

**MINUTES OF A SPECIAL MEETING OF THE
COMMITTEE OF THE WHOLE OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, SEPTEMBER 14, 2006
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Rathje at 6:05 P.M.

Commissioners in attendance: E. Chaplin, R. Ferraro, W. Maio (as of 6:35 P.M.), G. Mathews, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, G. Wilcox, and L. Rathje

Commissioners Absent: T. Feltes, L. Hartwig, and D. Zeilenga

Also in attendance: Treasurer R. Thorn, R. Martin, M. Richter, M. Crowley, C. Johnson, T. McGhee, F. Frelka, J. Schori, R. C. Bostick, and E. Kazmierczak

Commissioner Ferraro moved to approve the Minutes of the February 10, 2005 Committee of the Whole Meeting of the DuPage Water Commission. Seconded by Commissioner Mueller and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

General Manager Martin introduced Financial Administrator, Max Richter, and explained the purpose of the presentation is to inform the Board as to the Commission's finances and rate projections under several different scenarios.

Financial Administrator Richter began his presentation with a PowerPoint entitled "Financial Plan Workshop," followed by an explanation of Rate Projections A through G which were distributed to the Commissioners.

Commissioner Maio arrived at 6:35 P.M.

After concluding the presentation, Financial Administrator Richter opened the floor to questions.

Commissioner Chaplin passed out copies of the original referendum question submitted to the voters to authorize Commission sales taxes and General Obligation Bonds. Based upon her reading of the referendum question, it appeared that sales taxes were intended to be used for the General Obligation Bonds and not for the Revenue Bonds. By using the phrase "common source of supply," it also appeared to Commissioner Chaplin that everyone in the county was intended to be supplied with water from the Commission and not just specific portions of the county. Staff Attorney Crowley explained that the form of the referendum question was mandated by state statute and that sales taxes are not "legally" pledged to any of the Commission's bonds.

General Manager Martin stated that if the Board desired to stop collecting sales taxes, then the Charter Customers would need to be in agreement with that decision and the Charter Customer Contract would have to be amended accordingly.

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Commissioner Mathews stated that the Finance Committee has, in the past, discussed eliminating sales taxes and suggested it would be worth considering. Commissioner Poole countered that eliminating sales taxes would only be appropriate after all of the Commission's bonds had been paid off and all of the capital improvement projects had been completed.

Commissioner Murphy suggested holding a meeting with all of the Charter Customers using the same "Financial Plan Workshop" presentation, which identified a variety of options for the Board to consider, in order to get an idea of how the customers would like the Board to proceed. Commissioner Murphy added that, after staff reports back with customer reactions, the Board can then discuss and decide how to properly use Commission funds. General Manager Martin confirmed that he would schedule a meeting with all Customer Managers and their Financial Administrators to obtain their input. Commissioner Chaplin noted that she especially liked the idea of offering low interest loans to governmental customers in order to extend service into unincorporated areas, and asked staff to specifically raise this option at the customer meeting.

Commissioner Wilcox commented that offering interest free loans or grants, rather than low interest loans, would offer a greater incentive to new customers, but other Commissioners questioned the Commission's authority to give away money. General Manager Martin also noted that current customers might not agree with an interest free loan program considering they were not offered the same option.

Commissioner Poole requested that the data presented by Financial Administrator Richter regarding Rate Projections A-G be re-presented in the format used in prior years. General Manager Martin confirmed that he and Financial Administrator Richter would meet with Commissioner Poole to discuss the alternative format for the spreadsheets.

Commissioner Mueller moved to adjourn the meeting at 7:10 P.M. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.