

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY MAY 19, 2011
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

Commissioners in attendance: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Commissioners Absent: C. Janc, W. Murphy, and D. Russo

Also in attendance: J. Spatz, T. McGhee, R. Skiba, M. Crowley, R. C. Bostick, J. Schori, E. Kazmierczak, M. Weed, and F. Frelka

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau requested that the April 21, 2011 Committee of the Whole minutes should be revised to reflect that staff agreed with Commissioner Furstenau's notation of a mathematical error in line item 01-60-6280. There being no disagreement, Commissioner Saverino moved to approve the Minutes of the April 21, 2011 Committee of the Whole Meeting, as revised as requested by Commissioner Furstenau, the Executive Session Minutes of the April 21, 2011 Committee of the Whole Meeting, the Minutes of the April 21, 2011 Regular Meeting, and the Executive Session Minutes of the April 21, 2011 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Suess and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT

Former Financial Administrator Skiba presented the April 2011 Treasurer's Report, consisting of seven pages designated Reports A (2 pages), B (4 pages), and C (1 page).

With respect to Report A, Former Financial Administrator Skiba noted that the April 2011 report reflected a \$3.08MM positive cash flow excluding construction expenditures. With respect to Report B, Former Financial Administrator Skiba explained that Report B showed total funds for the month at \$70.2MM, including a \$12.2MM surplus. With respect to Report C, Former Financial Administrator Skiba explained that Report C similarly reflected \$70.2MM of cash and investments and noted that Reports A and C reconciled with each other.

Minutes of the 5/19/11 Meeting

Commissioner Furstenau suggested that quarterly statements be developed to track and project fund balances as the Commission approaches the sun setting of its sales tax authority. Chairman Zay responded, and Commissioner Suess confirmed, that General Manager Spatz was working with the Finance Committee to develop a five year plan of projected water rate increases to address the loss of sales tax revenue.

Commissioner Furstenau moved to accept the April 2011 Treasurer's Report.
Seconded by Commissioner Loftus and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Suess

Commissioner Suess reported that the Finance Committee met with nominated Treasurer Narducci and reviewed the items listed on the Finance Committee Agenda and, specifically, the refinancing of the \$40MM Certificate of Debt with its interest rate reduction of 2¼ percentage points.

Commissioner Suess also reported that the Finance Committee discussed and recommended that an \$8MM prepayment of principal on the \$30MM West Suburban Bank Certificate of Debt be made on the next interest payment date, June 21, 2011. Commissioner Suess noted that the recommended \$8MM prepayment, in addition to the inadvertently omitted \$375,000 interest payment, was included on the revised Accounts Payable for invoices that have not yet been received but have been estimated which was placed at each Commissioner's desk before the meeting.

Commissioner Suess also noted that between the final payment on the Commission's General Obligation Bonds, the annual Revenue Bond principal payment, and the proposed \$8MM prepayment on the Certificate of Debt, the Commission will have paid off approximately \$25MM in debt since the financial downturn. Former Financial Administrator Skiba commented that the amount was closer to \$30MM.

With regards to the draft budget and appropriation ordinance, Commissioner Suess indicated that the ordinance would give maximum flexibility back to the General Manager to respond to emergencies by appropriating amounts in excess of the budget which, in turn, would eliminate the need for public hearings on appropriation ordinance amendments and/or monthly appropriation transfers. Commissioner Furstenau stated the draft ordinance appears to increase the operating budget by 35%. Chairman Zay responded that the management budget has not increased but, rather, the ordinance returns the flexibility to management that was suspended last year. General Manager Spatz confirmed that he is bound to follow the approved management budget and cannot spend over the established limits without prior board approval.

Commissioner Suess next reported that discussions were held with the Commission's financial consultant, Baker Tilly, to develop a focused work plan and project completion schedules.

Minutes of the 5/19/11 Meeting

Commissioner Suess moved to confirm Chairman Zay's appointment of Nicholas J. Narducci to serve as the Treasurer of the DuPage Water Commission, subject to the advice and consent of the DuPage County Board. Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and D. Russo

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee continued its discussion regarding the possibility of going paperless for future Board meetings and advised that staff contacted several other government agencies and also arranged for four demonstrations of various electronic meeting systems and applications. Commissioner Crawford indicated that additional demonstrations for Commissioners would be scheduled, to be followed by cost analyses and an eventual recommendation from staff. Lastly, Commissioner Crawford noted that the Committee had no progress to report regarding the comprehensive amendment and restatement of the Commission's By-Laws.

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that a discussion was held regarding various pipeline projects in design, all of which appear to be viable and have been budgeted for FY-11/12.

Commissioner Loftus also reported that a discussion was held regarding Work Authorization Order No. 27 under Quick Response Contract QR-8/08 in which work in an IDOT right of way required immediate action of the Commission to address an existing structure conflict with ongoing bridge rehabilitation work. Commissioner Loftus added that ratification of Work Authorization Order No. 27 would be brought before the Board at the Commission's June 2011 meeting.

Commissioner Loftus finally reported that the Engineering & Construction Committee reviewed and recommended for approval the sole resolution listed on the Engineering & Construction Committee Agenda.

Commissioner Loftus moved to adopt item 2 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:

Minutes of the 5/19/11 Meeting

Engineering & Construction Omnibus Vote

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and D. Russo

Item 2: Resolution No. R-26-11: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-8/08 at the May 19, 2011, DuPage Water Commission Meeting—"Engineering & Construction Omnibus Vote"

General Manager Spatz reported that the Lexington Pumping Station Electric Generation and Photovoltaic projects received two peer-reviewed engineering awards and press events were being scheduled to accept the awards.

ACCOUNTS PAYABLE

In regards to the Accounts Payable, Commissioner Furstenau inquired if there was a mechanism in place to "true up" the estimated payments listed on the Accounts Payable. Former Financial Administrator Skiba responded in the negative but advised that if an invoice came in above the estimated amount, payment would only be tendered up to the approved amount and additional board action would be required to approve payment of the balance. At which point, Commissioner Cullerton moved to approve the revised Accounts Payable in the amount of \$13,203,943.31, 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 Suess and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and D. Russo

CHAIRMAN'S REPORT

Chairman Zay thanked the entire staff for all their dedication and hard work during the past one and one-half years, noting that while the financial situation was being scrutinized and addressed, the staff continued to pump and deliver water and services with professionalism and without incident.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

Commissioner Furstenau inquired as to the status of negotiations between DuPage County and the City of Naperville regarding the sharing of costs incurred in relocating the Commission's Transmission Main at 75th Street and Washington Street. Chairman Zay indicated that the County had not received the final costs from the City of Naperville. Commissioner Furstenau indicated that he would contact City of Naperville staff to expedite the final cost determination.

Chairman Zay requested an update on the status of the collective bargaining negotiations. General Manager Spatz advised that one unit had proposed an out of line economic package that staff rejected, and the other unit had yet to make an economic proposal. General Manager Spatz added that he was also negotiating on the basis of resisting any benefit increases.

Commissioner Furstenau suggested deferring the discussion of collective bargaining negotiations to Executive Session.

NEW BUSINESS

None

EXECUTIVE SESSION

After the Staff Attorney Crowley advised that the compensation of specific employees, or classes of employees, and collective bargaining negotiations were appropriate topics for discussion in Executive Session, Commissioner Furstenau 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 Pruyn and approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, D. Loftus, J. Pruyn, F. Saverino, M. Scheck, P. Suess, and J. B. Webb

Nays: T. Cullerton

Present: J. Zay

Absent: C. Janc, W. Murphy, and D. Russo

The Board went into Executive Session at 8:00 P.M.

Commissioner Cullerton left the meeting at 8:16 P.M.

Minutes of the 5/19/11 Meeting

Commissioner Scheck moved to come out of Executive Session at 8:17 P.M.
Seconded by Commissioner Webb and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Furstenau moved to adjourn the meeting at 8:19 P.M. Seconded by
Commissioner Scheck and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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