

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, APRIL 9, 2009
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman S. Louis Rathje at 7:36 P.M.

Commissioners in attendance: E. Chaplin, T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Commissioners Absent: T. Bennington

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

Commissioner Mueller moved to open the Charter Customer Hearing Regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010. Seconded by Commissioner Maio and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

General Manager Martin advised that the hearing is for any Charter Customer to voice their comments. There being no comments, Commissioner Elliott moved to close the Charter Customer Hearing Regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

PUBLIC COMMENTS

Frank Falesch of Downers Grove, Illinois expressed his concern with the proposed recommendation for the Tuition Reimbursement Policy by stating that the current policy has not been in place that long, courses should be job related for advancement purposes, and there should be a passing grade requirement.

Dick Furstenau of Naperville, Illinois stated that the Commission should be helping to supplement the cost of the relocation of the Commission's transmission main at 75th and Washington Streets in Naperville, Illinois.

APPROVAL OF MINUTES

Commissioner Chaplin moved to approve the Minutes of the March 12, 2009 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Elliott and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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Commissioner Hartwig moved to approve the Minutes of the November 29, 2005 Special Sub Committee Meeting of the DuPage Water Commission. Seconded by Commission Chaplin and approved by a Voice Vote.

Majority voted aye, with Commissioners Maio, Saverino, and Zay abstaining. Motion carried.

Commissioner Hartwig moved to approve the Executive Session Minutes of the November 29, 2005 Special Sub Committee Meeting of the DuPage Water Commission. Seconded by Commissioner Poole and approved by a Voice Vote.

Majority voted aye, with Commissioners Maio, Saverino, and Zay abstaining. Motion carried.

TREASURER'S REPORT

Treasurer Thorn presented the Treasurer's Report for the month of March 2009 which showed receipts of \$6,135,887.00, disbursements of \$17,205,182.00, and a cash and investment balance of \$68,996,719.00.

Commissioner Mueller moved to accept the March 2009 Treasurer's Report. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee

No meeting

Engineering & Construction Committee – Reported by Commissioner Maio

Commissioner Maio reported that the Engineering & Construction Committee reviewed and recommended for approval all items listed on the Engineering & Construction Committee Agenda, noting that the request for a 100 day extension on Contract PSC-4/08 (Electrical Generation Facilities, Photovoltaic System and Other Improvements at the Lexington Pumping Station) was due to delays in obtaining the necessary permit(s) for the work being performed.

General Manager Martin explained that the delay in obtaining the necessary permit(s) stemmed from issues with the City and its sister agency, the CTA, and was not due to the fault of the contractor.

Finance Committee – Reported by Commissioner Mathews

Commissioner Mathews reported that the Finance Committee reviewed and recommended for approval all items on the Finance Committee Agenda except the Holland & Knight invoice that was included in the Accounts Payable, Ordinance No. O-4-09 and Ordinance No. O-5-09. With respect to the Holland & Knight invoice, Commissioner Mathews reported that the Finance Committee requested additional information for review at the May 2009 meeting. With respect to Ordinance No. O-4-09, Commissioner Mathews reported that the Finance Committee could not reach consensus on whether the 3.5% salary pool was too high. With respect to Ordinance No. O-5-09, Commissioner Mathews reported that the Finance Committee could not reach consensus on whether rate increases should be accelerated to coincide with City of Chicago increases rather than lag behind as currently proposed.

CHAIRMAN’S REPORT

Chairman Rathje reported that a number of Commissioners had yet to submit performance evaluation forms for the General Manager but that the Board’s discussion would proceed as scheduled for the May 2009 meeting.

Chairman Rathje then announced that Manager of Water Operations, Terry McGhee, will be serving as the new Chairperson for the Illinois Section of the American Water Works Association which is celebrating its 100th Anniversary.

In referring back to the Finance Committee Report, Commissioner Mathews clarified that two of the three members present voted to recommend approval of Ordinance No. O-4-09.

MAJORITY OMNIBUS VOTE AGENDA

Commissioner Chaplin requested that Ordinance No. O-4-09, Resolution No. R-23-09, and Resolution No. R-24-09 be removed from the Majority Omnibus Vote Agenda for separate consideration.

Commissioner Mathews moved to adopt Resolution No. R-22-09: A Resolution Releasing Certain Executive Session Meeting Minutes at the April 9, 2009, DuPage Water Commission Meeting. Seconded by Commissioner Murphy and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington

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Commissioner Hartwig moved to adopt Ordinance No. O-4-09: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010. Seconded by Commissioner Murphy.

Before the vote was called, Commissioner Chaplin expressed several concerns relating to the FY 2009-2010 Budget, stating that staff needs to be more mindful of the struggles people are facing in the current economy and recommending that the Board remove the budget allocations for the Board holiday party, the employee holiday party, the monthly employee recognition luncheons, and the \$175,000 allocation for the water conservation program as the program seems to duplicate programs already being implemented by other civic and community organizations.

Commissioner Chaplin moved to amend Commissioner Hartwig's motion to adopt Ordinance No. O-4-09: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010 by adding to end of the motion "as amended to eliminate the employee recognition luncheons, the employee holiday party, and the Commissioner's holiday dinner." Seconded by Commissioner Poole.

Commissioner Zay commented that he understood Commissioner Chaplin's concerns, but also noted that just because items are budgeted does not mean the money has to be spent and suggested leaving the budget "as is" and separately directing staff to adhere to any desired expenditure limitation. Commissioner Elliott agreed with Commissioner Zay, noting that the employees are the nuts and bolts of the organization. After Commissioner Chaplin, as the movant, agreed to withdraw her motion to amend Commissioner Hartwig's motion, and Commissioner Poole, as the seconder, agreed to the withdrawal of Commissioner Chaplin's motion to amend, Commissioner Zeilenga commented that DuPage County's unemployment is up 8% - 9%; the salary pool for merit increases for Commission employees during the prior year was 4.5%; Naperville's proposed salary pool for merit increases in the coming year was 1.5%; *Crane's Chicago* reports the average is 1.7% for salary pools for merit increases; and a 3.5% salary pool for merit increases during the current economic situation is too high.

At which point, Commissioner Zeilenga moved to amend Commissioner Hartwig's motion to adopt Ordinance No. O-4-09: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010 by adding to end of the motion "as amended to reduce the proposed 3.5% salary pool for merit increases to 2%." Seconded by Commissioner Zay.

Commissioner Elliott asked what the proposed 1.5% reduction in the salary pool for merit increases would mean in terms of dollars. As Financial Administrator Richter was calculating the amount, Commissioner Murphy asked General Manager Martin to refresh the Board's recollection as to how the 3.5% salary pool for merit increases was determined. General Manager Martin explained that the 3.5% salary pool for merit

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increases was determined based upon a survey conducted by staff of all of its utility customers. General Manager Martin noted that the 3.5% salary pool for merit increases was in addition to the increases approved by the Board at the July 10, 2008, meeting for implementation in Fiscal Year 2009/2010. After Financial Administrator Richter informed the Board that the proposed reduction in the salary pool for merit increases would amount to approximately \$29,500.00, Commissioner Elliott commented that staff is very lean compared to other utilities and that he is in favor of keeping the proposed 3.5% salary pool for merit increases. Commissioner Zay disagreed with Commissioner Elliott, stating that the economy has changed since the salary survey was conducted. Commissioner Mathews commented that the economy has not worsened since the budget discussions started and that the total dollar amount was not significant in relation to the total budget.

After General Manager Martin offered the suggestion of leaving the budget “as is” with the Board limiting his spending authority by separate vote, Commissioner Zeilenga as the movant, agreed to withdraw his motion to amend Commissioner Hartwig’s motion, and Commissioner Zay, as the seconder, agreed to the withdrawal of Commissioner Zeilenga’s motion to amend. At which point, Commissioner Hartwig’s original motion to adopt Ordinance No. O-4-09: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010 was approved by a Roll Call Vote:

Ayes: T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Nays: E. Chaplin

Absent: T. Bennington

Commissioner Zeilenga moved to direct the General Manager to distribute no more than a 2% salary pool for merit increases, to be calculated based upon the product resulting from multiplying the current base salary of the Commission’s current employees by 2.0% and to be distributed at the discretion of the General Manager. Seconded by Commissioner Zay and failed by a Roll Call Vote for lack of an approving majority:

Ayes: E. Chaplin, W. Maio, A. Poole, J. Zay, and D. Zeilenga

Nays: T. Elliott, L. Hartwig, G. Mathews, W. Mueller, W. Murphy, F. Saverino, and L. Rathje

Absent: T. Bennington

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Commissioner Murphy moved to adopt Resolution No. R-23-09: A Resolution Amending the Tuition Reimbursement Policy. Seconded by Commissioner Elliott.

Commissioner Chaplin commented that she felt keeping the already established cap of \$4,000.00 per employee per fiscal year for tuition reimbursement was fair considering many other companies are eliminating their programs altogether. Commissioner Hartwig inquired as to how the recommendation to eliminate the cap came about. Commissioner Murphy explained that the Administration Committee discussed the issue at its March meeting and directed the Staff Attorney to prepare Resolution R-23-09 eliminating the \$4,000.00 per employee per fiscal year limitation on tuition reimbursement, noting that Commissioner Chaplin did not in favor the proposed change nor the direction to the Staff Attorney. Commissioner Murphy further explained the reasoning behind eliminating the cap was to bolster succession planning which is very important to a small organization such as the Commission, to obtain the benefit of the education sooner, and to save money in the long run as tuition expenses increase over time.

Commissioner Maio felt that even a \$4,000.00 cap per employee per fiscal year was a little excessive compared to other governmental agencies and questioned the guaranteed benefit to the Commission. Staff Attorney Crowley advised that the current policy provides that an employee who receives tuition reimbursement must continue full-time employment with the Commission for a period of at least two years from and after the date of such tuition reimbursement in order to retain the full reimbursement amount.

Commissioner Maio stated that a written policy should be in place reflecting the \$4,000 cap. Staff Attorney Crowley explained that there was no limitation on the amount of employee tuition that was reimbursable in any given year in the Tuition Reimbursement Policy codified in the Personnel Manual that was approved by the Board at its October 2007 meeting; that the Board, by motion, amended the Commission's Tuition Reimbursement Policy to limit reimbursement to \$4,000.00 per employee per fiscal year at its April 2008 meeting; and that a Resolution to codify and incorporate the cap into the Personnel Manual failed for lack of an approving majority at the May 2008 meeting.

Commissioner Elliott stated that the Commission's organization is able to survive on a skeleton staff because its employees are highly educated and the Commission needs to continue giving its employees the tools of the job. Commissioner Elliott added that, as a small business owner, he knew that the backbone of an organization is qualified, educated, and loyal employees, and the best place for a company to invest is in its employees and that to lose employees or train them inadequately would be short-sighted.

Commissioner Zeilenga noted that the last year the Tuition Reimbursement Policy was fully reviewed, the review included survey results of the utility customers indicating most, if not all, had some type of cap established in the \$1,000 to \$2,000 range and that the \$4,000.00 per employee per fiscal year cap adopted last year was a compromise. Commissioner Zeilenga further noted that he was unaware of any business offering

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unlimited tuition reimbursement, that some companies refuse to pay for graduate courses, and that employees always have the option of paying for their own education. Commissioner Poole agreed with Commissioner Zeilenga stating the policy should be in sync with the utility customer survey results.

Commissioner Zay questioned why customer survey results were being followed in the case of salary increases but not in the case of tuition reimbursement caps, adding that the County caps its tuition reimbursement to \$1,000 to \$2,000 and that the Commission's proposed \$4,000 per employee per fiscal year cap was very generous compared to what others are doing in these tough economic times.

After Commissioner Hartwig agreed with Commissioners Zeilenga, Poole, and Zay, noting that unless there is a special circumstance relating to a specific skill associated with the employee's position, a \$4,000 cap is very reasonable, the motion to adopt Resolution No. R-23-09: A Resolution Amending the Tuition Reimbursement Policy failed by a Roll Call Vote for lack of an approving majority:

Ayes: T. Elliott, G. Mathews, W. Murphy, and L. Rathje

Nays: E. Chaplin, L. Hartwig, W. Maio, W. Mueller, A. Poole, F. Saverino, J. Zay, and D. Zeilenga

Absent: T. Bennington

Commissioner Murphy moved to adopt Resolution No. R-24-09: A Resolution Approving and Authorizing the Execution of a Master Contract with Peters & Associates, Inc. for Computer Consulting Services. Seconded by Commissioner Zay.

Before the vote was called, Commissioner Chaplin questioned the reason the General Manager Martin was requesting Board approval even though the purchase was within the General Manager's authority to authorize. General Manager Martin explained that to avoid any appearance of impropriety arising out of his son's employment at Peters & Associates, Chairman Rathje directed him to proceed with Board approval prior to engaging their services. After Commissioner Zay expressed appreciation for General Manager Martin being upfront with the Board, the motion was approved by a Roll Call Vote:

Ayes: T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Nays: E. Chaplin

Absent: T. Bennington

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Zay requested that Resolution No. R-19-09 be removed from the Super/Special Majority Omnibus Vote Agenda for separate consideration.

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

Super/Special Majority Omnibus Vote

Ayes: E. Chaplin, T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington

Item 1: Ordinance No. O-5-09: An Ordinance Establishing A Rate for Operation and Maintenance Costs for Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010—"Super/Special Majority Omnibus Vote"

Item 2: Ordinance No. O-6-09: An Ordinance Establishing Fixed Costs to be Payable by Each Contract Customer for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010—"Super/Special Majority Omnibus Vote"

Item 3: Resolution No. R-20-09: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-8/08 at the April 9, 2009, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 4: Resolution No. R-21-09: A Resolution Approving and Ratifying Certain Contract Change Orders at the April 9, 2009, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Commissioner Hartwig moved to adopt Resolution No. R-19-09: A Resolution Approving and Accepting the Proposal of McGladrey & Pullen, LLP for Audit Services. Seconded by Commissioner Mathews.

Commissioner Zay inquired how long the Commission had been using McGladrey & Pullen, LLP as its auditors. General Manager Martin advised that they had been used for at least the last five years through the Illinois Auditor General's Office. Commissioner Zeilenga noted that the Finance Committee discussed the audit services and recommended using McGladrey & Pullen for one more year before seeking Request for Proposals. After hearing the Finance Committee's recommendation,

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Commissioner Saverino questioned whether the selection of the auditors for the next fiscal year would be qualification or price based. Commissioner Zeilenga responded that a qualification based process was anticipated. After which, the motion to adopt Resolution No. R-19-09 was unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington

OLD BUSINESS

Commissioner Zeilenga moved to approve the request by the County of DuPage and the City of Naperville to supplement the cost of the relocation of the Commission's South Transmission Main at 75th Street and Washington Street. Seconded by Commissioner Zay.

Before the vote was called, Commissioner Hartwig stated that even though he did not believe it was a county project, he still supported the project and could support the cost sharing proposed by the County and the City if the Commission were to adopt a policy providing for such cost sharing with all of the Commission's municipal customers whenever conflicts arise within municipal rights-of-way. Commissioner Maio stated that the Board has been listening for months about this proposal and that after all the presentations and attorney opinions, and considering the potential litigation costs and potential for precedence setting, he supports the cost sharing due to the uniqueness of the project.

Commissioner Mathews stated he wanted an engineering basis for the relocation and, in referring to the aerial picture provided, asked why the underpass ramp was not aligned to more closely tie up with the existing bike path. General Manager Martin referred to a memorandum from the Commission's Pipeline Supervisor dated October 2, 2008, which explains that the relocation of approximately 500 lineal feet of the Commission's 30" main will be necessary in order to avoid a conflict with the proposed pedestrian tunnel but that proposed underpass would have had little or no impact on Commission facilities if it had been located along an alignment the City presented to the Commission at a design meeting held several years earlier.

Commissioner Zay stated that the County of DuPage entered into an Intergovernmental Agreement with the City of Naperville in which the City of Naperville asked for a 55/45 split. Commissioner Zay further noted that there are 8 lanes of traffic at the intersection of 75th and Washington Streets which poses a pedestrian safety hazard.

Commissioner Murphy noted that the slight alignment modification raised by Commissioner Mathews was significant and would resolve the matter. In addition, Commissioner Murphy commented that though he is respectful of the opinions shared

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by the other Commissioners, most of the early record on this project reflects that it is not a joint project but, rather, a Naperville project and that suggestions to the contrary appear to be subterfuge. Commissioner Poole disagreed, noting the intersection is very complex, the ramp is what causes the need for the Commission to relocate its pipeline, and the pipeline is inside the DuPage County right-of-way and the County demanded its relocation. Commissioner Poole added that he resented Commissioner Murphy's "subterfuge" comment, noting that the ramp is needed for purposes of enabling pedestrian to cross Washington Street safely. Commissioner Chaplin agreed with Commissioner Poole, stating that the Commission should be serving the public.

Commissioner Zeilenga amended his motion, with the consent of the seconder, by adding to the motion a direction to staff to prepare policy for the Board's review and approval that would provide for similar cost sharing with all of the Commission's municipal customers whenever conflicts arise within municipal rights-of-way. The amended motion failed by a Roll Call Vote for lack of an approving special-majority:

Ayes: E. Chaplin, T. Elliott, L. Hartwig, W. Maio, A. Poole, J. Zay, and D. Zeilenga

Nays: G. Mathews, W. Mueller, W. Murphy, F. Saverino, and L. Rathje

Absent: T. Bennington

NEW BUSINESS

None

ACCOUNTS PAYABLE

Commissioner Mueller moved to exclude the Holland & Knight invoice from the Accounts Payable and to approve the Accounts Payable, as so revised, in the amount of \$14,710.10 subject to submission of all contractually required documentation. Seconded by Commissioner Mathews and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Elliott, L. Hartwig, W. Maio, G. Mathews, W. Mueller, W. Murphy, A. Poole, F. Saverino, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington

EXECUTIVE SESSION

None

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Before the meeting was adjourned, Commissioner Zay requested staff revert back to preparing paper copies of the Board material for overnight delivery (and minimizing future Supplemental Packets), noting the material sent via electronic mail was not very clear and the packet was too voluminous to print.

Commissioner Maio moved to adjourn the meeting at 9:15 P.M. Seconded by Commissioner Zeilenga and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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