

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, DECEMBER 9, 2004
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 10:30 A.M.

Commissioners in attendance: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga and M. Vondra

Commissioners absent: G. Mathews

Also in attendance: Treasurer R. Thorn, R. Martin, C. Pattelli, M. Crowley, C. Johnson, R. C. Bostick, E. Kazmierczak, T. McGhee, J. Schori, W. Green (Alvord Burdick & Howson), and K. Godden

PUBLIC COMMENTS

Joe Breinig, Village Manager of the Village of Carol Stream, read the following prepared statement:

"On behalf of all customers I want to thank you for sharing the Report on Capital Buy-In Analysis and for the presentation on this important matter made by Commission staff and consultants on October 27th. I also want to thank you for the opportunity to raise questions and for the reply received yesterday. This is a very complicated matter and your willingness to provide information greatly enhances our ability to understand the recommendations contained in the report.

Having read the report, attended the presentation and reviewed the responses to my questions, I am generally supportive of the recommendations. I would suggest, however, that future subsequent customers be required to finance the costs associated with becoming a customer independent of the Commission. In requiring future subsequent customers to obtain financing in the marketplace many of the problems that gave rise to P.A. 93-0226 are mitigated. The costs of borrowing should be the same, and there should be no advantage for the Commission or subsequent customer. Should the Commission elicit to continue providing financing the term of such debt should not exceed the term of the Charter Customer Contract, 2024. It is also my belief that provisions 12(a) and 12(c) of the Charter Customer Contract remain in the effect with full applicability to any specific subsequent customer.

I want to again thank you for the information provided to customers and do not want my comments viewed as grounds for delaying implementation of the recommended methodology. Rather, I would hope that my suggestion relative to financing could be considered when a specific application has been submitted by a prospective subsequent customer."

Gary Webster, Village Manager of the Village of Glen Ellyn, made the following statement, which was subsequently provided in writing:

"These comments are intended to provide information and support for a proposed revolving loan program included under the New Business portion of your agenda today. In responding to the General Manager's request for information and interest, Glen Ellyn identified about 2,500 people in about a dozen scattered locations in unincorporated areas adjacent to Glen Ellyn who receive their water from individual private residential water wells. The most cost-efficient manner for these people to receive Lake Michigan water is for Glen Ellyn to extend its water system to serve these scattered and adjacent locations. This is only financially feasible if the DuPage Water Commission offers a very low-interest loan program with a five-year deferral on capital repayment obligations. Without this type

Minutes of the 12/9/04 Meeting

of financial assistance, including the possibility of loans to individual homeowners for individual private property connections, it would be too much of a financial burden and risk to Glen Ellyn taxpayers.

In addition to extending the availability of Lake Michigan water to those currently on private residential water wells, the proposed loan program would also be an appropriate and opportune use of the excess cash reserves currently held by the DuPage Water Commission."

With respect to the Commission's loan to the Village to make treated Lake Michigan water available to residents of Suburban Estates, John Perry, Village Manager of the Village of Woodridge, reported that by the end of the week (December 10), Woodridge would have 50% of the subdivision connected to Lake Michigan water and, by the end of the following week (December 17), Woodridge anticipated that fully two-thirds of the subdivision would be connected.

Richard Furstenau, Naperville City Councilman, suggested that the feedback from customers on the Proposed Revolving Loan Program should be approved by the Corporate Authorities of the customers before the Commission moves forward with the program.

APPROVAL OF MINUTES

Commissioner Wilcox moved to approve the Minutes of the November 11, 2004 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Wilcox moved to approve the Executive Session Minutes of the November 11, 2004 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

Treasurer Thorn presented the Treasurer's Report. The Treasurer's Report for the month of November 2004 showed receipts of \$6,635,285.38, disbursements of \$7,684,378.26, and a cash and investment balance of \$169,336,233.03.

Commissioner Chaplin moved to accept the November 2004 Treasurer's Report. Seconded by Commissioner Benson and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee – Report by Commissioner Hartwig

Commissioner Hartwig moved to allow Commissioner Benson to participate in the January 2005 and February 2005 Commission meetings by teleconference due to conflicting travel plans that were arranged prior to the Board's July 8th motion prohibiting electronic participation in Commission meetings. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Engineering Committee – Report by Commissioner Wilcox

In reporting that the Engineering Committee favorably recommended approval of the items on its agenda, Commissioner Wilcox advised the Board that, with respect to the award of Contract QRE-2/04, only two of the five contractors that requested copies of the bidding documents for the project submitted bids for the work.

Finance Committee – Report by Commissioner Poole

Although the Finance Committee did not have a quorum, Commissioner Poole reported that Commissioners Poole and Vrdolyak reviewed and recommended approval of the revised Accounts Payable and reviewed the November 2004 Financial Statements. Commissioner Poole also noted that Commissioners Poole and Vrdolyak concurred with the Financial Administrator's recommendation to reduce the Commission's unfunded pension liability and that, in accordance with the budget, the approximately \$2.6 million budgeted payment will be made in December unless otherwise directed by the Board.

CHAIRMAN'S REPORT

Chairman Vondra confirmed the special schedule for the January 2005 Commission meeting as follows:

5:00 P.M. Committee of the Whole

7:00 P.M. Committee Meetings

7:30 P.M. Regular Commission Meeting

Chairman Vondra also suggested the Commissioners tentatively plan to follow the same schedule for the February 2005 Commission meeting in case the Finance Committee needs additional time for consideration of the Five Year Capital Improvement Plan as requested by Commissioner Poole.

MAJORITY OMNIBUS VOTE AGENDA

Commissioner Wilcox requested that the items on the Majority Omnibus Vote Agenda be considered separately.

Commissioner Mueller moved to approve Resolution No. R-77-04. A Resolution Approving and Authorizing the Execution of a Master Electricity Supply Agreement with Constellation New Energy, Inc. with the January pricing and to authorize the General Manager to extend the term as needed though December 31, 2006, at a unit price not to exceed the January unit pricing. Seconded by Commissioner Ferraro and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: G. Mathews

Commissioner Murphy moved to approve Resolution No. R-79-04: A Resolution Expressing the Policy of the DuPage Water Commission Regarding the New Subsequent Customer Pricing Methodology. Seconded by Commissioner Ferraro and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: G. Mathews

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Murphy 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: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

Absent: G. Mathews

Minutes of the 12/9/04 Meeting

- Item 1: Resolution No. R-73-04: A Resolution Approving and Ratifying Certain Contract Change Orders at the December 9, 2004, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"
- Item 2: Resolution No. R-74-04: A Resolution Approving and Ratifying Certain Work Authorization Orders under Quick Response Contract QR-6/02 at the December 9, 2004, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"
- Item 3: Resolution No. R-75-04: A Resolution Approving and Authorizing the Execution of a Master Contract with Patrick Engineering, Inc. for Professional Engineering Services—"Super/Special Majority Omnibus Vote"
- Item 4: Resolution No. R-76-04: A Resolution Awarding Quick Response Electrical Contract (QRE-2/04) —"Super/Special Majority Omnibus Vote"
- Item 5: Resolution No. R-78-04: A Resolution Approving a First Amendment to Task Order No. 3 Under the Master Engineering Agreement with Consoer Townsend Envirodyne Engineers, Inc. —"Super/Special Majority Omnibus Vote"

OLD BUSINESS

No Discussion

NEW BUSINESS

General Manager Martin requested direction from the Commissioners regarding budgeting the Revolving Loan Program for FY 2005/06. Chairman Vondra suggested deferring consideration of the Revolving Loan Program at the Board level until the various Committees could consider certain aspects of the program as follows: Prioritization of requests and parity issues, Administration Committee; ability/capacity to supply water, Engineering Committee; and dollar value of the program, Finance Committee. After extended discussion, it was the consensus of the Commissioners to defer consideration as suggested by Chairman Vondra.

Commissioner Benson moved to suspend the purchasing procedures of the Commissioner's By-Laws and approve Purchase Order No. 8550 in the amount of \$31,100.00 to Environmental Systems Research. Seconded by Commissioner Chaplin and unanimously approved by a Roll Call Vote:

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

Nays: None

Minutes of the 12/9/04 Meeting

Absent: G. Mathews

Commissioner Murphy moved to authorize the General Manager to enter into an agreement with Cathodic Protection Management, Inc. to design a corrosion mitigation system for the 90-Inch Transmission main for a cost not to exceed \$55,000.00.
Seconded by Commission Feltes and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: G. Mathews

ACCOUNTS PAYABLE

Commissioner Wilcox moved to approve the Accounts Payable in the revised amount of \$3,950,823.50 subject to submission of all contractually required documentation.
Seconded by Commissioner Feltes and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: G. Mathews

PUBLIC COMMENTS

None

EXECUTIVE SESSION

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

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

Nays: None

Absent: G. Mathews

The Commission went into Executive Session at 11:15 A.M.

Commissioner Mueller moved to come out of Executive Session at 11:30 A.M.
Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

Minutes of the 12/9/04 Meeting

All voted aye. Motion carried.

Commissioner Feltes moved to adjourn the meeting at 11:32 A.M. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Board/Minutes/Commission/Rcm04012.doc