

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, OCTOBER 12, 2006
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

Commissioners in attendance: E. Chaplin, T. Feltes, R. Ferraro (by teleconference), L. Hartwig, W. Maio, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Commissioners Absent: W. Murphy and A. Poole

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

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

Commissioner Chaplin moved to approve the Minutes of the September 14, 2006 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Vrdolyak and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Chaplin moved to approve the Minutes of the September 14, 2006 Committee of the Whole 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

Treasurer Thorn presented the Treasurer's Report for the month of September 2006 which showed receipts of \$8,340,604.00, disbursements of \$6,965,134.00, and a cash and investment balance of \$136,913,067.00.

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

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee – Reported by Commissioner Hartwig

Commissioner Hartwig reported that the Administration Committee discussed and recommended for approval Ordinance No. O-10-06 and asked Staff Attorney Crowley to explain the Ordinance to the Board. Staff Attorney Crowley explained that Ordinance No. O-10-06 would authorize the prior operator of the Argonne National Laboratory, the University of Chicago, to assign the Subsequent Customer Contract for the Laboratory to the new operator, UChicago Argonne, LLC. The Staff Attorney advised that the new operator of the Laboratory was an Illinois LLC created at the request of the US Department of Energy for the sole purpose of operating the Laboratory and that the University was the sole member of the LLC. Commissioner Wilcox confirmed that the requirements of Section 12(c) of the Charter Customer Contract would not apply to the proposed assignment.

Commissioner Hartwig next reported that the Administration Committee discussed and recommended for approval Ordinance No. O-11-06 with one addition. Commissioner Hartwig explained that Ordinance No. O-11-06 would amend the Commission's By-Laws to conform to recent amendments to the Open Meetings Act concerning electronic meeting attendance and closed meeting verbatim records. Commissioner Hartwig additionally noted that Ordinance No. O-11-06 would also change the order of business at regular meetings to conform, for the most part, to current practice except for the elimination of a second round of Public Comments as requested by Chairman Rathje.

Commissioner Hartwig advised that under the proposed electronic meeting attendance rules, two Commissioners could participate electronically from the same city, but not from the same location. Commissioner Hartwig also advised that the addition to Ordinance No. O-11-06 recommended by the Administration Committee was a limit on Public Comments to five minutes per person, but with no aggregate limit due to the Staff Attorney's concerns regarding the potential for disparate treatment.

Engineering & Construction Committee – Reported by Commissioner Wilcox

Commissioner Wilcox reported that the Engineering Committee discussed and recommended for approval Resolution Nos. R-32-06, R-34-06, and R-35-06.

Finance Committee – Reported by Commissioner Vrdolyak

Commissioner Vrdolyak reported that the Finance Committee reviewed and recommended for approval the Insurance Proposal prepared by Arthur J. Gallagher Risk Management Services, Inc. for the purchase of property and liability insurance.

CHAIRMAN'S REPORT

None

MAJORITY OMNIBUS VOTE AGENDA

Commissioner Hartwig 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 Feltes and unanimously approved by a Roll Call Vote:

Majority Omnibus Vote

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Murphy and A. Poole

Item 1: Resolution No. R-33-06: A Resolution Reviewing Certain Executive Session Meeting Minutes at the October 12, 2006, DuPage Water Commission Meeting—"Majority Omnibus Vote"

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Chaplin moved to adopt the items listed on the 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:

Super/Special Majority Omnibus Vote

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Murphy and A. Poole

Item 1: Ordinance No. O-10-06: An Ordinance Approving and Authorizing the Execution and Attestation of a Transferee Assumption Agreement with UChicago Argonne, LLC—"Super/Special Majority Omnibus Vote"

Item 2: Resolution No. R-32-06: A Resolution Approving and Ratifying Certain Contract Change Orders at the October 12, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 3: Resolution No. R-34-06: A Resolution Approving and Ratifying Certain Task Orders under a Master Contract with Greeley and Hansen LLC at the October 12, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

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- Item 4: Resolution No. R-35-06: A Resolution Approving and Ratifying Certain Task Orders under a Master Contract with Consoer Townsend Envirodyne Engineers, Inc. at the October 12, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"
- Item 5: Resolution No. R-36-06: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-7/05 at the October 12, 2006, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

OLD BUSINESS

It was the consensus of the Board to combine the tabling of Task Order No. 13 from Resolution No. R-30-06 and the Virchow Krause & Company, LLP authorization into a single vote. Commissioner Hartwig moved to table (1) the approval of Task Order No. 13 from Resolution No. R-30-06: A Resolution Approving and Ratifying Certain Task Orders under a Master Contract with Consoer Townsend Envirodyne Engineers, Inc., at the September 14, 2006, DuPage Water Commission Meeting, subject to receipt of the sum of \$15,000 to cover the costs to be incurred by the Commission preliminary to the consideration of a Water Purchase and Sale Contract between the Commission and the Bensenville Park District and (2) the authorization of Virchow Krause & Company, LLP to estimate the Capital Cost Recovery Charge for Bensenville Park District per the methodology approved in Resolution No. R-79-04, subject to receipt of the sum of \$15,000 to cover the costs to be incurred by the Commission preliminary to the consideration of a Water Purchase and Sale Contract between the Commission and the Bensenville Park District. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

NEW BUSINESS

Commissioner Maio advised the Board that he would not be participating in the consideration of, nor voting on, the property and liability insurance renewals due to his involvement in the insurance industry.

Commissioner Vrdolyak moved to purchase property and liability insurance coverage in accordance with the September 22, 2006, Insurance Proposal prepared by Arthur J. Gallagher Risk Management Services, Inc., for a total premium of \$619,064.00. Seconded by Commissioner Wilcox and approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Nays: None

Abstain: W. Maio

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Absent: W. Murphy and A. Poole

Commissioner Wilcox moved to suspend the first reading requirements of the Commission's By-Laws and to adopt Ordinance No. O-11-06: An Ordinance Amending the By-Laws of the DuPage Water Commission (Amending Articles VI and VII and Exhibit A Concerning Meetings and Review of Closed Meeting Verbatim Records) with a five minute per person limit on Public Comments. Seconded by Commissioner Hartwig and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Murphy and A. Poole

For the next scheduled item of New Business, Messrs. Dan Fanning and Bill Gassman of Fanning & Company, LLC made a presentation on the Value Engineering Study of the Emergency Generation Facilities at the DuPage and Lexington Pumping Stations. After the presentation concluded, the floor was opened to questions.

Chairman Rathje questioned the meaning of "Buy-In," which was listed on page seven of the PowerPoint presentation as one of the top three criteria for evaluating the stakeholders' expectations. Mr. Fanning replied that "Buy-In" referred to the practicality of the value engineering design alternatives (as opposed to "pie-in-the-sky" alternatives). Commissioner Rathje then requested an explanation of how "essential" flows differ from "critical" flows in relation to the text on the bottom of page nine of the PowerPoint presentation. Mr. Fanning explained that there was no difference and that the reference to "essential" on the bottom of page nine of the PowerPoint presentation should have been a reference to "non-essential." In response to Chairman Rathje's final inquiry, which concerned the land acquisition needed for the installation of generators at the Lexington Pumping Station, the Staff Attorney advised that although the Commission has the power of eminent domain, it no longer has the power to "Quick-Take" or condemn public property.

Commissioner Vrdolyak confirmed that the engine units were all independent and asked how often it would be necessary to take the system off line for maintenance purposes? Mr. Fanning recommended engine maintenance on an annual basis, with a major overall after 10,000 hours of operation. Commissioner Vrdolyak concluded his comments by noting that the City of Chicago must also agree before any of the value engineering design alternatives were implemented at the Lexington Pumping Station.

Commissioner Mathews asked what quantity of water was required to meet "winter" flows. Facilities Construction Supervisor Bostick advised that winter flow translated to approximately 80% of average day demand.

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Commissioner Wilcox asked the Fanning representatives to identify, in their opinion, the most important criteria for evaluating the stakeholders' expectations. Mr. Fanning replied that reliability was the most important criteria. Commissioner Wilcox confirmed that the back-up generation would continue to run so long as fuel is available. Commissioner Wilcox concluded his remarks by stating that if a power outage were to occur during the summer months, then all outside recreational water usage should cease and only household water usage should be permitted until the regular power system was up and running again.

Commissioner Zeilenga complimented Fanning & Company, LLC for a great job on the study and also agreed with Commissioner Wilcox that the back-up electrical generation facilities should be designed to handle only the minimum emergency water demand, and not recreational usage.

In response to Commissioner Maio's question, the Board concurred with General Manager Martin's suggestion to allow staff to evaluate all of the value engineering design alternatives in concert with the City of Chicago and the various design engineers and then report back to the Board. Though agreeing with the General Manager's suggestion, Commissioner Mueller cautioned that efficiencies and not just cost savings should be considered, especially in relation to office space, training, and storage needs.

There being no other questions or comments on the Value Engineering Study, General Manager Martin informed the Board that several other items of additional New Business needed to be reported.

General Manager Martin reported that the 2005-2006 Annual Report, along with the Financial Audit and Compliance Examination, would be mailed to all customers and other interested parties on Friday, October 13, 2006. After that, General Manager Martin reported that a meeting of the Commission's customers had been scheduled for Monday, October 30th to discuss the Commission's long term financial plan as directed by the Board at the September meeting. General Manager Martin next reported that Chairman Rathje and he had been invited to share remarks at an upcoming meeting of the DuPage Mayors and Managers Conference, and that they were trying to arrange a similar presentation for the DuPage County Board.

As the final item of additional New Business, the General Manager reported on a recent meeting he attended with the City of Chicago concerning the proposed back-up electrical generation facilities at the Lexington Pumping Station. General Manager Martin advised that the representatives he met with commented that Mayor Daley was extremely enthused about the potential for using photo-voltaic cells at the Lexington Pumping Station and asked if the Commission would be willing to share equally in the approximately \$5-\$6 million total cost. General Manager Martin further advised that he supported taking an environmentally friendly approach to the project and would hope that the Commission's financial participation would serve to foster the City's continued cooperation on maintenance issues.

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After Commissioners Hartwig and Maio and Chairman Rathje expressed their support for some financial participation by the Commission in connection with the proposed photo-voltaic cells (up to, but hopefully less than, 50%), Commissioner Chaplin suggested putting a “not-to-exceed” dollar amount in the agreement for cost control purposes and Commissioner Mueller cautioned against discussing bargaining positions in a public meeting.

ACCOUNTS PAYABLE

After Commissioner Chaplin clarified that the C. Semrad and Associates costs incurred were for consulting services in connection with new hires, Commissioner Wilcox moved to approve the Accounts Payable in the amount of \$10,161.51 subject to submission of all contractually required documentation. Seconded by Commissioner Chaplin and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Murphy and A. Poole

PUBLIC COMMENTS

Commissioner Mueller extended an invitation to the Board for those that would like to attend the October 18th meeting of the DuPage Mayors and Managers Conference at which former Commissioner Raymond Benson would be honored with an award.

EXECUTIVE SESSION

Commissioner Hartwig moved to go into Executive Session to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11). Seconded by Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Maio, G. Mathews, W. Mueller, J. Vrdolyak, G. Wilcox, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Murphy and A. Poole

The Board went into Executive Session at 9:00 P.M.

Commissioner Zeilenga left the meeting at 9:02 P.M.

Commissioner Hartwig moved to come out of Executive Session at 9:12 P.M. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

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All voted aye. Motion carried.

Commissioner Hartwig moved to adjourn the meeting at 9:14 P.M. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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