

**MINUTES OF A SPECIAL MEETING OF THE  
DuPAGE WATER COMMISSION  
HELD ON THURSDAY, FEBRUARY 9, 2006  
600 E. BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 5:14 P.M.

Commissioners in attendance: E. Chaplin, T. Feltes (by Teleconference), R. Ferraro (as of 6:04 P.M.), L. Hartwig, G. Mathews, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Commissioners Absent: R. Benson

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

Chairman Vondra started the meeting by asking General Manager Martin to begin his presentation on Emergency Operations and Maintenance at the Lexington Pumping Station in the event of a loss of electrical service.

The General Manager concluded the "Maintenance" portion of the presentation by recommending that the Commission and the Chicago Department of Water Management perform joint maintenance at the Lexington Pumping Station, where Chicago would continue the actual operation and maintenance of the Lexington Pumping Station, the parties would jointly inspect the station on a monthly basis, and the Commission would finance and provide unbudgeted or high cost items. The General Manager noted staff is recommending this alternative because it appears to be the only alternative acceptable to Chicago.

After Commissioner Vrdolyak confirmed that some, but not all, of the deficiencies identified by staff during the December 2005 and January 2006 joint inspections had been corrected, Chairman Vondra suggested staff prepare a draft of the Intergovernmental Agreement detailing the joint maintenance relationship as every other angle of obtaining an agreement in principle from Chicago had been exhausted. General Manager Martin confirmed that staff would prepare a draft for the Board's review. Commissioner Hartwig suggested the draft agreement include provisions designed to expedite corrective action on identified maintenance deficiencies such as defining the circumstance under which Commission financing and performance of corrective action would be triggered. Chairman Vondra suggested establishing pre-approved cost limits for categories of repairs likely to be needed in order to avoid the need for City Council approval of every project.

Commissioner Hartwig moved to direct staff to draft an Intergovernmental Agreement with the City of Chicago concerning joint maintenance of the Lexington Pumping Station. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All vote aye. Motion carried.

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General Manager Martin then continued with the “Emergency Operations” portion of his presentation. After the General Manager concluded with staff’s recommendation that back-up generation be constructed at the DuPage Pumping Station and the Commission pay half of the cost of back-up generation at the Lexington Pumping Station, also known as the “fully centralized back-up generation option,” Chairman Vondra broke down the various items for discussion:

- Centralized versus decentralized back-up generation,
- Verification of engineering data, and
- Advantages versus disadvantages

Commissioner Wilcox noted there seemed to be consensus on a centralized approach to back-up generation but the method of obtaining that centralized back-up generation is where Commissioners differ. Commissioner Wilcox moved to direct staff to proceed with the planning and engineering of generator facilities at both the DuPage and Lexington Pumping Stations as recommended by staff and to hire, through an RFP process, a third-party engineer to value engineer other alternatives suggested by Commissioners, the scope of the RFP to be approved by the Board after review and approval by the Engineering and Construction Committee. Seconded by Commissioner Zeilenga.

Commissioner Hartwig asked Commissioner Wilcox to identify the alternatives intended to be value engineered under Commissioner Wilcox’s motion. Commissioner Wilcox identified alternatives such as the appropriate benchmark for emergency service (e.g. 2024 average day or something less); the type of switchgear needed (automatic or manual); and the type of generators needed (portable or fixed-in-place; regular or peak shaving); etc. Commissioner Murphy agreed with Commissioner Wilcox’s statement that there seemed to be consensus on a centralized approach to back-up generation but was unsure about Commissioner Wilcox’s value engineering suggestion. Commissioner Murphy asked for the General Manager’s opinion. General Manager Martin responded that proceeding with existing plans and engineering while at the same time value engineering alternatives that may change those existing plans and engineering did not make sense.

Commissioner Chaplin observed that it is important to research all aspects of back-up generation, including the advantages of portable generators that had not been identified by staff, to ensure the Commissioners are getting all of the facts. Commissioner Zeilenga expressed his concerns on various issues regarding the Lexington Pumping Station generators: Liability and maintenance issues; the need for a written agreement regarding access to the land and pumping station; and obtaining a commitment letter from Chicago regarding the space to build the generator and Chicago’s cost participation.

Commissioner Ferraro entered the meeting at 6:04 P.M.

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After Commissioner Wilcox as the movant, and Commissioner Zeilenga, as the seconder, agreed to withdraw the pending motion (and second) in order for the value engineering portion of the motion to be considered separately, Commissioner Wilcox moved to hire, through an RFP process, a third-party engineer to value engineer the other alternatives suggested by the Commissioners, the scope of the RFP to be approved by the Board after review and approval by the Engineering and Construction Committee. Seconded by Commissioner Poole. After discussion regarding centralized and decentralized back-up generation, Commissioner Wilcox as the movant, and Commissioner Poole, as the seconder, agreed to withdraw the pending value engineering motion (and second), Commissioner Wilcox moved to approve the concept of centralized back-up generation at both the DuPage and Lexington Pumping Stations. Seconded by Commissioner Poole and unanimously approved by a Voice Vote.

All vote aye. Motion carried.

After discussion regarding the scope of the proposed value engineering review and clarification that any value engineering should be limited to centralized back-up generation aspects only, Commissioner Wilcox moved to direct staff to proceed with the Lexington Pumping Station Feasibility Study for On-Site Generation using Greeley and Hansen (in conjunction with McDonough Associates) at a cost not-to-exceed \$90,000 and hire, through an RFP process, a third-party engineer to value engineer, for centralized back-up generation aspects only, (i) the Greeley and Hansen Lexington Pumping Station Feasibility Study and (ii) the Camp Dresser & McKee 30% Engineering Plans for the Back-Up Generation Facilities at the DuPage Pumping Station. Seconded by Commissioner Poole and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: R. Benson

General Manager Martin then began his presentation regarding the Fiscal Year 2006-2007 Capital Improvement Plan.

During the presentation, Commissioner Wilcox asked what “numerous failures” meant when referring to the originally installed hollow core risers during the performance of the valve/exercise programs. Ed Kazmierczak, Pipeline Supervisor, explained that the valves are snapping due to the hollow core corroding and, therefore, needed replacing.

After the General Manager concluded his presentation, Commissioner Mathews questioned where the money for the approximately \$65 million plan was coming from when the 2005-2006 Capital Improvement Plan totaled approximately \$40 million. Former Financial Administrator, Rick Skiba, responded that approximately \$14 million scheduled for expenditure in the current year had not been expended, sales tax collections were more favorable than previously anticipated, and there is a reduced

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reliance on sales taxes to subsidize the water rate, all of which contributed to additional funds being available for Capitol Improvement Plan projects.

To expedite the Board's consideration of the proposed Fiscal Year 2006-2007 Capital Improvement Plan, Chairman Vondra took each proposed project in turn to assess the level of support or opposition. As a result, the three proposed projects for which there was not unanimous support, the Material and Equipment Storage Facilities, the Garage/Office Building, and the 30 Million-Gallon Reservoir, were assigned by Chairman Vondra to the Finance and to the Engineering and Construction Committees for further consideration at the March 2006 Committee meetings.

Commissioner Poole then presented three spreadsheets to the Commissioners, copies of which were telecopied to Commissioner Feltes, summarizing his proposed alternate Fiscal Year 2006-2007 Capital Improvement Plan. Commissioner Poole highlighted the differences between the Fiscal Year 2006-2007 Capital Improvement Plan as proposed by staff and his proposal: Acceleration of the 30 Million-Gallon Reservoir and the Back-Up Generation Facilities at the DuPage Pumping Station so that they would be constructed simultaneously, defeating the Commission's outstanding debt at the earliest opportunity, and eliminating the Commission's sales tax in Fiscal Year 13-14 when the Commission was debt free. Commissioner Poole also noted that because the Commission's water rate was established by the Board every year, he used a water rate of \$1.65 rate after Fiscal Year 2006-2007 rather than the \$1.45 rate used by staff.

Chairman Vondra then proceeded to discuss the water rate for 2007 and asked staff if the Commission didn't establish a water rate of \$1.45, whether the water rate would automatically default back to a water rate of \$1.65. General Manager Martin confirmed that, for so long as the rate freeze mandated by PA93-0226 was in effect, the water rate would revert back to the \$1.65 if the Board did not act to establish a different rate.

Commissioner Poole moved to defease the Commission's outstanding General Obligation Bonds as soon as possible in Fiscal Year 2006-2007 and set the average wholesale water rate at \$1.45 per 1,000 gallons. Seconded by Commissioner Wilcox.

Commissioner Mathews commented that the Commission is not ready to vote on the decision of defeasing the General Obligation Bonds and, therefore, Commissioner Mathews moved to table Commissioner Poole's motion until the March 2006 meeting. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Mathews moved to direct staff to distribute the Tentative Draft Management Budget for Fiscal Year 2006 – 2007, as presented except without the draft Fiscal Year 2006-2007 Capital Improvement Plan, to the Commission's customer utilities. Seconded by Commissioner Poole and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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Commissioner Wilcox moved to adjourn the meeting at 7:25 P.M. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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