



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: Michael Talbott, Chairman, Executive Committee
From: Walter S. Willis, Executive Director *RSW*
Subject: December 2017 Meeting Notice Information
Date: December 1, 2017

Attached you will find the agenda for this month's meeting on December 7th, the minutes from the October 2017 meeting, and the referenced consent, action and information items.

Please let Amy Bartemio know if you will be attending, and what your lunch order is.

SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
Thursday, December 7, 2017 12:00 pm
1311 N. Estes Street Gurnee, IL 60031

1. CALL TO ORDER Chairman Talbott
2. ROLL CALL Secretary
3. APPROVAL OF MINUTES
October 5, 2017 (ECM)
November 1, 2017 (LEGIS)
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS Chairman Talbott

Consent Item

1. Expenditure Reports (*September & October 2017*)

Action Items

1. Request for Qualifications to Conduct Financial Audits of the Landfill and Transfer Station Fees Paid to SWALCO and its Members

Information Items

1. Project and Program Updates

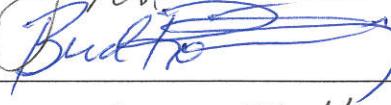
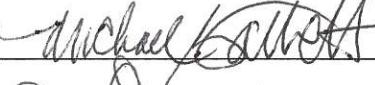
7. EXECUTIVE SESSION
8. ADJOURNMENT

SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO)

EXECUTIVE COMMITTEE

SIGN IN SHEET

October 5, 2017

COMMUNITY	REPRESENTATIVE	TITLE
ELLIS	Mike Ellis	VILLAGE MANAGER
MUETZ		VILLAGE ADMINISTRATOR
NORRIS		MAYOR
ROTHING		VILLAGE PRESIDENT
TALBETT		VILLAGE ADMINISTRATOR
WAGENER		TRUSTEE
WARDA		SENIOR PLANNER
WERFEL		LAKE COUNTY BOARD
WAUKEGAN		PK Painter

RYBACK		SWALCO BOD CHAIRMAN
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* not counted toward quorum requirements

- official appointment @ Oct BOD

REPRESENTATIVE		SWALCO EXECUTIVE BOARD VOTING RECORD/10.05.17									
		Budget to Represent etc Bill		Capital Cost Transfer		Streetside Agreement (Pending final review)		Aug Contract			
Attendance		A	N	A	N	A	N	A	N	A	N
✓	MIKE ELLIS	✓	✓			voice		✓			
✓	PATRICK MUETZ	✓	✓							✓	
✓	JOHN NORRIS	✓	✓							✓	
✓	BUD ROTHING	✓	✓							✓	
✓	MICHAEL TALBETT	✓	✓							✓	
✓	JOHN WAGENER	✓	✓							✓	
✗	NIMROD WARDA		✓							✓	
✓	JEFF WERFEL	✓	✓							✓	

(1) (8)

(8)

Miketh with also in attendance

* Nimrod arrived @ 12:06 pm

PUBLIC SIGN-IN SHEET

(Executive Committee Meeting)

Name

Address

Representing

none

A hand-drawn graph on lined paper. The graph consists of a single, continuous, smooth curve. It starts in the top-left quadrant, positioned above the top line, and curves downwards and to the right, ending near the bottom right corner of the page. The curve is concave down. In the top-left corner of the graph area, the word "none" is written in a cursive, handwritten style. The background of the image shows the horizontal ruling lines of the lined paper.

Date: 10/05/17



MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL

EXECUTIVE COMMITTEE

Thursday, October 5, 2017 12:00 pm

1311 N. ESTES STREET, GURNEE, IL 60031

CALL TO ORDER

Chairman Talbott called the meeting to order at 12:01 pm with 7 members present.
Nimrod Warda arrived late.

APPROVAL OF MINUTES

Motion by *John Norris* seconded by *John Wagener* to approve the Executive meeting minutes of 09.07.17
Motion was unanimously approved.

NEW AGENDA ITEMS

PUBLIC COMMENT - *None*

EXECUTIVE COMMITTEE ITEMS – *None*

CONSENT ITEM

Expenditure Reports (August 2017).
Motion by *Bud Rothing*, seconded by *John Norris*.
Motion was approved.

ACTION ITEMS

1. Proposed FY 2018 SWALCO Budget

Walter Willis presented the final draft of FY 2018 budget, highlighting proposed expenditures and estimated revenues including the reviews of the cash replacement and cash balance funds. Proposed expenditures for FY 2018 are \$1,053,163 compared to \$1,015,937 in FY 2017, an increase of \$37,226 or approximately 3.7%. Please note the following: 1) a 2.25% salary increase was assumed (we have yet to get final word from the county on whether there will be an increase and by how much), 2) the primary increase in expenditures, besides salary increases, was the budgeting for a consultant to assist with the host fee/local surcharge payment audit (\$20,000), the need to purchase 5 new computers per the County's requirement (\$6,000) and the need to paint the truck (\$3,500). Each of these items is a one-time expense. Total FY 2018 revenues are estimated at \$1,060,246 compared to \$1,016,160 in FY 2017, an increase of \$44,086 or approximately 4.3%. Revenue from the landfill surcharge for FY 2018 is estimated at \$605,000 a decrease of \$10,000 from last year as the volume at both landfills continues to slowly decrease. The anticipated host fee from the Round Lake Park Transfer Station is \$63,720 per year, a slight increase from last year as volumes slowly increase at the Transfer Station. Other significant revenue increases include Waukegan's O&M fee of \$36,490, which was not paid last fiscal year, and increased revenue (\$16,000) assumed from the WMI recycling agreement. Revenues are expected to exceed expenditures by \$7,083 (\$1,060,246 - \$1,053,163). The current cash reserve balance is approximately \$1.8 million and capital project reserve is \$500,000. Executive Committee feedback will be incorporated into the final version, which also include the five-year budget projection, will be presenting at the Board of Directors later in October for approval.

Motion by *John Wagener*, seconded by *Mike Ellis* to adopt the FY2018 Budget and will be presented to full board later in October for approval.

Motion was approved on a roll call vote of 8 to 0.

2. Transfer Funds from Cash Balance Fund to Capital Improvement Fund

Walter Willis discussed whether to recommend to the Board of Directors that \$84,000 (or the actual cost of the parking lot re-pavement) be transferred from the Cash Balance Fund to the Capital Replacement Fund so that its balance is again \$500,000. An updated spreadsheet on future facility related capital expenses was included and discussed. At the June 25, 2015 Board of Directors meeting the Board approved transferring funds from the Cash Balance Fund to the Capital Replacement Fund so that the Capital Replacement Fund balance was \$500,000 (originally the Fund balance had been set at a goal of \$120,000 in December 2008). The June 25, 2015 action item did not include direction on whether the Capital Replacement Fund should be kept at a \$500,000 balance if money had been spent on a capital project. Given that the Board approved a capital expenditure of \$84,000 to repave the Agency's parking lot in FY 2017, it is appropriate to have the Board determine if the fund balance should be replenished to again be at \$500,000 or if we should continue to spend the fund balance down before transferring funds.

Motion by *John Norris*, seconded by *John Wagener* to recommend the transfer from the Cash Balance Fund to the Capital Replacement Fund and will be presented to full board later in October for approval. ***Motion was unanimously approved.***

3. Stericycle Sharps Disposal Agreement (E.F.P. - Item issued during meeting)

Steve Nelson presented and discussed an agreement from Stericycle's Biohazardous Waste Disposal Services to secure services of sharps disposal at our facility. The Lake County Drug Prevention Task Force, the Lake County Sheriff's Department and SWALCO have developed a highly successful Pharmaceutical collection program for the residents of Lake County. On a routine basis SWALCO sorts through the collected pharmaceuticals removing the Schedule II narcotics from the non-controlled/over the counter medications. Pharmaceuticals are considered chemical waste and therefore disposed of through the Household Chemical Waste (HCW) collection program. Sharps (needles, lancets, EpiPens, etc.), generated through the segregation process, are considered biohazardous wastes. Biohazardous wastes cannot be disposed of through the HCW program. As a result, SWALCO is responsible for the disposal of this waste stream. Containers of sharps currently exist awaiting disposal. Funding was added to SWALCO's FY 2018 Budget to cover the costs for disposal of the existing sharps containers and containers that will be generated during the 2018 fiscal year. Stericycle is a local company that specializes in the management of biohazardous waste. In addition to extremely competitive pricing, Stericycle assumes generator status/ownership of the waste stream pre/post treatment, something that Veolia cannot provide.

Motion by *John Norris*, seconded by *Pat Muetz* to approve the agreement with Stericycle as discussed and after the final review of our legal counsel. ***Motion was unanimously approved.***

INFORMATION ITEMS

1. Long Term Funding Options for the Agency

Walter Willis discussed long-term funding options as the landfill capacity in the county is depleted. The following are funding options for the Executive Committee and Board of Directors to consider:

- As the landfills close, continue to allow garbage transfer stations as an option in the Plan and require the payment of host fees to the Agency, and continue to require in the Plan that waste exported out of the county be allowed only under an agreement with the Agency that makes it whole on the local surcharge fee (we collect \$0.9525 per ton) for that exported waste. This policy, already in place, will allow the Agency to continue to receive an ongoing revenue stream on its waste, but at a lower rate than the landfill would generate due to host fees for transfer stations being about half of what the Agency would receive if landfilled in the county.
- Increase the O&M fee as needed to fill the funding gaps as the landfills close and/or lose volume. Currently the fee is \$1.25 and is applied to 222,980 households. Every \$.25 increase in the fee results in \$55,745 in new revenue. For perspective, if we assume the current budget of approximately \$1,060,000, the O&M fee would need to be \$4.75 per household per year to cover

all expenditures. The challenge with the fee is the negative impact it has on members and the requirement to have a 75% supermajority vote to increase the fee. One way to minimize the impact to the village/city budgets is to have the members pass the fee on directly to its residents. Many members currently do this and it should be more strongly encouraged.

- Continue to diversify the Agency's funding sources by growing the textile programs (clothing and shoes), the latex paint collections, business escrap, rain barrel/compost bins sales, etc. While not a significant component of funding for the agency, all options to generate revenue from collections and sales should be considered.
- Direct money from the WMI Per Ton Agreement from the members to the Agency. This could range from all the money being allocated to the Agency or a portion of it. Currently the Agency receives \$1 per ton when markets are strong and members are being paid per the Agreement, plus a bonus of \$6 per ton if we direct more than 42,000 tons per year to the MRF. The FY 2018 budget assumed \$46,000 from these sources. This funding source is highly volatile and has ranged from \$1,133,814 in 2011 to \$19,300 in 2015. Some members also rely on this funding source to cover the O&M fee, to fund local green programs or put into the general fund. To manage the volatility, it may make sense to create a separate revenue fund in the budget and hold money in reserve for years when markets are weak and no payments are being made by WMI. By having a fund with adequate surplus, the Agency could draw down what it needed for that fiscal year. If the fund reached a certain level payment to the members could be initiated or increased.
- Continue to work with Senator Link, IMA, IRMA and other key stakeholders on a bag bill that would provide for a fee for local environmental programs, similar to SB1597 as discussed last legislative session. SB 1597, as amended by a proposal from IMA and IRMA, would provide for a 5-cent fee on bags, of which local government would keep 3 cents that would have to be spent on environmental programs. A 3 cent per bag fee could generate significant revenue based on the following assumptions: 702,000 residents in Lake County x 50 bags per person (this assumes a 60% drop in bag use due to the fee, Chicago has experienced a 40% drop with a 7-cent fee) x \$0.03 = \$1,053,000. This funding source could be a key long-term funding option, the unknown being the long-term fate of plastic bag use.

EXECUTIVE SESSION: *None*

NEXT EXECUTIVE COMMITTEE MEETING: Thursday, December 14, 2017 - 12:00 p.m.

NEXT BOARD MEETING: Thursday, October 19, 2017 - 7:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road, Hainesville, IL 60030

ADJOURNMENT (1:10 p.m.): Motion by *John Norris* seconded by *Nimrod Warda* to adjourn.
Motion was approved.

MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL

LEGISLATIVE COMMITTEE

WEDNESDAY, NOVEMBER 1, 2017 1:30 PM

1311 N. ESTES STREET, GURNEE, IL 60031

CALL TO ORDER

Chairman Norris called the meeting to order at 1:32 pm with 3 members present; Mike Ellis, John Norris and George Duberstein. Chuck Black joined conversation via telephone, *not counted* towards quorum requirement. Glenn Ryback arrived late. Mike Grady also joined the conversation via telephone.

APPROVAL OF MINUTES

2017 Legislative Minutes previously approved at the December 15, 2016 Executive Committee Meeting.

NEW AGENDA ITEMS

None

PUBLIC COMMENT

None

LEGISLATIVE COMMITTEE ITEMS

1. 2018 Legislative Policy Review

Walter Willis discussed topics related to the draft 2018 Legislative policy which will be issued at a later date, highlights included:

- Plastic Bag Fee
- Municipal franchising authority
- IEPA – Household Chemical Waste Program
- Carpeting
- Needles/Sharps
- Circular economy resolution
- eWaste Bill

NEXT LESLATIVE COMMITTEE MEETING: TBD

NEXT BOARD MEETING: Thursday, January 18, 2018 - 7:00 p.m. Hainesville Village Hall,
100 N. Hainesville Road, Hainesville, IL 60030

ADJOURNMENT (2:19 p.m.): Motion by *Mike Ellis*, seconded by *George Duberstein* to adjourn.
Motion was approved.

Memo to the Executive Committee

December 7, 2017

Consent - 1. Expenditure Approval

ISSUE: Approve Expenditures

RECOMMENDATION: We recommend approval

TIMING: Routine

BACKGROUND: The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$46,974.99; Education \$ 4,623.75 Household Chemical Waste \$7,113.90; Recycling \$192.27 ***Total expenditures for September 2017 - \$58,904.91***

The total for Administration \$46,658.99; Education \$ 567.86 Household Chemical Waste \$16,789.35; Recycling \$0.00 ***Total expenditures for October 2017 - \$64,016.20***

ENCLOSED DOCUMENTS: Account Analysis Report

STAFF: Walter Willis, Executive Director
Amy Bartemio, Executive Office Manager

SWALCO - SEPTEMBER 2017 EXPENDITURE REPORT

SWALCO I- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----				
Budget	367,278.000	Funds Available:	55,974.32	Beginning Balance for Period
Amount:				282,835.79
				Total Expenditures
				28,467.89
				Ending Balance for Period
				311,303.68
SWALCO I- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----				
Budget	50,643.00	Funds Available:	4,342.58	Beginning Balance for Period
Amount:				42,534.19
				Total Expenditures
				3,766.23
				Ending Balance for Period
				46,300.42
SWALCO I- Solid Waste Prog-SWALCO Administration-Special Pay----				
Budget	17,100.00	Funds Available:	3,341.64	Beginning Balance for Period
Amount:				12,507.60
				Total Expenditures
				1,250.76
				Ending Balance for Period
				13,758.36
SWALCO I- Solid Waste Prog-SWALCO Administration-Food and Provisions----				
Budget	2,000.00	Funds Available:	828.92	Beginning Balance for Period
Amount:				1,024.92
				Total Expenditures
				146.16
				Ending Balance for Period
				1,171.08
SWALCO I- Solid Waste Prog-SWALCO Administration-Miscellaneous Commodities----				
Budget	250.00	Funds Available:	126.45	Beginning Balance for Period
Amount:				9.18
				Total Expenditures
				114.37
				Ending Balance for Period
				123.55
SWALCO I- Solid Waste Prog-SWALCO Administration-Trips And Training----				
Budget	8,400.00	Funds Available:	2,248.20	Beginning Balance for Period
Amount:				4,827.15
				Total Expenditures
				1,324.65
				Ending Balance for Period
				6,151.80
SWALCO I- Solid Waste Prog-SWALCO Administration-Dues And Subscriptions----				
Budget	6,500.00	Funds Available:	3,791.00	Beginning Balance for Period
Amount:				2,619.00
				Total Expenditures
				90.00
				Ending Balance for Period
				2,709.00
SWALCO I- Solid Waste Prog-SWALCO Administration-Gas For Heating----				
Budget	14,000.00	Funds Available:	5,189.93	Beginning Balance for Period
Amount:				8,530.78
				Total Expenditures
				279.29
				Ending Balance for Period
				8,810.07
SWALCO I- Solid Waste Prog-SWALCO Administration-Electricity ----				
Budget	14,000.00	Funds Available:	2,719.98	Beginning Balance for Period
Amount:				10,498.93
				Total Expenditures
				781.09
				Ending Balance for Period
				11,280.02

SWALCO I- Solid Waste Prog-SWALCO Administration-Telephone----				
Budget	6,000.00	Funds Available:	781.49	Beginning Balance for Period
Amount:				Total Expenditures
				415.44
Ending Balance for Period				
				5,218.51
SWALCO I- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----				
Budget	0.00	Funds Available:	-165.00	Beginning Balance for Period
Amount:				Total Expenditures
				55.00
Ending Balance for Period				
				165.00
SWALCO I- Solid Waste Prog-SWALCO Administration-Equip Rental----				
Budget	3,700.00	Funds Available:	-147.44	Beginning Balance for Period
Amount:				Total Expenditures
				436.15
Ending Balance for Period				
				2,702.65
SWALCO I- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----				
Budget	75,706.95	Funds Available:	13,187.27	Beginning Balance for Period
Amount:				Total Expenditures
				6,262.94
Ending Balance for Period				
				62,519.68
SWALCO I- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----				
Budget	31,971.03	Funds Available:	5,520.47	Beginning Balance for Period
Amount:				Total Expenditures
				2,466.22
Ending Balance for Period				
				26,450.56
SWALCO I- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----				
Budget	3,552.00	Funds Available:	611.89	Beginning Balance for Period
Amount:				Total Expenditures
				262.23
Ending Balance for Period				
				2,940.11
SWALCO I- Solid Waste Prog-Administration-Miscell Contractual Services----				
Budget	11,250.00	Funds Available:	738.84	Beginning Balance for Period
Amount:				Total Expenditures
				624.87
Ending Balance for Period				
				6,251.16
SWALCO I- Solid Waste Prog-Administration-Furniture & Office Equipment----				
Budget	1,000.00	Funds Available:	567.79	Beginning Balance for Period
Amount:				Total Expenditures
				231.70
Ending Balance for Period				
				432.21
SWALCO I- Solid Waste Prog-Education-Operational Supplies----				
Budget	4,000.00	Funds Available:	3,355.48	Beginning Balance for Period
Amount:				Total Expenditures
				14.97
Ending Balance for Period				
				644.52

SWALCO I- Solid Waste Prog-Education-Clothing Recycling Expense----				
Budget	6,000.00	Funds Available:	1,391.22	Beginning Balance for Period
Amount:				0.00
				Total Expenditures
				4,608.78
				Ending Balance for Period
				4,608.78
SWALCO I- Solid Waste Prog-Household Hazard Waste-Operational Supplies----				
Budget	14,500.00	Funds Available:	145.89	Beginning Balance for Period
Amount:				11,334.34
				Total Expenditures
				1,334.68
				Ending Balance for Period
				12,669.02
SWALCO I- Solid Waste Prog-Household Hazard Waste-Miscellaneous Commodities----				
Budget	500.00	Funds Available:	140.68	Beginning Balance for Period
Amount:				312.17
				Total Expenditures
				47.15
				Ending Balance for Period
				359.32
SWALCO I- Solid Waste Prog-Household Hazard Waste-Consultants----				
Budget	152,300.00	Funds Available:	5,650.90	Beginning Balance for Period
Amount:				76,237.29
				Total Expenditures
				5,006.81
				Ending Balance for Period
				81,244.10
SWALCO I- Solid Waste Prog-Household Hazard Waste-Garbage Disposal----				
Budget	8,900.00	Funds Available:	3,750.00	Beginning Balance for Period
Amount:				2,781.91
				Total Expenditures
				166.26
				Ending Balance for Period
				2,948.17
SWALCO I- Solid Waste Prog-Household Hazard Waste-All Other Maintenance----				
Budget	16,750.00	Funds Available:	7,240.12	Beginning Balance for Period
Amount:				8,136.88
				Total Expenditures
				559.00
				Ending Balance for Period
				8,695.88
SWALCO I- Solid Waste Prog-Recycling-Miscell Contractual Service----				
Budget	6,000.00	Funds Available:	4,001.37	Beginning Balance for Period
Amount:				1,806.36
				Total Expenditures
				192.27
				Ending Balance for Period
				1,998.63

TOTAL EXPENDITURES \$ 58,904.91

SWALCO - OCTOBER 2017 EXPENDITURE REPORT

SWALCO I- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----				
Budget	367,278.000	Funds Available:	27,531.19	Beginning Balance for Period
Amount:				Total Expenditures
				28,443.13
				Ending Balance for Period
				339,746.81
SWALCO I- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----				
Budget	50,643.00	Funds Available:	332.22	Beginning Balance for Period
Amount:				Total Expenditures
				4,010.36
				Ending Balance for Period
				50,310.78
SWALCO I- Solid Waste Prog-SWALCO Administration-Special Pay----				
Budget	17,100.00	Funds Available:	2,090.88	Beginning Balance for Period
Amount:				Total Expenditures
				1,250.76
				Ending Balance for Period
				15,009.12
SWALCO I- Solid Waste Prog-SWALCO Administration-Office Supplies----				
Budget	1,250.00	Funds Available:	250.20	Beginning Balance for Period
Amount:				Total Expenditures
				125.63
				Ending Balance for Period
				999.80
SWALCO I- Solid Waste Prog-SWALCO Administration-Food and Provisions----				
Budget	2,000.00	Funds Available:	609.90	Beginning Balance for Period
Amount:				Total Expenditures
				219.02
				Ending Balance for Period
				1,390.10
SWALCO I- Solid Waste Prog-SWALCO Administration-Miscellaneous Commodities----				
Budget	250.00	Funds Available:	59.15	Beginning Balance for Period
Amount:				Total Expenditures
				67.30
				Ending Balance for Period
				190.85
SWALCO I- Solid Waste Prog-SWALCO Administration-Trips And Training----				
Budget	8,400.00	Funds Available:	1,141.17	Beginning Balance for Period
Amount:				Total Expenditures
				1,107.03
				Ending Balance for Period
				7,258.83
SWALCO I- Solid Waste Prog-SWALCO Administration-Dues And Subscriptions----				
Budget	6,500.00	Funds Available:	3,414.00	Beginning Balance for Period
Amount:				Total Expenditures
				377.00
				Ending Balance for Period
				3,086.00
SWALCO I- Solid Waste Prog-SWALCO Administration-Electricity ----				
Budget	14,000.00	Funds Available:	2,027.11	Beginning Balance for Period
Amount:				Total Expenditures
				692.87
				Ending Balance for Period
				11,972.89

SWALCO I- Solid Waste Prog-SWALCO Administration-Water and Sewer ----				
Budget	300.00	Funds Available:	52.23	Beginning Balance for Period
Amount:				Total Expenditures
				53.85
				Ending Balance for Period
				247.77
SWALCO I- Solid Waste Prog-SWALCO Administration-Telephone----				
Budget	6,000.00	Funds Available:	314.85	Beginning Balance for Period
Amount:				Total Expenditures
				466.64
				Ending Balance for Period
				5,685.15
SWALCO I- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----				
Budget	0.00	Funds Available:	-220.00	Beginning Balance for Period
Amount:				Total Expenditures
				55.00
				Ending Balance for Period
				220.00
SWALCO I- Solid Waste Prog-SWALCO Administration-Equip Rental----				
Budget	3,700.00	Funds Available:	-147.44	Beginning Balance for Period
Amount:				Total Expenditures
				191.87
				Ending Balance for Period
				2,894.52
SWALCO I- Solid Waste Prog-SWALCO Administration-Postage----				
Budget	50.00	Funds Available:	2.43	Beginning Balance for Period
Amount:				Total Expenditures
				20.85
				Ending Balance for Period
				47.57
SWALCO I- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----				
Budget	75,706.95	Funds Available:	6,924.33	Beginning Balance for Period
Amount:				Total Expenditures
				6,262.94
				Ending Balance for Period
				68,782.62
SWALCO I- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----				
Budget	31,971.03	Funds Available:	3,037.49	Beginning Balance for Period
Amount:				Total Expenditures
				2,482.98
				Ending Balance for Period
				28,933.54
SWALCO I- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----				
Budget	3,552.00	Funds Available:	347.79	Beginning Balance for Period
Amount:				Total Expenditures
				264.10
				Ending Balance for Period
				3,204.21
SWALCO I- Solid Waste Prog-Administration-Miscell Contractual Services----				
Budget	11,250.00	Funds Available:	673.97	Beginning Balance for Period
Amount:				Total Expenditures
				534.87
				Ending Balance for Period
				6,786.03

SWALCO I- Solid Waste Prog-Administration-Furniture & Office Equipment----				
Budget	1,000.00	Funds Available:	535.00	Beginning Balance for Period
Amount:				432.21
				Total Expenditures
				32.79
				Ending Balance for Period
				465.00
SWALCO I- Solid Waste Prog-Education-Operational Supplies----				
Budget	4,000.00	Funds Available:	3,332.72	Beginning Balance for Period
Amount:				644.52
				Total Expenditures
				22.76
				Ending Balance for Period
				667.28
SWALCO I- Solid Waste Prog-Education-Advertising----				
Budget	2,650.00	Funds Available:	484.60	Beginning Balance for Period
Amount:				1,620.30
				Total Expenditures
				545.10
				Ending Balance for Period
				2,165.40
SWALCO I- Solid Waste Prog-Household Hazard Waste-Operational Supplies----				
Budget	14,500.00	Funds Available:	145.89	Beginning Balance for Period
Amount:				12,669.02
				Total Expenditures
				979.25
				Ending Balance for Period
				13,648.27
SWALCO I- Solid Waste Prog-Household Hazard Waste-Miscellaneous Commodities----				
Budget	500.00	Funds Available:	-21.12	Beginning Balance for Period
Amount:				359.32
				Total Expenditures
				161.80
				Ending Balance for Period
				521.12
SWALCO I- Solid Waste Prog-Household Hazard Waste-Consultants----				
Budget	152,300.00	Funds Available:	5,038.55	Beginning Balance for Period
Amount:				81,244.10
				Total Expenditures
				14,562.35
				Ending Balance for Period
				95,806.45
SWALCO I- Solid Waste Prog-Household Hazard Waste-Motor Vehicle Maintenance----				
Budget	1,300.00	Funds Available:	-8,604.19	Beginning Balance for Period
Amount:				9,858.50
				Total Expenditures
				45.69
				Ending Balance for Period
				9,904.19
SWALCO I- Solid Waste Prog-Household Hazard Waste-Garbage Disposal----				
Budget	8,900.00	Funds Available:	3,750.00	Beginning Balance for Period
Amount:				2,948.17
				Total Expenditures
				186.26
				Ending Balance for Period
				3,134.43

SWALCO 1- Solid Waste Prog-Household Hazard Waste-All Other Maintenance----			
Budget	16,750.00	Funds Available:	Beginning Balance for Period
Amount:			8,695.88
			Total Expenditures
			450.00
			Ending Balance for Period
			9,145.88

SWALCO 1- Solid Waste Prog-Household Hazard Waste-Miscell Contractual Service----			
Budget	5,000.00	Funds Available:	Beginning Balance for Period
Amount:			2,166.50
			Total Expenditures
			404.00
			Ending Balance for Period
			2,570.50

TOTAL EXPENDITURES \$ 64,016.20

A – 1. Request for Qualifications to Conduct Financial Audits of the Landfill and Transfer Station Fees Paid to SWALCO and its Members

ISSUE: Whether to issue the attached Request for Qualifications (RFQ) to hire a consultant to assist with a financial audit of host fees and local surcharges paid by the two landfills and one transfer station owners.

RECOMMENDATION: SWALCO staff recommends that the Executive Committee approve of issuing the RFQ.

BACKGROUND: The Board of Directors approved expending up to \$20,000 in this year's fiscal budget to conduct audits of the host fee payments made by the two landfills to SWALCO members (Countryside pays to Grayslake, Zion LF pays to Lake County, Zion and Winthrop Harbor), and the local surcharge payments made by the landfills to SWALCO and the Lake County Health Department. The audit will also include the host fee payments made by Groot's Round Lake Park Transfer Station (payments made to Round Lake Park, Lake County and SWALCO).

Due to time needed and complexity of completing this number of audits SWALCO will need to hire a consultant to assist with this effort. Lake County's Finance and Administrative Department will assist with its auditing expertise, and the Lake County Health Department will assist with its knowledge of the landfills and the waste streams accepted. In addition, the IEPA will be providing guidance on how it conducts financial audits (the IEPA used to audit payments on a regular basis, it is now starting to conduct audits once again) with respect to the payment of the State surcharge, which is paid on the same waste streams as the local surcharge we collect.

The RFQ will be issued in compliance with Section 4.4 (Professional Services Contract) of SWALCO's Purchasing Policies & Procedures Manual. This will be a qualifications-based selection process, bids will not be solicited. Once we select the most qualified firm we will attempt to negotiate a final scope of work and contract with that firm. If we are unsuccessful with the first firm, we can move to the second most preferred firm to attempt to negotiate a contract, and so on.

The RFQ will be sent to the following firms: Aptim (formerly CB&I, who has worked on our plan updates), HDR, CDM Smith, Resource Recycling Systems, and Deigan and Associates. The goal is to send the RFQ out on December 11th and have proposals due on January 9th, and to hopefully start the audit January 29th after Board approval on January 18, 2018.

ENCLOSED DOCUMENTS: Draft Request for Qualifications

STAFF: Walter Willis, Executive Director



**Request for Qualifications to Assist with a Financial Audit of Host Fee
and Local Surcharge Fee Payments Made by Pollution Control
Facilities in Lake County, IL**

December 11, 2017

I. Purpose

The Solid Waste Agency of Lake County (SWALCO) seeks statements of qualifications from firms qualified to provide professional services to assist SWALCO conduct a financial audit of host fee and local surcharge fee payments made by WMI's Countryside Landfill, and Advanced Disposal's Zion Landfill. The scope also includes a financial audit of the host fee payments made by Groot/Waste Connections' Lake Transfer Station.

This Request for Qualifications (RFQ) includes the following remaining sections:

- Section II – Submittal Information
- Section III – Background
- Section IV – Project Supervision
- Section V – Project Deliverables
- Section VI – Qualifications Information
- Section VII – Project Understanding, Proposed Scope of Services and Schedule
- Section VIII – Selection Process

II. Submittal Information

To be considered, your company's statement of qualifications (SOQ) must arrive at the following address by **3 p.m., January 9, 2018**:

Solid Waste Agency of Lake County
1311 N. Estes Street
Gurnee, IL 60031
Attn: Walter Willis

One (1) original and three (3) photocopies, along with an electronic copy, must be submitted to SWALCO by the deadline on January 9, 2018.

The Statement of Qualifications must be organized as follows and adhere to the noted page limitations (minimum 1-inch borders with minimum font size of 12):

1. Cover letter (2 pages, maximum)
2. Qualifications information (5 pages, maximum, not including resumes and certificate of insurance)
3. Project understanding (1 page, maximum)
4. Proposed Scope of Services (6 pages, maximum, not including the consultant's fee schedule)

The front and back covers (if used) will not count toward your page limitation.

All questions should be directed to Walter Willis in writing at wwillis@swalco.org. The deadline for submitting questions regarding this RFQ is 3 p.m., December 19, 2017. Responses to any questions submitted will be provided to all firms sent the RFQ by December 21, 2017.

III. Background

SWALCO and several of its members receive host fee payments pursuant to written agreements and/or receive local surcharge payments in accordance with 415 ILCS 5/22.15. It is SWALCO's intent to conduct an analysis of the payments made according to the written agreements and Illinois law, and to determine if the payments have been properly made per the terms of the agreements and the State law. SWALCO has not previously conducted a formal audit of the host fee and local surcharge payments, so there are no past studies or reports that can be provided.

The project team for this audit will include personnel from Lake County's Finance and Administrative Services Department and the Lake County Health Department. The Finance Department will bring its auditing and accounting expertise and the Health Department will bring its knowledge of the landfills and the waste streams accepted. In addition, with Lake County having a delegation agreement with the Illinois Environmental Protection Agency, the IEPA has agreed to provide oversight on this project to ensure we are utilizing similar procedures the IEPA uses when it conducts payment audits. This will be helpful since the local surcharge payment is made on the same waste streams the IEPA receives payment on for the state fees.

The specific host agreements to be audited include:

- Lake County/SWALCO's agreement with the Zion Landfill
- City of Zion's agreement with the Zion Landfill
- Village of Winthrop Harbor's agreement with the Zion Landfill
- Village of Grayslake's agreement with the Countryside Landfill

- Lake County's and SWALCO's agreements with the Lake Transfer Station (two separate but identical agreements)
- Village of Round Lake Park's agreement with the Lake Transfer Station

The local surcharge fee payments to be audited are for the payments made by the Countryside Landfill and the Zion Landfill.

The time period for the audit will be the most recent 12-month period of payments available at the start of the project. Copies of all the host agreements have been included with this RFQ.

IV. Project Supervision

The selected consultant will work under the direction of Walter Willis, Executive Director of SWALCO. The consultant will be required to appoint a project manager who will be the regular contact for the Agency for this project.

V. Project Deliverables

The budget for this project is set at \$20,000. Therefore, the consultant selected for this work will be selected based on its qualifications, understanding of the expected work product, and proposed scope of services. SWALCO is asking the consultant to demonstrate how it would best utilize the \$20,000 budget to conduct a financial audit of the host fee and local surcharge payments to determine if they have been made in compliance with the agreements and State law. How the consultant will systematically analyze the data is left to the consultant's discretion and should be explained in the scope of services section of the SOQ. Ultimately, SWALCO reserves the right to review, comment and alter the scope of services during final contract negotiations. The following project deliverables are expected from the consultant:

1. For each of the 6 host agreement payments, an assessment of whether the host fee payments over the most recent 12-month period have been made in compliance with the agreements. If host fee payments have not been made correctly the consultant shall estimate the underpayment of the host fee as part of the scope of work.
2. For each of the two landfills, an assessment of whether the local surcharge payments over the most recent 12-month period have been made in compliance with the exemptions provided in 415 ILCS 5/22.15. If local surcharge payments have not been made correctly the consultant shall estimate the underpayment of the local surcharge payment as part of the scope of work.
3. A final written report documenting the procedures used to conduct the audits of the host fee and local surcharge payments, and the results of the audits. The final report shall also include recommendations for improving the recordkeeping associated with the payments, and how often such audits should be conducted.

4. Attendance at one Executive Committee meeting (likely July 19, 2018), and one SWALCO Board of Directors meeting (likely August 23, 2018) to present the results of the audit.

VI. Qualifications Information

As stated in Section II, the consultant is limited to five pages to present its qualifications information, not including project team members' resumes and certificate of insurance information. Each SOQ should contain the following qualifications information:

1. Background information on the firm, including, but not limited to, an overview of the firm, number and type of employees, principals or partners, areas of specialization, specialized solid waste planning experience in Illinois, and other information that would indicate the necessary qualifications to accomplish this project.
2. List the personnel who will be assigned to the project and describe their education, experience/qualifications and licenses. Provide a project team chart and copies of resumes. Identify the project manager, and each other project team members' specific areas of responsibility on the project.
3. Identify any subcontractors, if any will be used, and their specific responsibilities. Provide background information on each subcontractor.
4. Describe your involvement in projects of similar size and scope in Illinois and other regions, providing the name, address and telephone number of three references.
5. Describe any business relationships you have with Waste Management, Inc., Advanced Disposal, or Groot/Waste Connections. SWALCO wants to be sure that the consultant it hires does not have a conflict of interest with any of the waste management companies it will be expected to audit.
6. Include evidence of insurance for the following coverage's:
 - a. General Liability
 - b. Auto Liability
 - c. Worker's Compensation
 - d. Professional Liability

VII. Project Understanding, Proposed Scope of Services and Schedule

As stated in Section II, the consultant is limited to one page to demonstrate its understanding of the project, and six pages to articulate its proposed scope of services to meet the deliverables listed in Section V.

SWALCO has decided not to prescribe a set scope of services but instead is allowing the consultant to use its creativity, knowledge and skill sets to recommend an approach, using the \$20,000 set budget, to meet the project deliverables. That stated, the following items must be addressed in the scope of services section of the consultant's SOQ:

- A description of the proposed scope of services, linked to the project budget.

- A project budget showing the hours to be worked by the project team members on each relevant scope of services item, their hourly rates and total project cost. Also provide a copy of the fee schedule to be used throughout the duration of the project (this will not count against the page limitation).
- A project schedule based on these five key dates: 1) the project start date is assumed to be January 29, 2018, 2) the first internal draft of the audit report is due June 25, 2018, and 3) the final audit report is due July 11, 2018, 4) presentation to the SWALCO Executive Committee on July 19, 2018, and 5) presentation to the SWALCO Board of Directors on August 23, 2018.

VIII. Selection Process

SWALCO will review all SOQ's which are submitted prior to the deadline. SWALCO reserves the right to reject any or all SOQ's or to cancel the selection process at any time. SWALCO also reserves the right to request additional information or clarification from respondents. This is a qualifications-based selection process, cost is set at \$20,000 and therefore cost will not be a factor in the selection process.

SWALCO will rank the SOQ's received from most qualified to least qualified to fulfill the requirements of the project. SWALCO reserves the right to interview respondents to provide an additional opportunity to present their qualifications and proposed scope of services. Ultimately, the Board of Directors will vote on which firm to approve.

The following are key dates in the selection process:

1. RFQ Issuance Date – December 11, 2017
2. Deadline for Questions – December 19, 2017
3. SOQ Submittal Date – January 9, 2018 (3 p.m.)
4. Interview (if conducted) – TBD (at SWALCO's Gurnee office)
5. Consultant approved by SWALCO Board – January 18, 2018
6. Contract finalized, project start date – January 29, 2018

I – 1. Project and Program Updates

BACKGROUND: The following are updates on several projects and programs we are currently working on:

1. Cuba Township informed the Agency that it plans to close its electronics collection site at the end of the year. The Agency appreciates all the hard work of the Township and will assist them with the closing of the site, as it will take several weeks for the public to understand the site is closed. We will continue to take materials from them after they close. There is still a site operated by Prairieland Disposal in Lake Barrington, that is not too far away, and SWALCO will discuss publicizing this site at one of the public sites we list on our website (we currently don't list the site). Pete and Walter met with Avon Township on November 8th and one item discussed was opening an electronics drop off site at the Township's highway department facility. This site would not be publicized by the Agency, but the Township and nearby towns would be informed of it.
2. Pete and Walter are assisting Lake County and its consultants on a food scrap diversion program at the County jail. Walter is assisting with the hauling contract issues and Pete will assist with the program implementation at the jail. It is anticipated the program will begin in the spring of 2018.
3. Chicago Textile Recycling, our current textile and shoe vendor, has informed the Agency that it will increase payments on clothing, beginning next year, from 3 cents per pound to 6 cents per pound.
4. The IL Product Stewardship Council (SWALCO is a founding member) has decided to convene a stakeholder dialogue regarding sharps/needles disposal, with the assistance of the Product Stewardship Institute. Already, Lake County and Stericycle have indicated a willingness to serve on the stakeholder group. Currently we are drafting a letter to invite the sharps/needles manufacturers to engage in a dialogue, with the goal of developing a more effective and sustainable sharps program in IL. The industry, led by Eli Lilly, has developed a voluntary program that we hope to learn more about and determine if it meets the needs of the residents.
5. Walter spoke at the IL Food Scrap Coalition sponsored Soil, Food, Water and Composting Summit on November 3rd, which was attended by about 130 people. The Summit showed the benefit of collaboration with the farming community, and the food recovery organizations on better food management. Walter also spoke at the USEPA's Curbside Recycling Forum on November 14th on the topic of plastic bags, and the potential for legislation regarding plastic bags.

ENCLOSED DOCUMENTS: None

STAFF: Walter Willis, Executive Director