

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, JUNE 21, 2012
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:35 P.M.

Commissioners in attendance: L. Crawford, T. Cullerton (arrived at 7:52 P.M.), R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, J.B. Webb, and J. Zay

Commissioners Absent: P. Suess

Also in attendance: N. Narducci, J. Spatz, C. Peterson, C. Johnson, T. McGhee, J. Rodriguez, C. Bostick, J. Schori, F. Frelka, and S. Lux of Baker Tilly

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the May 17, 2012 Regular Meeting and the Executive Session Minutes of the May 17, 2012 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Financial Consultant Lux presented the June 2012 Treasurer's Report, consisting of seven pages.

Financial Consultant Lux highlighted the \$64.5MM of cash and investments on page 1, noting that the balance was lower in the month of May due to two large payments to the Commission's revenue bonds which were \$1.6MM for the interest paid and \$11.1MM for the principal paid. Financial Consultant Lux also pointed out the schedule of investments on pages 2, 3, 4, and 5. On page 6, the negative \$2.2MM cash from operating activities was due to a final payment for the generator project at both the Lexington and DuPage pumping stations and the lower than normal cash received from the customers which were reflected in the summary statement of cash flows. The reserve analysis showed \$12MM of unrestricted cash on hand as well as the full funding of the Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts with a total cash balance of \$64MM shown on page 7. Also noted page 7, was the reduction of the \$11.1MM in debt on Table 3, Row H.

Commissioner Murphy moved to accept the June 2012 Treasurer's Report. Seconded by Commissioner Loftus and unanimously approved by a Voice Vote.

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All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Pruyn

Commissioner Pruyn reported that the Finance Committee reviewed and recommended for approval the action items listed on the Finance Committee Agenda.

With respect to the Interest Period under the Northern Trust Certificate of Debt, Commissioner Pruyn stated that the Finance Committee recommended electing another one month interest period as the interest rate had remained the same.

Next, Commissioner Pruyn reported that representatives from PFM Investments had been present at the Finance Committee and provided a positive quarterly update of the Commission's investment portfolio.

Commissioner Pruyn concluded his report by noting that the Finance Committee had reviewed the Jenner & Block's report list of forensic audit action items noting that the recommendations have been addressed and implemented and that the 2012 audit is near completion and would be on the August Board agenda for approval.

There being no further discussion, Commissioner Pruyn moved to adopt Resolution No. R-20-12: A Resolution Directing the Transfer of Certain Excess Account Balances to the General Account of the Water Fund. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, J.B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton and P. Sues

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee reviewed all the items listed on the Administration Committee Agenda.

With regards to the Ethics Policy, Commissioner Crawford noted that the Administration Committee briefly reviewed an amended ethics ordinance proposed by the County of DuPage, which is being offered as an "opt in" option for other agencies to take part in. Commissioner Crawford noted that once the County adopts their ordinance, staff would be sending a copy to the Commissioners for their review and asked that any feedback be directed to Executive Assistant Johnson. General Manager Spatz added that he is in favor of the ordinance and the idea of having the resources of an independent ethics officer.

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With regard to the paperless Board Packets, Commissioner Crawford reported that staff would be obtaining quotes relating to the costs involved in the purchase of the IPADs as well as the monthly service charge and will report back at the July Board meeting.

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval the action items listed on the Engineering & Construction Committee Agenda.

After Commissioner Loftus briefly reviewed each item listed on the agenda, he then offered to answer any questions.

There being no questions, Commissioner Loftus moved to adopt item numbers 2 and 7 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote.

Engineering & Construction Omnibus Vote

- Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, J.B. Webb, and J. Zay
- Nays: None
- Absent: T. Cullerton and P. Suess
- Item 2: Ordinance No. O-8-12: An Ordinance Determining the Prevailing Rate of Wages in DuPage County and Cook County—“Engineering & Construction Omnibus Vote”
- Item 3: Resolution No. R-21-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the June 21, 2012, DuPage Water Commission Meeting—“Engineering & Construction Omnibus Vote”
- Item 4: Resolution No. R-22-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR- 9/11at the June 21, 2012, DuPage Water Commission Meeting—“Engineering & Construction Omnibus Vote”
- Item 5: Resolution No. R-23-12: A Resolution Terminating a Contract for Landscape Services and Awarding a New Contract for Landscape Maintenance Services—“Engineering & Construction Omnibus Vote”

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- Item 6: Resolution No. R-24-12: A Resolution Approving and Authorizing the Execution of a Settlement Agreement with Martam Construction, Inc.—“Engineering & Construction Omnibus Vote”
- Item 7: Resolution No. R-25-12: A Resolution Approving a Third Amendment to Task Order No. 10 under the Master Contract with AECOM USA, Inc.—“Engineering & Construction Omnibus Vote”

Commissioner Loftus concluded his report by referring to a newspaper article in the Daily Herald involving a construction project in the Village of Lombard and one of the Commission’s pipelines. Commissioner Loftus reported that the article stated that the Commission had provided inaccurate plans costing the Village money for work that needed to be redone and that the Village of Lombard would be seeking reimbursement from the Commission to cover the costs. Commissioner Loftus stated that the plans that the Commission had supplied to the Village of Lombard included the following language in large red print on each page of each of the drawings:

THIS DRAWING IS FOR INFORMATIONAL PURPOSES ONLY.
IF EXACT PIPELINE ALIGNMENT OR ELEVATIONS ARE
REQUIRED TEST HOLES SHOULD BE DUG. NOTIFY THE
DuPAGE WATER COMMISSION FORTY-EIGHT HOURS IN
ADVANCE OF ANY EXCAVATIONS. (630) 834-0100.

Commissioner Loftus finished by noting that the Commission would not be entertaining any meetings with the Village of Lombard at this time.

ACCOUNTS PAYABLE

Commissioner Furstenau moved to approve the Accounts Payable in the combined amount of \$7,707,495.55, subject to submission of all contractually required documentation, for invoices that have been received and 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: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, J.B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton and P. Suess

CHAIRMAN’S REPORT

Chairman Zay reminded the Board of the Open Meeting Act and that any communication that needed to be distributed to the Board members, via email or correspondence, needs to be handled through either General Manager Spatz or Executive Assistant Johnson.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

Chairman Zay deferred consideration of the appointment of Legal Services until after Executive Session.

NEW BUSINESS

None

EXECUTIVE SESSION

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

Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, J.B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton and P. Sues

The Board went into Executive Session at 7:50 P.M.

Commissioner Murphy moved to come out of Executive Session at 8:16 P.M. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Murphy moved to appoint Gorski & Good, LLP as General Counsel and to authorize the General Manager to negotiate the terms of the engagement of the firm based on the firm's proposal date. Seconded by Commissioner Loftus and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, J.B. Webb, and J. Zay

Nays: None

Absent: P. Sues

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Commissioner Murphy moved to adjourn the meeting at 8:17 P.M. Seconded by
Commissioner Scheck and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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