

Summary of Consultant
Authorizations and Costs

Southwest Suburban Lake
Michigan Water Purchase and
Delivery Initiative

As of December 31, 2010

Vendor	WRB, LLC Project Management Bill Balling	Malcolm Pirnie, Eng. Andre Dieffenthaler	Malcolm Pirnie, Eng.	Holland & Knight Barbara Adams	Totals
Work Start/Authorized	Aug-09	Oct-09	Jan-10	Feb-10	
Contract Authorization	\$ 60,000.00	\$ 20,000.00	\$ 24,660.00	\$ 20,000.00	\$ 124,660.00
Paid thru 12/31/2010	55,387.50	19,862.60	24,510.60	6,503.50	106,264.20
Tinley Park Authorized (28%)	16,800.00	5,600.00	6,904.80	5,600.00	34,904.80
Tinley Park Billed (28%)	15,508.50	5,561.53	6,862.97	1,820.98	29,753.98
Orland Park Authorized (33%)	19,800.00	6,600.00	8,137.80	6,600.00	41,137.80
Orland Park Billed (33%)	18,277.88	6,554.66	8,088.50	2,146.16	35,067.19
Oak Forest Authorized (11%)	6,600.00	2,200.00	2,712.60	2,200.00	13,712.60
Oak Forest Billed (11%)	6,092.63	2,184.89	2,696.17	715.39	11,689.06
New Lenox Authorized (18%)	10,800.00	3,600.00	4,438.80	3,600.00	22,438.80
New Lenox Billed (18%)	9,969.75	3,575.27	4,411.91	1,170.63	19,127.56
Mokena Authorized (10%)	6,000.00	2,000.00	2,466.00	2,000.00	12,466.00
Mokena Billed (10%)	5,538.75	1,986.26	2,451.06	650.35	10,626.42

TO: Scott Niehaus

COPY: Management Team

FROM: Bill Balling

SUBJECT: Work effort and funding authorization for WRB, LLC regarding 2011 Southwest Suburban Lake Michigan Water Group

DATE: January 19, 2011

Scott and Management Team:

Here is a summary of my plan to support your Lake Water initiative for 2011. The original financial authorization to support my services, which began in the spring of 2009, has nearly been expended. That included a straight hourly rate of \$150 per hour for work performed with an upset of \$60,000. Monthly invoices detailing that work effort has been submitted to Scott for review, cost sharing and payment. I suggest that a similar arrangement regarding an open funding authorization for 2011 be approved, as it is difficult to define with precision the work effort required as much of my effort is driven by work effort of Oak Lawn and other parties.

The five areas of work effort in Project management for this project are broken down as follows:

2011 WORK PLAN:

1. **Permanent contract development.** While Oak Lawn has insisted on developing then presenting their draft contract to us, they have yet to do so and have missed at least five of their self imposed deadlines. Notwithstanding their lack of output, our team has worked to identify contract parameters in preparation of receiving the Oak Lawn draft. Once we receive the draft, there will be a significant level of coordination, analysis and negotiation required to develop and respond to Oak Lawn. My work effort will include managing the management and consultant team members on our analysis and coordination of response, conducting additional research as necessary, plan and coordinate then conduct negotiation preparation and negotiation meetings, completing the analysis on economic and operational impacts of the contract, confirming the equities and cost sharing, and finalizing a document acceptable to our members. I anticipate 50% of my effort will be needed for this task.
2. **Completion of technical due diligence review of the system improvements.** Tasks will include coordination of the engineer, following up on the feasibility of a com ed alignment for our new pipeline, confirming the design and cost allocation to all customers, coordinating all supplemental work of the engineering consultant, ensuring the proper documentation of all changes to the water master plan, and any other work effort required to satisfy all the due diligence elements of the project. I anticipate the 15% of my time will be needed for this effort.
3. **Interim water supply agreement.** Since we are less than ten months before the expiration of our water supply agreement it is prudent to secure a 2-3 year extension of our contract with Oak Lawn (and also Chicago) to ensure continuous service. This requires development of an interim agreement, negotiation if necessary, presentation for adoption and ensure execution. Coordination with the participants and meeting planning and participation will also be required. I anticipate that 10% of my time will be spent on this activity.
4. **Information reports and meetings.** I will need to develop and maintain the information flow with our stakeholders including our technical committees, the management team and our Mayors. This includes the preparation of memos, the planning, presentation, and documentation of all meeting contacts. I anticipate 15% of my time will be spend here.

MEMORANDUM

DATE: February 17, 2011

TO: John Downs, Village Manager - Mokena
Russ Loebe, Village Manager - New Lenox
Paul Grimes, Village Manager - Orland Park
John Marquart, City Manager - Oak Forest

FROM: Scott R. Niehaus
Village Manager

SUBJECT: Bill Balling Contract Renewal

I have received input from each of you regarding the contract renewal terms for WRB, LLC. By way of recap, in August 2009, our collective communities contracted with Bill Balling for an amount not to exceed \$60,000. At present, we have approximately \$4,500 remaining to be billed. The rate of payment is \$150 per hour with minor expenses to be reimbursed.

Upon reviewing your collective input, there is a consensus for the following:

1. Enter into an extended contract with WRB, LLC in an amount not to exceed \$45,000 for the work plan attached dated January 19, 2011;
2. Authorize an increase in billing rate from \$150 per hour to \$165 per hour; and
3. To not authorize the use of a 12% overhead factor.

Overall, everyone was very comfortable with Bill's services and agreed that we would not be where we are at in our negotiations with Oak Lawn without his involvement. Please review this information and let me know if you have any objections, otherwise, I will add this to our March 2nd Village Board agenda so we can discuss it with the Mayors. In addition, I will go ahead and speak with Bill regarding our recommendations.

SRN:jc
Attachment