise. He mentioned how it was like a budget plan for the water towers.

Johnson mentioned, with Slide 11, how the scope of work may go down. There would be a fix guarantee with a flat rate. This is all in writing of the city. He has draft contracts too for the city to look at if and when they decided to go with this program. Johnson mentioned how all paperwork will be allowed to run past the city's legal team.

Johnson explained how each of the tower's pricing was separated out. This program can run for 100 years out if the city is still paying into the program for each of the towers. It is also separated out in case the city was to decide to not use, Cannon for example, or another tank at some point.

Engineer Brian Brown mentioned how the Civic tower was recently painted and there would not have a huge spike in amount for this tower. It will be a flat rate. It will have to be repainted in approx. 15 years but the city would be paying ahead over the 15 years for the next paint job. Brown also mentioned how on Johnson's spreadsheets, the council may see a price spike on a tower, because it would be marked possibly as a project they need to happen now or it will be in need of happening soon.

Alderman Crane mentioned how this is more like a Budget plan. Johnson agreed with him.

Alderman Crane asked what else would be covered by Johnson. Johnson stated that it was not just be for paint chips, it would be other things like lightbulbs, corrosion, even gunshots, and any other maintenance repairs that would happen on the tanks. Johnson also discussed how some of the other additional services that would be part of the program: Engineering and inspection services, specifications, condition assessments, yearly visual and washout assessments, emergency repairs, interior/exterior renovations, and security measures.

Alderman Crane clarified if their inspections would be Certified inspections and if that would qualify and be sent to off to EPA when required. Johnson confirmed that this was also part of his program. The inspections do get filed and once any inspection is required from the EPA, Johnson would pull the file and send to the EPA. Johnson stated that once the EPA sees Veolia's name on an inspection is assumed good. The EPA also seems to like when a city or town is part of the program. He stated it seems to save time for all.

Mr. Johnson stated that a city within the program will definitely receive more services from his program. The savings are also very substantial when a city is in such a program.

Mayor Grove asked why the city had to hire an engineer for Civic tower. Brad Reese from Public Works stated that it was mandated in order to identify the problem and specify the repairs. Mayor questioned why Johnson did not bid out the city for a less expensive option for paint. Johnson stated that when he bid it, he was going off of what the engineer specified. Mayor was unsure why Johnson allowed this bid to happen knowing it was there and there was a better price out there for paint. Johnsons stated that he questioned the same. However, he was told by his service Manager, Mike Danza, that the engineer Joe Jochanowski, from Farnsworth, was a very good engineer and they would not undercut or go over his head based on his specifications. Engineer Brown also agreed that it was not on Johnson to have disputed the bid price on the paint for Civic. The pricing was on the consultant that made the call on painting specifications.

Mayor Grove questioned why not buy the more expensive paint for a job, it will hold up and last longer potentially. But if cheaper paint is used, and routine maintenance checks are done, then more service may occur on these towers. Alderman Crane believes that Johnson's inspections and higher quality paint would not be preventing the all the other problems.

Brad Reese reminded the committee that this program is a lifetime guarantee for the city as long as you are paying into the program. The program does not only pay for the maintenance on the tanks, but also the constant renovations and the insurance on the tanks.

Engineer Brown mentioned that Johnson did give the committee two different scenarios when this was discussed amongst a small committee of city officials and public works. They did agree at the time that the more expensive paint was not necessary because the towers were going to be maintained. Reese did agree. He had Johnson redo a spreadsheet for the committee because he felt the less expensive paint was doable because of the time that Johnson program allows for the towers to be constantly monitored. Johnson would be the one taking the risk on the paint and the city would not be held liable for a failure on a poor paint choice.

Crane asked about how often inspections are done. Johnson stated that they will do annual visual inspection. The tanks would be drained and washed out every other year.

Johnson did mention that any sort of vandalism or damage done to a tank will be covered by his program. If it is an act of God, however, it would need to go through insurance.

Mayor asked for a list of the communities that Johnson currently has his program with. Johnson mentioned that those communities are listed in his packet.

Johnson explained slide 13 in regards to range of failure. The plan with his program is not to let any tank reach failure. Once coating falls off, this will then lead to a pathway to corrosion, rust spots, and holes in the tank. Having to power blast would add another \$150,000 to one's cost.

On slide 15, Johnson discussed the exterior recommendations for the Cannon Tower. They will also install a roof corral, relocate all antennas. Cannon will also need a power vent. These are ideal for tanks with high residence time. This will also allow for better water quality.

On slide 16 and 17, Johnson explained their methods of testing paint coatings.

Johnson referred to slide 19 and mentioned his side business that they have in which they work with cell providers to make sure that they are compliant with his program. They also work with any future providers that want to put top antennas on the tanks to make sure all is in compliance. The Cannon tower is currently not in compliance and needs to be cleaned up with the numerous wires.

Johnson explained how the Cannon tower would also receive a new power vent atop which will provide better water quality.

Johnson mentioned that all pictures that are part of the slideshow are pictures of LaSalle towers. He explained how this was part of his condition assessment to go in to each tank and how he felt that the Cannon tank needed interior attention quickly.

On Slide 25, Johnson explained Cannon's 10-year plan. This spreadsheet shows the cost of the tank to be 1.3 million spread out including the following items of maintenance of the tank: blast, all coatings, cleanup site, repairs to interior and exterior along with paying for the next renovation, which is like an insurance.

Reese explained how the mixer is currently doing a good job circulating the water but the power vent is necessary to get the air in there to help remove the disinfectant byproducts. Johnson believes that this will change the water quality very quickly and it will be noticed by residents.

On Slide 27, Johnson discussed exterior recommendations on the Garfield tank. Johnson also explained to the committee how mixers are so important for tanks to regulate temperature consistency throughout a tank.

Grove asked why Peru, with a similar population, has two tanks and LaSalle has four. Reese and Alderman Crane both mentioned that the elevations of each town are different, but it's also about the hydraulics of the systems too. Watson mentioned that Civic and Garfield do work together. City Engineer Bown believed that they are all zoned differently. It is believed that the city does need all towers, because once you decommission one, the city would then possibly increase PSI to get the water to another tower and potentially blowing more water mains.

Johnson continued with exterior recommendations for the Garfield tank. There will be some minor updates to gates and safety hatches. They will install a new frost-free vent for tower. The overflow needs a flapper. The concrete footing repair is in need and will be fixed. The safety ladder will need to be replaced with flexible cable system and then secure rolling painters' ladder to tank.

He continued on Slide 39 with the interior recommendations for the Garfield Tank. He believed it to be pretty good so not much needed to be done.

On Slide 41, Johnson included the spreadsheet for Garfield Tank for a 10-year plan. Majority of maintenance would not be happening till year 3 or 4 for the Garfield Tank but this program allows you to budget in the current prices and the plans for the future rather than waiting four years to do the updates and pay for it at the current cost.

Johnson mentioned that the city can cancel at any time. Their cancellation policy is that they require 90 days' notice and 3 signatures on the contracts.

Johnson continued on with the exterior recommendations for the 9th Street tower (Slide 43). He shared pictures of the 2015 paint coating that is failing. This tower will need a full finish paint job. It will need to be painted and not blasted due to the house being right next door. Coordination and discussion will need to be had with this homeowner when this tower is ready to be painted. On this tower the notch for the cable climb will need to be replaced along with installing a ladder gate. He shared the Interior Recommendations for the 9th St. Water tower (Slide 50). Johnson did explain that he will be blasting the inside of this water tower to get the tower up to his standards. He explained how important

it is for the interior of a tank to be well maintained and this would be important for him when a tower is under his program.

Johnson went into explanation of the 9th Street Water Tower spreadsheet (Slide 54). The interior blasting and painting would be projected at year 5 and spread out the mixer installation cost for this 10-year plan.

Alderman Crane asked about how long it would be before the city needs to renegotiate a price with Johnson. He states that a price would not be renegotiated. The plan just continues on with 3 ½ percent increase. The city does have the right to cancel at any point. Johnson does explain that the longer the city is in the program the more you save overtime.

Mayor Grove asked about who his competitors would be. Johnson stated that Dixon and Maquire Iron are two of his competitors. City Engineer Brown explain how Dixon does something similar by using their in-house engineers but they do sub out everything else.

Johnson mentioned House bill 103 and that it basically states that anything that has corrosive coatings has to be painted by a union member. Mayor Grove mentioned Peru having Putnam County Painting, so Johnson assumed they have to be union if they were painting the towers.

Alderman Crane asked about adding the filters from the plant to this maintenance plan. Reese mentioned that this bid project has already went out and has been awarded. It was treated as a separate project originally.

Johnson mentioned that the Civic Tower was separate than the other three tanks when it came to the 10-year maintenance plan and timeline. The city is still under a one-year warranty with Max Corps until October 2023. Johnson would then come in around October 2023 would start inspection and maintenance plan/timeline on Civic Tower.

On Slide 55, Johnson displayed a spreadsheet that included the yearly payments on each tank for a 10-year spread on towers, Cannon, 9th St., and Garfield. The Civic tank was broken down on its own spreadsheet.

Alderman Herndon asked if the prices are locked in and Johnson said that he won't be changing any of the prices but there is a little timeframe on this.

Johnson discussed having the payments be annual. He would work with Finance Director Duncan with the language in regards to what date every year, ideally the city would want to make their payment post April 30. Johnson mentioned how on year one, one payment will be \$310,000.00 for work that is potentially \$800,000.00. With this program, the city would be paying one lump sum for work to be done on all the tanks, with Cannon being one that has to be done.

Brown mentioned how the city would not be able to go out for grants or loan forgiveness to pay for this program. But Brown mentioned the grants could then be used for the city's other water projects.

Herndon believes this plan would be beneficial for the tax payers.

Alderman Crane mentioned that on the 9th street tank, also painted in 2015, there is mold growing. Johnson mentioned that they do not wash the tanks. He did mention that mold does actually protect the coating and does not corrode. He does have people to recommend that could wash the tank if city would like that done. His program only worries about maintenance, not aesthetics.

Alderman Herndon asked what the closest city that he has recently partnered up with. Johnson stated that he has been with Princeton since 2012.

Alderman Lavieri asked about the work that was done in Fowler, IN. Johnson stated that he went to Fowler in 2012, and gave them a price of \$139,000, with their yearly fee being about \$14,000 \$15,000 \$16,000 or something similar. They decided to not go forward with the program and now in 2022 they needed a blast. Their program fees will be about \$525,000, with \$35,000 being their yearly fees.

Engineer Brown pointed out that on a 1.1-1.3-million-dollar project that one would pay approximately \$100,000 in just engineering fees.

Alderman Lavieri also pointed out that if one looks at year 10 for \$225,000 and multiply that number by 5, it comes to be 1,125,000.00 over 5 years. He believes that with 4 tanks, one would need to be done every five years. That would be less than what Civic cost the city plus all the other services that this plan provides.

The committee excused Mr. Johnson for a moment to have a discussion amongst themselves.

Reese contacted Princeton and they were very happy with program since 2012. John Eagers, Princeton Water Superintendent, never has to reach out to this company, the company reaches out to them. Princeton does only have one tank. Reese also reached out to River Grove and had the same principle. Reese did not receive any negative feedback from anyone that he reached out to.

Brown mentioned that there is value for a city to not deal with the EPA and not worry about the timelines on the Maintenance of each of the towers. Duncan asked Brown if a plan like this would eliminate some of the most recent EPA violations. Brown believes that a program like this would eliminate all of those. Brown mentioned that agreeing to a maintenance plan such as this, is a long-term solution for problems that the city has today.

Brown had a price on just Civic Tower from the last project and it was \$873,594 with 15% of this amount going to engineering costs.

Alderman Ptak mentioned that this vote will have to be a super majority at the City Council meeting.

Duncan did not feel that much action ended to be taken on this tonight and suggested that this item be added for full consideration.

Duncan will be in discussion with Mr. Johnson to work out finalization of numbers.

Duncan suggested adding this item to the Finance Committee agenda next meeting and allowing himself and the mayor to dial in on some final numbers.

Alderman Ptak was concerned that the committee did not have a second opinion on this topic but this is why the committee would need a super majority in order for it to pass. All aldermen that were present were in favor of this maintenance plan.

Alderman Lavieri thanked Mr. Johnson for his excellent presentation and taking the time out to meet with the committee.

All present committee members were in favor of this program. There were no nays from those present.

Committee members had small conversation about how the presentation went well and how their viewpoints have changed from the start of this discussion. Many were skeptical of this "program" until Johnson presented to the committee.

Duncan mentioned that this program will be good for the city financially because the company will be in charge of maintaining each water tower but also painting them every 15 years.

Moved by Alderman Reynolds and seconded by Alderman Bacidore to refer to finance committee after Finance Director Duncan is satisfied with language and numbers with contracts.

ROLL CALL

AYE: Chairman Lavieri, Aldermen Ptak, Thompson, Bacidore, Crane, Reynolds

NAY: None **Absent:** None **Abstain:** None

MOTION CARRIED: 6-0

There were no more questions or comments from the public.

Moved by Alderman Thompson and seconded by Alderman Reynolds to adjourn the meeting.

Voice vote, all ayes. Motion carried.

Chairman Ptak adjourned the meeting at 7:45 p.m.

A handwritten signature in black ink that reads "Amy Quinn". The signature is written in a cursive, flowing style.

Amy Quinn, City Clerk