

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON MONDAY, MARCH 20, 2006
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 1:05 P.M.

Commissioners in attendance: R. Benson, E. Chaplin, R. Ferraro (by Teleconference), T. Feltes, G. Mathews, W. Mueller, W. Murphy, A. Poole, G. Wilcox, D. Zeilenga, and M. Vondra

Commissioners Absent: L. Hartwig and J. Vrdolyak

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

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

Commissioner Mueller moved to approve the Minutes of the February 9, 2006 Special Meeting of the DuPage Water Commission. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Mueller moved to approve the Minutes of the February 9, 2006 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Feltes and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT

In Treasurer R. Thorn's absence, Financial Administrator Richter presented the Treasurer's Report for the month of February 2006 which showed receipts of \$6,489,193.00, disbursements of \$3,691,738.00, and a cash and investment balance of \$157,814,203.00.

Commissioner Benson moved to accept the February 2006 Treasurer's Report. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee

No meeting scheduled

Engineering Committee – Reported by Commissioner Wilcox

Commissioner Wilcox reported that the Engineering Committee reviewed and recommended for approval Resolution Nos. R-9-06, R-10-06, and R-11-06. Commissioner Wilcox also reported that the Engineering Committee discussed the Value Engineering Request for Proposal and stated that the engineering company who will be awarded the project should be selected at the May 2006 meeting. Commissioner Wilcox concluded his report by noting that consideration of the three proposed Capitol Improvement Plan projects for which there was not unanimous support, the Material and Equipment Storage Facilities, the Garage/Office Building, and the 30 Million-Gallon Reservoir, should await the results of the Value Engineering Evaluation.

Finance Committee – Reported by Commissioner Poole

Commissioner Poole reported that the Finance Committee reviewed and recommended for approval the Accounts Payable and Resolution No. R-8-06. Noting that consideration of the General Obligation Bond Defeasance and Water Rate was interconnected with consideration of the proposed Capitol Improvement Plan projects, among other items, Commissioner Poole withdrew, with the consent of Commissioner Wilcox as the seconder, his tabled motion from the February 9, 2006 Special Meeting 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, which motion was tabled to the March 20, 2006 Commission meeting.

CHAIRMAN'S REPORT

None

MAJORITY OMNIBUS VOTE AGENDA

Commissioner Ferraro moved to adopt the items listed on the Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

Majority Omnibus Vote

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

Nays: None

Minutes of the 3/20/06 Meeting

Absent: L. Hartwig and J. Vrdolyak

Item 1: Resolution No. R-8-06: A Resolution Amending the DuPage Water Commission Flexible Benefits Plan—"Majority Omnibus Vote"

Item 2: Resolution No. R-10-06: A Resolution Directing Advertisement for Bids on a Contract for the Construction of Hydrodynamic Mixing System for Tank Site No. 4 East (Contract SS-5/06)—"Majority Omnibus Vote"

Item 3: Resolution No. R-12-06: A Resolution Designating the Village of Carol Stream as the Municipality Most Appropriate for Supplying Water to Riviera and Judith Courts in Unincorporated Wayne Township—"Majority Omnibus Vote"

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Murphy requested that Ordinance No. O-3-06 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 Feltes and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: L. Hartwig and J. Vrdolyak

Item 1: Resolution No. R-9-06: A Resolution Approving and Ratifying Certain Task Orders under a Master Contract with Cathodic Protection Management, Inc. at the March 20, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 2: Resolution No. R-11-06: A Resolution Approving a First Amendment to Task Order No. 2 under the Master Contract with Cathodic Protection Management, Inc.—"Super/Special Majority Omnibus Vote"

Commissioner Chaplin moved to adopt Ordinance No. O-3-06: An Ordinance Approving and Authorizing the Execution of a Water Purchase and Sale Contract Between the DuPage Water Commission and the County of DuPage. Seconded by Commissioner Feltes.

Commissioner Murphy moved to table the motion to adopt Ordinance No. O-3-06: An Ordinance Approving and Authorizing the Execution of a Water Purchase and Sale

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Contract Between the DuPage Water Commission and the County of DuPage.
Seconded by Commissioner Ferraro and approved by a Roll Call Vote:

Ayes: R. Benson, R. Ferraro, G. Mathews, W. Mueller, W. Murphy, and A. Poole

Nays: L. Chaplin, T. Feltes, G. Wilcox, D. Zeilenga and M. Vondra

Absent: L. Hartwig and J. Vrdolyak

OLD BUSINESS

General Manager Martin advised that notices of the April 13, 2006, Charter Customer Hearing on the Draft Management Budget would be sent out within the week. Commissioner Mathews suggested that the Five Year Forecast should be distributed to the Charter Customers in advance of the hearing so that the Charter Customers would have more meaningful information to review. Chairman Vondra disagreed, noting that the Five Year Forecast prepared by staff included an average water rate of \$1.45 in future years but that the rate in future years had not been finally determined by the Commission. Chairman Vondra stated he did not want to mislead the Charter Customers into thinking the Commission had endorsed a \$1.45 rate after FY 06-07. Chairman Vondra further stated that the water rate in future years could be dependent upon whether the Commission decides to proceed with certain projects and other interrelated factors such as whether:

- The County of DuPage will be joining the Commission
- The Value Engineering Evaluation supports the back-up generation projects as proposed
- The City of Chicago will participate in the cost of back-up generation at the Lexington Pumping Station

Commissioner Mathews commented that municipalities deal with draft documents all the time and that the Five Year Forecast includes a listing of the assumptions that were built into it. Commissioner Poole suggested the Five Year Forecast could be distributed with a second table of assumptions highlighting unresolved issues so that the Charter Customers do not draw false conclusions from the data presented. Commissioner Poole then questioned why the Commission could not adopt a multi-year water rate.

Staff Attorney Crowley clarified that water rates covering multi-year periods could be adopted by the Commission but that, at last year's rate setting meeting when a question was asked, Commissioner Zeilenga wanted to be sure that the Commission was only adopting a one-year rate when he verified with the Staff Attorney that if the rate ordinances for Operation and Maintenance Costs and Fixed Costs for FY 2006-2007 could not garner the required approving vote, then the rate for that fiscal year would automatically revert to an average "default" rate of \$1.65 per 1,000 gallons.

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After much discussion concerning the appropriateness of adopting one, two, and three-year rates, General Manager Martin advised that staff would prepare the April rate ordinances assuming a two-year period of effectiveness and the ordinances could be modified by the Board at the April meeting to establish the rate for shorter or longer periods if so desired by the Board.

NEW BUSINESS

Commissioner Benson confirmed that each Commissioner had received his or her Statement of Economic Interest from the Cook County Ethics Office. Commissioner Benson also noted he would request the Board to adhere to the regular Commission meeting dates and call special meetings if needed in addition to the regular scheduled Board meetings. Chairman Vondra explained that the date of the regular March meeting was changed because many of the Commissioners had a conflict with the regularly scheduled date and because the Board wanted to meet after the special meeting of the Charter Customers had been held so that staff could report back to the Board with the results of that meeting. Commissioner Benson concluded his remarks by suggesting that all customers, including the County, approve an agreement that says that they won't take any action to dissolve the Commission.

ACCOUNTS PAYABLE

Commissioner Benson moved to approve the Accounts Payable in the amount of \$9,103.22 subject to submission of all contractually required documentation. Seconded by Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: L. Hartwig and J. Vrdolyak

PUBLIC COMMENTS

None

EXECUTIVE SESSION

None

Commissioner Feltes moved to adjourn the meeting at 1:45 P.M. Seconded by Commissioner Benson and unanimously approved by a Voice Vote.

All voted aye. Motion carried.