

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, MARCH 10, 2005
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

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

Commissioners Absent: L. Hartwig

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

Roselle Mayor Smolinski stated that she was in attendance to represent and support the proposed \$0.20 reduction in the water rate as indicated in the resolutions adopted by the Village of Roselle along with Villages/Cities of Addison, Bensenville, Bloomingdale, Carol Stream, Clarendon Hills, Downers Grove, Glen Ellyn, Hinsdale, Lisle, Lombard, Naperville, Oakbrook Terrace, Roselle, Wheaton, Willowbrook, Winfield, and Woodridge. Roselle Mayor Smolinski also noted that Roselle's resolution went a step further by agreeing to pass on the rate reduction to its customers.

Naperville Mayor Pradel noted the City of Naperville's support for the \$1.45 rate. He also noted Naperville was waiting for the Commission's action on a rate before making a determination on the rate reduction to be passed on to its customers.

Hinsdale Village Manager Bohdan Proczko stated that his Village Board wanted him to relay the unique circumstances and challenges that were posed by operating a water system that was over 100 years old, making it difficult to pass through rate reductions, but that the rate reduction would help Hinsdale improve its infrastructure to serve its customers in a more efficient way.

Elmhurst City Manager Thomas Borchert reported that the City of Elmhurst only recently adopted its resolution in support of the proposed water rate reduction, a copy of which was being delivered to staff at the meeting, which would explain why Elmhurst was not listed on the initial Budget Resolution spreadsheet that was distributed to the Commissioners in advance of the meeting.

Glendale Heights Finance Director William Burger also noted that the Village of Glendale Heights, another Village that was not listed on the initial Budget Resolution spreadsheet, had adopted a resolution in support of the proposed water rate reduction, a copy of which was being delivered to staff at the meeting.

Minutes of the 3/10/05 Meeting

Westmont Village Manager Ronald Searl stated the Village of Westmont adopted its resolution in support of the proposed water rate reduction on Monday and delivered a copy of the resolution to staff at the meeting.

Naperville City Councilman Richard Furstenau stated that he could not support a pass through of the proposed water rate reduction unless he knows what will happen in 12 months. He wanted to make sure that the rate will not change in 12 months, stressing the communities must be able to count on a permanent rate reduction.

Carol Stream Mayor Ferraro stated that on February 22nd, the Village of Carol Stream adopted a resolution in favor of the \$.20 water rate reduction and that the reduction would be passed on to its residents.

With respect to Naperville City Councilman Furstenau's statement, Commissioner Benson responded that "permanence" is relative and that the Commission doesn't have control over everything, including the cost of the water it purchases from the City of Chicago.

Chairman Vondra noted for the record the letter received from West Chicago requesting a refund of Commission taxes paid/collected within the City of West Chicago and an annual rebate of such taxes going forward.

APPROVAL OF MINUTES

Commissioner Murphy moved to approve the Minutes of the February 10, 2005 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Ferraro 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 February 2005 showed receipts of \$6,043,415.76, disbursements of \$3,855,056.77, and a cash and investment balance of \$173,884,058.72.

Commissioner Ferraro moved to accept the February 2005 Treasurer's Report. Seconded by Commissioner Benson and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee

Commissioner Chaplin reported that the Administration Committee recommended Resolution No. R-12-05 for approval. The Staff Attorney reported on the pending

Minutes of the 3/10/05 Meeting

legislation that was being monitored by the Administration Committee, noting there were no concerns with the legislation in its current form. Commissioner Chaplin concluded her report by noting the Administration Committee directed the General Manager to continue exploring options to ensure the reliability and safety of the customers' back up well water supply at the next Managers Round Table meeting.

Engineering Committee

Commissioner Wilcox reported that the Engineering Committee recommended Resolution No. R-13-05 be tabled to address wetland concerns before going out to bid on the project. He also noted that the other items on Engineering Committee agenda were recommended to move forward.

Finance Committee

Commissioner Poole reported that the Finance Committee recommended Ordinance No. O-3-05 and Resolution No. R-12-05 for approval. Commissioner Poole also requested that a summary sheet be included in each meeting that totals both the Accounts Payable and the Items Paid since the prior meeting.

CHAIRMAN'S REPORT

Noting that all Commissioners received a letter from West Chicago requesting a refund of Commission taxes paid/collected within the City of West Chicago and an annual rebate of such taxes going forward, Chairman Vondra assigned the Finance Committee to evaluate West Chicago's claim and make a recommendation to the full Board. Chairman Vondra also indicated he was perhaps willing to consider some corrective action going forward but he was not open to refunding taxes previously paid because the Commission sized its system to accommodate West Chicago as it was supposed to do in exchange for the taxes collected.

After verifying that West Chicago did not have an emergency interconnection with the Commission, Commissioner Benson added his thoughts on West Chicago's claimed inequity in the Commission's assessment of taxes within the City: Not only did West Chicago benefit from the Commission sizing the system to serve West Chicago in case they chose to join the Commission but now that West Chicago has apparently chosen to rely on its well water supply, West Chicago benefits by having more water in its wells because of the more than 2 billion gallons of water taken out of Lake Michigan by Commission customers instead of from their wells. In concluding that taxation is never a perfect system, Commissioner Benson commented that he personally pays school taxes even though he hasn't had any children in the system for 40 years and that Cook County and out of state residents also come to DuPage County and contribute to the Commission's tax collections. Commissioner Benson also noted that it would be unfair to create an "island" in the County with a lower tax rate because of the potential for diverting business and development opportunities there. Commissioner Benson concluded his remarks by noting that he would not support West Chicago's request.

Minutes of the 3/10/05 Meeting

Commissioner Chaplin commented that Burr Ridge is excluded from sales tax and, thus, disagreed with Commission Benson's "island" comments. Commissioner Zeilenga empathized with the citizens of West Chicago.

Commissioner Murphy stated that he generally agreed with all the comments that were made but noted West Chicago was different from Burr Ridge in that, unlike Burr Ridge, West Chicago has had the opportunity to participate in the Commission and the Commission sized its system to serve West Chicago. He further stated that he is not in favor of wasting time verifying the dollar amount of West Chicago's requested refund as he was not inclined to approve any action addressing taxes previously paid. Commissioner Murphy stated the time would be better spent supporting legislation excluding the community of West Chicago from the Commission's tax base going forward.

Chairman Vondra reiterated that he still would like to know how West Chicago arrived at the dollar amount stated in its letter.

Commissioner Vrdolyak verified that the current letter was the first notice the Commission received from West Chicago concerning its intentions to forgo membership in the Commission and rely upon its well water supply.

Commissioner Murphy moved to direct staff to prepare, for consideration by the Finance Committee, a resolution supporting legislation treating the City of West Chicago as an "Excluded Unit" going forward in the event West Chicago adopts a resolution officially notifying the Commission that it no longer needs or intends to obtain water from the Commission. Seconded by Commission Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

After Commissioner Benson verified with the Staff Attorney that the Commission did not have the authority to rebate or share sales taxes with West Chicago, Chairman Vondra concluded his report by assigning the Engineering Committee to address the method of constructing and supplying back-up electrical generation at both the DuPage Pump Station and the Lexington Pump Station. Though noting everyone was in favor of back-up generation, Chairman Vondra stated the method—the facility—had never been evaluated, and an evaluation was needed to make sure the Commission knew what it wanted.

MAJORITY OMNIBUS VOTE AGENDA

Commissioner Mathews requested that Resolution No. R-11-05 be removed from the Majority Vote Omnibus Vote Agenda for separate consideration. Commissioner Wilcox requested that Resolution Nos. R-13-05 and R-15-05 be removed from the Majority Vote Omnibus Vote Agenda for separate consideration.

Minutes of the 3/10/05 Meeting

Commissioner Mueller moved to adopt the items listed on the revised Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Benson 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, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: L. Hartwig

Item 1: Resolution No. R-12-05: A Resolution Electing to Include Compensation Paid under the DuPage Water Commission Flexible Benefits Plan as Illinois Municipal Retirement Fund Earnings—"Majority Omnibus Vote"

Item 2: Resolution No. R-14-05: A Resolution Authorizing the Disposal of Certain Personal Property Owned by the DuPage Water Commission—"Majority Omnibus Vote"

Item 3: Ordinance No. O-3-05: Transfer of Appropriations Ordinance for the Fiscal Year Commencing May 1, 1004 and Ending April 30, 2005—"Majority Omnibus Vote"

Commissioner Mathews moved to table Resolution No. R-11-05: A Resolution Releasing Certain Executive Session Meeting Minutes at the March 10, 2005, DuPage Water Commission Meeting. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Wilcox moved to table Resolution No. R-13-05: A Resolution Directing Advertisement for Bids on a Contract for the Construction of 75th Street Pipe Storage Facilities (Contract SS-4/05). Seconded by Commissioner Benson and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Benson moved to approve Resolution No. R-15-05: A Resolution Awarding a Contract for the Installation of the Tank Site No. 1 Chain Link Fence. Seconded by Commissioner Mueller and approved by a Roll Call Vote:

Ayes: R. Benson, T. Feltes, R. Ferraro, G. Mathews, W. Mueller, W. Murphy, A. Poole, and J. Vrdolyak

Nays: E. Chaplin, G. Wilcox, D. Zeilenga, and M. Vondra

Minutes of the 3/10/05 Meeting

Absent: L. Hartwig

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Chaplin requested that Resolution No. R-16-05 be removed from the Super/Special Majority Vote Omnibus Vote Agenda for separate consideration.

Commissioner Wilcox 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:

Super/Special Majority Omnibus Vote

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

Nays: None

Absent: L. Hartwig

Item 1: Resolution No. R-10-05: A Resolution Approving and Ratifying Certain Work Authorization Orders under Quick Response Electrical Contract QRE-2/04 at the March 10, 2005, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 2: Resolution No. R-18-05: A Resolution Approving and Ratifying Certain Task Orders Under a Master Contract with Cathodic Protection Management, Inc. at the March 10, 2005, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Commissioner Mathews moved to approve Resolution No. R-16-05: A Resolution Approving and Authorizing the Execution of a Second Amendment to the Contract for Design of Concrete Reservoirs for the DuPage Pump Station. Seconded by Commissioner Murphy 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, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: L. Hartwig

OLD BUSINESS

Commissioner Chaplin asked about the cost of portable electrical generators as requested at the February Committee of the Whole meeting. General Manager Martin

Minutes of the 3/10/05 Meeting

replied that Commonwealth Edison did not provide the requested information. Commissioner Zeilenga also wanted to know whether Chicago would condition reimbursement of the cost of the Lexington Pump Station back-up electrical generators on the installation of back-up electrical generators at the DuPage Pump Station as mentioned at the February Committee of the Whole meeting.

Commissioner Poole cautioned the Commissioners to carefully review pages 3, 4, 5, and 6 of the FY 05/06 5-year Capital Improvement Plan, noting the plan for a rate of \$1.45 for a 5-year period and increasing to \$1.55 after that. Commissioner Poole also identified key elements to keep in mind: The Commission's significant outstanding general obligation and revenue bond debt and the need for consistency in rates that the communities can depend upon for several years.

NEW BUSINESS

Commissioner Ferraro noted he received a document from the Village of Winfield regarding their claim for a rate reduction and refund. Commissioner Ferraro asked that staff evaluate Winfield's claim and make a recommendation to the Board.

Commissioner Benson, noting the resolution recently adopted by the County of DuPage indicates the Commission is obligated to serve all residents in the County, suggested the Administration Committee survey all unincorporated residents on whether they want Commission water. Commissioner Wilcox responded that the first question people would ask is what would the cost be to run the system and that if we want to do a survey, then we need to come up with a cost first. Commissioner Wilcox further stated that the Engineering Committee would take care of it.

Commissioner Ferraro moved to suspend the purchasing procedures of the Commission's By-Laws and approve Purchase Order No. 8741 in the amount of \$23,755.00 to Danka Office Imaging. Seconded by Commissioner Mathews and failed by a Roll Call Vote:

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

Nays: R. Benson, E. Chaplin, T. Feltes, G. Wilcox, and D. Zeilenga

Abstain: M. Vondra

Absent: L. Hartwig

ACCOUNTS PAYABLE

Commissioner Benson moved to approve the Accounts Payable in the amount of \$1,213,274.98 subject to submission of all contractually required documentation. Seconded by Commissioner Feltes and unanimously approved by a Roll Call Vote:

Minutes of the 3/10/05 Meeting

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

Nays: None

Absent: L. Hartwig

PUBLIC COMMENTS

None

EXECUTIVE SESSION

None

Commissioner Wilcox moved to approve Resolution No. R-17-05: A Resolution Approving and Authorizing the Execution of a Settlement Agreement with West Shore Pipe Line Company Related to Contract TIB-1/03 Utility Conflicts. Seconded by Commissioner Ferraro 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, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: L. Hartwig

Commissioner Ferraro moved to adjourn the meeting at 8:30 P.M. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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