

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, APRIL 16, 2015
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:03 P.M.

Commissioners in attendance: J. Broda, J. Fennell, R. Furstenau, R. Gans, D. Loftus (via teleconference), D. Novotny, J. Pruyn, F. Saverino, M. Scheck, P. Suess and J. Zay

Commissioners Absent: L. Crawford and D. Russo

Also in attendance: Treasurer D. Ellsworth, J. Spatz, C. Johnson, C. Peterson, T. McGhee, J. Rodriguez, R. C. Bostick, J. Schori, F. Frelka, E. Kazmierczak, and R. Jones of Gorski & Good

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the March 19, 2015 Regular Meeting and the Minutes of the March 19, 2015 Executive Session Meeting of the DuPage Water Commission. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

CHARTER CUSTOMER HEARING

Commissioner Suess moved to open the Charter Customer Hearing regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2015 and Ending April 30, 2016. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

There being no comments, Commissioner Broda moved to close the Charter Customer Hearing regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2015 and Ending April 30, 2016. Seconded by Commissioner Suess and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Treasurer Ellsworth presented the March 2015 Treasurer's Report, consisting of twelve pages, noting that pages 1, 2 and 3 contained a brief summary of the report.

Treasurer Ellsworth pointed out the \$97.4 million of cash and investments on page 4, which reflected an increase of about \$7.0 million from the previous month. Treasurer Ellsworth also pointed out the schedule of investments on pages 5 through 10 totaling \$93.3 million and the market yield on the total portfolio showed 74 basis points which had slightly decreased from the prior month. On page 11, the statement of cash flows showed an increase in cash and investments by about \$27.5 million and operating activities increased cash by approximately \$13.9 million, roughly \$33.8 million of sales tax was received, and principal and interest debt payments on bonds totaled about \$20.1 million. On page 12, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements and approximately \$13.1 million of outstanding debt in Table 3, Row J.

Commissioner Pruyn moved to accept the March 2015 Treasurer's Report. Seconded by Commissioner Suess and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Suess

Commissioner Suess reported that the Finance Committee had reviewed and recommended for approval all action items listed on the Finance Agenda. After Commissioner Suess provided a brief summary of the items, he welcomed any questions.

Hearing none, Commissioner Suess moved to adopt item numbers 2 through 5 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Pruyn.

With regards to the proposed reduction in water rates, Chairman Zay expressed his appreciation to Board members and to staff for their hard work and dedication in making the necessary changes needed, including proactively managing the debt certificates for an early payoff, which in turn benefits the Commission's customers. Commissioner Suess echoed Chairman Zay and added that the Commission is approximately \$6.6 million ahead of revenues exceeding expenses and expressed his gratitude towards General Manager Spatz and to the organization.

General Manager Spatz informed the Commissioners that the City of Chicago's next proposed water rate increase was scheduled for June of 2016 adding that the Commission should receive notification of Chicago's proposed increase by February of 2016. With no further comments the motion was unanimously approved by a Roll Call Vote.

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Ayes: J. Broda, J. Fennell, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyn, F. Saverino, M. Scheck, P. Suess and J. Zay

Nays: None

Absent: L. Crawford and D. Russo

Item 2: Ordinance No. O-2-15: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2015 and Ending April 30, 2016

Item 3: Ordinance No. O-3-15: An Ordinance Establishing Fixed Costs to be Payable by Each Contract Customer for the Fiscal Year Commencing May 1, 2015 and Ending April 30, 2016

Item 4: Request for Board Action – Authorizing the Transfer of Funds from the General Account to the Operating Reserve, Long Term Water Capital Reserve, and Capital Reserve Accounts – (\$9.2M)

Item 5: Retain the services of Baker Tilly Virchow Krause as Financial Services Provider (at a cost not to exceed \$120,000.00/per year for a two year term).

Commissioner Suess referred to Page 1 of the Treasurer's Report under the Summary of Cash & Investments item 5 and reported that a representative from PFM had attended the Finance Committee to discuss PFM's invested \$1.2 million in African Development Bank Supranational securities in March. Discussion ensued related to the investment and it was decided that staff would be reviewing the Commission's Investment Policy and submit proposed changes to the Finance Committee for review.

Administration Committee – Reported by Commissioner Broda

Commissioner Broda reported that the Administration Committee met with no action items for consideration.

Engineering & Construction Committee – Reported by Commissioner Scheck

Commissioner Scheck reported that the Engineering & Construction Committee had reviewed and recommended for approval all action items listed on the Engineering & Construction Agenda. After providing a brief summary of all items, Commissioner Scheck deferred to General Manager Spatz to provide a brief update on current projects.

General Manager Spatz referred to Resolution No. R-9-15 and described the process of the leak repair work being completed on a 60" diameter pipe located in Lombard and explained that the project had turned into an extensive repair with costs being significantly higher than originally anticipated. The Board members also discussed the original installation of the pipeline.

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General Manager Spatz referred to the upcoming water tank painting project and offered suggestions regarding paint colors and logo options. After the Commissioners agreed to wait on making a final decision until costs for the logos were presented for review, Commissioner Scheck moved to adopt item numbers 2 through 5 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Broda and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, J. Fennell, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyn, F. Saverino, M. Scheck, P. Suess and J. Zay

Nays: None

Absent: L. Crawford and D. Russo

Item 2: Resolution No. R-9-15: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-10/13 at the April 16, 2015 DuPage Water Commission Meeting– (John Neri Construction Co., Inc. minimum estimated cost of \$87,650.00)

Item 3: Resolution No. R-10-15: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-6/12 at the April 16, 2015, DuPage Water Commission Meeting – (Divane Bros. Electric Co., estimated cost not-to-exceed \$3,500.00)

Item 4: Resolution No. R-11-15: A Resolution Awarding a Contract for Reservoir and Meter Station 19B Concrete and Miscellaneous Metals Rehabilitation – (Manusos General Contracting, Inc. \$278,334.00)

Item 5: Request For Board Action – To suspend the purchasing procedures of the Commission's By-Laws and authorize the General Manager to approve Requisition No. 19817 – (Schneider Electric in the amount of \$25,566.00)

ACCOUNTS PAYABLE

Commissioner Suess moved to approve the Accounts Payable in the amount of \$8,460,080.14 subject to submission of all contractually required documentation, for invoices that have been received and the Accounts Payable in the amount of \$989,565.00 subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Broda and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, J. Fennell, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyn, F. Saverino, M. Scheck, P. Suess and J. Zay

Nays: None

Absent: L. Crawford and D. Russo

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CHAIRMAN'S REPORT

Chairman Zay thanked staff for their hard work on the 60" water main leak repair noting that the whole process of inspecting, locating, and repairing the main had been very interesting.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

None

EXECUTIVE SESSION

Commissioner Suess moved to go into Executive Session to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2). Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: J. Broda, J. Fennell, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyne, F. Saverino, M. Scheck, P. Suess and J. Zay

Nays: None

Absent: L. Crawford and D. Russo

The Board went into Executive Session at 7:35 P.M.

Commissioner Furstenau moved to come out of Executive Session at 7:50 P.M. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Broda moved to adjourn the meeting at 7:51 P.M. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.