

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, NOVEMBER 17, 2016
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 6:32 P.M.

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

Commissioners Absent: None

Also in attendance: Treasurer W. Fates, J. Spatz, C. Johnson, C. Peterson, T. McGhee, R. C. Bostick, J. Schori, M. Weed, E. Kazmierczak, and R. Jones of Gorski & Good

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Broda moved to approve the Minutes of the October 20, 2016 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Crawford and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT

Treasurer Fates presented the October 2016 Treasurer's Report consisting of 13 pages, noting that pages 1, 2 and 3 contained a brief summary of the report.

Treasurer Fates pointed out the \$155.5 million of cash and investments on page 4, which reflected an increase of about \$1.2 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$140.9 million and the market yield on the total portfolio showed 1.08% basis points which increased from the prior month. On page 12, the statement of cash flows showed an increase in cash and investments by about \$19.2 million and operating activities increased cash by approximately \$7.7 million, and roughly \$12.4 million of sales tax was received. On page 13, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements.

Commissioner Pruyn moved to accept the October 2016 Treasurer's Report. Seconded by Commissioner Russo 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 Committee Agenda. After providing a brief summary, Commissioner Suess moved to adopt item numbers 2 and 3 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote.

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

Nays: None

Absent: None

Item 2: Request For Board Action - To suspend the purchasing procedures of the Commission's By-Laws and to purchase Workers' Compensation and Employer's Liability Insurance (total premium not-to-exceed \$96,000 as proposed by Illinois Public Risk Fund and outlined by Nugent Consulting Group)

Item 3: Request For Board Action – Authorizing the Payment of the Remaining Net Pension Liability balance as of December 31, 2015 per IMRF for the DuPage Water Commission Pension Plan. (Illinois Municipal Retirement Fund \$300,000.00)

Commissioner Suess concluded his report by noting that representatives from PFM provided a quarterly report on the Commission's investment performance and everything continues to be in compliance.

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee had reviewed and recommended for approval all action items listed on the Administration Committee Agenda. After providing a brief summary, Commissioner Crawford moved adopt Resolution No. R-35-16: A Resolution Releasing Certain Executive Session Meeting Minutes at the November 17, 2016, DuPage Water Commission Meeting. Seconded by Commissioner Loftus and unanimously approved by a Roll Call Vote.

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

Nays: None

Absent: None

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval all action items listed on the Engineering & Construction Committee Agenda. After providing a brief summary, Commissioner Loftus moved to adopt Resolution No. R-34-16: A Resolution Awarding Two Contracts for 36-Month Maintenance, Parts and Repair Service for Large Electric Motors. (Dreisilker Electric Motors, Inc., \$1,197,759.00 - primary service provider and Integrated Power Services, \$1,459,821.40 – secondary service provider). Seconded by Commissioner Scheck and unanimously approved by a Roll Call Vote.

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

Nays: None

Absent: None

ACCOUNTS PAYABLE

Commissioner Suess moved to approve the Accounts Payable in the amount of \$8,349,788.17 subject to submission of all contractually required documentation, for invoices that have been received and moved to approve the revised Accounts Payable in the amount of \$1,037,700.00 subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote.

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

Nays: None

Absent: None

CHAIRMAN'S REPORT

Chairman Zay began his report by thanking the Commission's legal counsel Robin Jones of Gorski and Good for her legal service noting that Ms. Jones had accepted another position and would no longer be representing the Commission. Ms. Jones thanked the Commission for the opportunity noting it had been a pleasure working with everyone.

With regards to the possibility of the Commission supplying Lake Michigan water to the Village of Bartlett, Chairman Zay noted that he and General Manager Spatz had attended the Village's last two Board meetings to clarify any information that could have been misleading and to also voice an interest in supplying water to the Village. He also thanked Commissioner Saverino for attending the Village meeting and stated that General Manager Spatz would be providing a more detailed presentation under Old Business.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

General Manager Spatz began his presentation regarding the Village of Bartlett Water Supply options. The presentation included the positives of the Village joining the Commission, as well as, the buy-in calculations and other options, Bartlett's water revenues, and the terms of the Commission's subsequent customer contract. General Manager Spatz informed the Board members that the Village of Bartlett was also in discussions with two other water agencies; the Northwest Suburban Municipal Joint Action Water Agency and the City of Elgin.

The Board members discussed the consideration of an agreement to prorate \$13.3 million for the buy-in cost over a longer period of time with favorable rates, along with, the possibility of financing the estimated \$16.9 million of total Commission capital improvements needed to supply water to the Village of Bartlett.

Commissioner's Saverino and Russo were both in favor of the opportunity to have Bartlett join the Commission noting that Bartlett has a lot of growth potential which in turn would benefit the Commission. Chairman Zay added that should Bartlett join the Commission, it would ultimately help all the Commission's customers by keep costs down.

Commissioner Saverino expressed how well the presentation went, at the Village Board meeting, and noted that he thought General Manager Spatz did an excellent job. Commissioner Saverino felt that the transparency of the presentation answered a lot of questions/concerns that the Village may have had regarding the Commission's past versus current financial position.

General Manager Spatz noted that the Village Board would be making their decision in two weeks and asked for a consensus on whether or not to move forward.

Lastly, the Board members discussed what a fair interest rate would be should the Village take the Commission's loan offer. Chairman Zay suggested that the Finance Committee review and discuss interest rates and make a recommendation.

With no further discussion, the consensus was to begin negotiations with the Village of Bartlett.

Minutes of the 11/17/16 Commission Meeting

NEW BUSINESS

General Manager Spatz shared that the Commission employees, with the help of Metropolitan Family Services in Wheaton, would be adopting three families this holiday season.

EXECUTIVE SESSION

None

Commissioner Russo moved to adjourn the meeting at 8:07 P.M. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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