

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, AUGUST 10, 2006
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Rathje at 7:30 P.M.

Commissioners in attendance: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, D. Zeilenga, and L. Rathje

Commissioners Absent: G. Mathews and G. Wilcox

Also in attendance: Treasurer R. Thorn, R. Martin, R. M. Richter, M. Crowley, C. Johnson, E. Kazmierczak, R. C. Bostick, F. Frelka, J. Schori, T. McGhee, Barbara Adams of Holland & Knight LLP, Warren Green of McDonough Associates, Inc., Steve Palac of Greeley and Hansen, and Dan Dragan of Greeley and Hansen.

Former Commissioner Benson was presented with a plaque for his many years of service and dedication.

Commissioner Feltes took his oath of office.

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

Commissioner Ferraro moved to approve the Minutes of the July 13, 2006 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT

Treasurer Thorn presented the Treasurer's Report for the month of July 2006 which showed receipts of \$8,402,050.00, disbursements of \$5,121,062.00, and a cash and investment balance of \$133,210,449.00.

Commissioner Hartwig moved to accept the July 2006 Treasurer's Report. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee – Reported by Commissioner Hartwig

Commissioner Hartwig reported that the Administration Committee discussed the Electronic Meeting Participation Policy and recommended that the policy be re-reviewed in October before adoption. Commissioner Hartwig also noted that the Committee recommended deferring Resolution No. R-27-06: A Resolution Retaining C. Semrad & Associates for Human Resources Training and Consulting Services until more detailed information is provided concerning the services to be provided, the hourly rate (\$187.00) and approved budget for the services to be provided, the actual estimated cost of the services to be provided through the end of the fiscal year, and a proposed procedure for providing the Board with a description of the services actually provided.

After General Manager Martin explained the immediate need for the services, Commissioner Hartwig moved to retain the services of C. Semrad & Associates, at an hourly rate of \$187.00 for a one month period, in connection with interviewing candidates for employment. Seconded by Commissioner Zeilenga and unanimously approved by Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, D. Zeilenga, and L. Rathje

Nays: None

Absent: G. Mathews and G. Wilcox

Commissioner Hartwig also noted that the Administration Committee had no concerns with the proposed water quality loan to the Village of Carol Stream and confirmed with Carol Stream Mayor Ferraro that the unincorporated residents to be served were most appreciative of receiving water from the Village.

Engineering & Construction Committee – Reported by Commissioner Mueller

Commissioner Mueller reported that the Engineering and Construction Committee reviewed and recommended for approval Resolution Nos. R-25-06, R-26-06, and R-28-06.

Finance Committee – Reported by Commissioner Poole

Commissioner Poole reported that the Finance Committee reviewed and recommended for approval the Accounts Payable and Resolution No. R-29-06. Commissioner Poole then handed out information for review regarding fund balances and the General Obligation and Revenue Bonds to be discussed at a workshop to be held in lieu of September Committee Meetings. It was the consensus of the Commissioners that the workshop should begin at 6:00 P.M., with dinner provided, in order to allow enough time for discussion of all financial options.

CHAIRMAN'S REPORT

None

MAJORITY OMNIBUS VOTE AGENDA

None (per recommendation of the Administration Committee)

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Hartwig moved to adopt the items listed on the Super/Special Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Ferraro and approved by a Roll Call Vote:

Super/Special Majority Omnibus Vote

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, and L. Rathje

Nays: None

Abstain: D. Zeilenga

Absent: G. Mathews and G. Wilcox

Item 1: Resolution No. R-25-06: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-7/05 at the August 10, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 2: Resolution No. R-26-06: A Resolution Approving and Authorizing the Execution of a Master Contract with Greeley and Hansen LLC for Professional Engineering Services—"Super/Special Majority Omnibus Vote"

Item 3: Resolution No. R-28-06: A Resolution Approving and Ratifying Certain Task Orders Under a Master Contract with Patrick Engineering, Inc., at the August 10, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 4: Resolution No. R-29-06: A Resolution Accepting the Proposal of Timothy W. Sharpe for Actuarial Services—"Super/Special Majority Omnibus Vote"

OLD BUSINESS

Commissioner Maio moved to ratify the Commission's participation in the AWWA Research Foundation Grant projects in the amount of \$11,000 in kind staff contribution for the Asset Management Research Project and \$13,000 in kind staff contribution and

Minutes of the 8/10/06 Meeting

\$10,000 cash contribution for the Phosphate Corrosion Inhibitor Research Project.
Seconded by Commissioner Ferraro and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, D. Zeilenga, and L. Rathje

Nays: None

Absent: G. Mathews and G. Wilcox

NEW BUSINESS

Commissioner Murphy moved to confirm Chairman Rathje's appointment of Commissioner Mueller as Vice Chairman until April 30, 2008 or until his successor is duly appointed and confirmed and to confirm the appointment of Commissioner Maio to the Engineering Committee until such time as new committee appointments are made and confirmed. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Dan Dragan of Greeley and Hansen gave a presentation on the Feasibility Study for On-Site Generation at the Lexington Pumping Station. After the presentation concluded, the floor was opened to questions.

Commissioner Poole confirmed that the generator engines were reciprocating.

In response to Commissioner Hartwig's question, General Manager Martin advised that the City of Chicago had tentatively agreed to pay half of the costs, not to exceed \$8.5 million, and that an Intergovernmental Agreement is being reviewed by Corporation Counsel for the City. General Manager Martin also noted that the City would be picking up 100% of the cost of any Photovoltaic Cells installed as part of the project and that any such costs would not be counted in the City's \$8.5 million cap on reimbursable costs. Commissioner Zeilenga inquired whether design costs were included in the \$12 million cost estimate for the generators (excluding Photovoltaic Cells). General Manager Martin responded that design costs were excluded. General Manager Martin went on to note that the variable frequency drives at the Lexington Pumping Station needed to be replaced, that the City indicated it was willing to share equally in the approximate \$1 million cost, and that such costs would not be counted in the City's \$8.5 million cost cap on the generator project.

In response to Commissioner Chaplin's inquiry regarding maintenance at the Lexington Pumping Station, General Manager Martin updated the Board as to the joint monthly inspections performed with the City, including itemized sheets showing the repairs needed. Commissioner Chaplin also questioned whether the Commission should reimburse its customers for costs previously incurred in installing their own back-up generators. Commissioner Hartwig stated that reimbursement would only be

Minutes of the 8/10/06 Meeting

appropriate if the Commission had adopted a decentralized approach to back-up generation instead of its current centralized approach.

Commissioner Feltes confirmed that the Commission is advancing the funds needed for the project and then obtaining reimbursement from the City over an approximately two-year period through a 10% credit against monthly water purchases.

Commissioner Poole confirmed that the new SCADA system was estimated to cost in the \$60,000 - \$70,000 range. General Manager Martin explained that the City is in the process of changing their SCADA system, which will mesh with the Commission's for purposes of shutting part of the system down (if needed) and monitoring water flow levels, but that actual control of the system will be done by the City.

General Manager Martin noted the potential to use the generators for peak shaving, if ComEd continues the program and if pollution control facilities were installed. General Manager Martin added that the design would accommodate the subsequent addition of pollution control facilities in accordance with both the newly-effective and delayed effectiveness EPA regulations (as advised by Dan Dragan of Greeley & Hansen).

Commissioner Zeilenga requested the General Manager advise the Board of the advantages and disadvantages associated with using a design-build procurement for the generator project (assuming the Commission is authorized to engage in that type of procurement and the City would agree).

In response to Commissioner Maio's questions, General Manager Martin advised that (1) natural gas generators were not recommended because they are larger, more expensive, and the City had no familiarity with their operation or maintenance and (2) any power generated by the proposed solar panels over the storage tanks would be used to supply the Lexington Pumping Station, thereby reducing the Commission's energy costs.

Commissioner Mueller mentioned that the back-up generation issue has come a long way and complimented staff on the progress.

After all questions pertaining to the presentation were answered, Chairman Rathje asked if any of the Commissioners had an objection to him attending a Commission-paid seminar on "Clean Water in the Midwest," to which no objection was made.

Commissioner Chaplin then requested that General Manager Martin prepare, for distribution to all Commissioners in advance of each Board meeting, a brief summary of questions asked and answers provided in the General Manager's monthly calls to Commissioners.

ACCOUNTS PAYABLE

Commissioner Ferraro moved to approve the Accounts Payable in the amount of \$848.00 subject to submission of all contractually required documentation. Seconded by Commissioner Mueller and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, D. Zeilenga, and L. Rathje

Nays: None

Absent: G. Mathews and G. Wilcox

PUBLIC COMMENTS

None

Commissioner Murphy left the meeting at 8:28 P.M.

EXECUTIVE SESSION

Commissioner Ferraro moved to go into Executive Session to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11). Seconded by Commissioner Chaplin and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, W. Mueller, A. Poole, J. Vrdolyak, D. Zeilenga, and L. Rathje

Nays: None

Absent: G. Mathews, W. Murphy, and G. Wilcox

The Board went into Executive Session at 8:30 P.M.

Commissioner Zeilenga left the meeting at 8:50 P.M.

Commissioner Mueller moved to come out of Executive Session at 9:03 P.M. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Hartwig moved to adjourn the meeting at 9:05 P.M. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.