

**MINUTES OF A SPECIAL COMMITTEE OF THE WHOLE
MEETING OF THE DUPAGE WATER COMMISSION
HELD ON WEDNESDAY, JULY 14, 2010
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Rathje at 6:30 P.M.

Commissioners in attendance: T. Bennington (arrived at 6:35 P.M.), T. Elliott, R. Furstenau, G. Mathews, W. Murphy, F. Saverino, J. Zay (arrived at 6:34 P.M.), D. Zeilenga, and L. Rathje

Commissioners Absent: L. Hartwig, W. Maio, and W. Mueller

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

APPROVAL OF MINUTES

Commissioner Mathews moved to approve the Minutes of the June 10, 2010 Special Committee of the Whole Meeting of the DuPage Water Commission. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

RECOMMENDATIONS FROM AD HOC COMMITTEE

Commissioner Murphy reported that Commission staff had forwarded to the Board the ten resumes received to date for the General Manager's position, that the Board members would be receiving copies of any new resumes submitted on a weekly basis, and that the resume submittal deadline was July 30th.

Commissioner Zay arrived at 6:34 P.M.

Commissioner Murphy then suggested that the Board meet in Executive Session at the regular August meeting in order to share impressions and/or prior experiences with the candidates and to identify four or five individuals to be scheduled for an initial round of interviews in a special Executive Session to be held sometime the week of August 16th or the week of August 23rd. Commissioner Murphy added that it would be beneficial if as many Commissioners as possible could participate in the interview process.

Commissioner Bennington arrived at 6:35 P.M.

Commissioner Elliott suggested that each Commissioner email Acting General Manager McGhee, advising as to their availability the week of August 16th and the week of August 23rd.

Commissioner Murphy concluded his report by distributing a draft Interview Evaluation Guide to ensure consistency in interviewing, requesting that any suggested comments or revisions be forwarded directly to Commissioner Murphy.

FINANCE REPORT

Former Financial Administrator Skiba reported that:

- During June, \$5.1 was used to fund water purchases from the City of Chicago and \$3.1 million was used to fund on-going construction projects.
- Water sales to Commission customers for June were 138.4 million gallons (5.5%) less than June 2009 and, through the first two months of the fiscal year, water sales were 91.6 million gallons (1.8%) less than the same period last fiscal year.
- Rate adjustments effective May 1 resulted in water sales of \$4.4 million for June, with water purchases from the City of Chicago amounting to \$4.9 million and \$1.8 million in sales taxes, net of the amount used to reduce fixed cost payments, being deposited to the water fund in June.
- Year-to-date water sales were \$9.0 million through June, with water purchases from the City of Chicago amounting to \$10.0 million and \$3.4 million in sales taxes, net of the amount used to reduce fixed cost payments, being deposited to the water fund year-to-date.

Commissioner Zay questioned why there was a \$500,000 difference between the \$4.4 million in water sales and the \$4.9 million in water purchases from the City of Chicago. Treasurer/Commissioner Zeilenga stated that the Commission's total water rate is \$2.08/per 1,000 gallons, the cost from the City of Chicago is \$2.01/per 1,000 gallons, and that the \$4.4 million figure represents only the Operations and Maintenance portion of the Commission's total water rate. Former Financial Administrator Skiba agreed with Commissioner Zeilenga, noting that total receipts from water sales amounted to approximately \$5 million in June.

Commissioner Elliott referred to the Status of Operations Report and, specifically, the Operations Overview, and asked why the Operations Report indicates that water sales were significantly higher in June 2010 than in June 2009 but the Finance Report indicates the opposite. Acting General Manager McGhee advised that the Operations Report details water pumped but not necessarily sold due to internal use and unaccounted for flows, etc. After Commissioner Elliott responded that he would have expected more similar trending between water pumpage and sales, Acting General Manager McGhee advised that he would provide a more detailed report for the August Commission meeting.

At which point, Former Financial Administrator Skiba continued his report by noting:

- June sales tax collections (March sales) were \$101,000 (4.3%) more than the same period last fiscal year, with the \$4.6 million year-to-date sales tax collections \$284,000 (6.5%) more than last fiscal year.

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- The Operations and Maintenance Account, the Operations and Maintenance Reserve Account and the Depreciation Account were fully funded as of June 30, 2010, with a nearly \$1.6 million transfer made to the General Account of the Water Fund.
- The Water Fund showed an unrestricted deficit of \$12.1 million due to the amount of debt certificate proceeds that have been used to fund operations.
- The uncommitted Sales Tax balance at June 30, 2010 was \$6.9 million (inadvertently reported on Mr. Skiba's July 6, 2010, memorandum as \$7.4 million at May 31, 2010).

ENGINEERING REPORT

Acting General Manager McGhee referred to an email he sent to the Board on July 6, 2010, alerting them to the fact that one of the Commission's transmission mains located in Carol Stream was leaking and reassured the Board that the section of the main needing repair had been isolated without any service interruption. Acting General Manager McGhee noted that the repair work remained at a standstill because of the construction laborers' strike, adding that because the repair was not considered an emergency (no service interruption), the union would not release the laborers to work. Acting General Manager McGhee also noted that the Commission was unable to perform the work itself because of the unique equipment required due to the swamp like locations of the pipeline and that he had been in contact with several of the customers to see if they had the special equipment necessary to help facilitate the repair.

Commissioner Zay questioned why the County had not been contacted first. Acting General Manager McGhee explained that he contacted the customers nearest to the location of the leak (Carol Stream, Woodridge, and Naperville) but that, pursuant to Commissioner Zay's instructions, Acting General Manager McGhee will be meeting with County representatives to see if they had the necessary equipment. Commissioner Furstenau commented that Acting General Manager McGhee had notified the entire Board as soon as the leak had occurred, and that he too would have expected the City of Naperville to have the necessary equipment before expecting the County to have it.

Commissioners Furstenau and Zay questioned whether the Commission's contracts should include no strike provisions, with Commissioner Elliott commenting that the Commission does not have a contract with the laborers but only with the general contractors.

With regard to Resolution No. R-29-10, Acting General Manager McGhee summarized that Work Authorization Order No. 7 to Divane Bros. is for repairs to an underground conduit at Tank Site 4E and to re-secure the electrical service entrances at twelve meter station buildings.

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With regard to Resolution No. R-30-10, Acting General Manager McGhee explained that Change Order No. 9 to Contract PSD-7/08 (Electric Generation Facility and Office/Garage Expansion for the DuPage Pumping Station), relates to the following five proposed changes at a net increase in the Contract Price of not to exceed \$302,241.00: 1) Installation of HVAC ductwork drip shield and other HVAC ductwork modifications (\$9,538.00); 2) Installation of a fixed ladder extension in the Mechanical Room; 3) Installation of additional exposed aggregate sidewalk and cast in place concrete stairs; 4) Lowering of several lighting fixtures in the Mechanical Room and Electrical Room 2; and 5) Installation of security system enhancements.

With regard to Resolution No. R-31-10, Acting General Manager McGhee explained that Change Order No. 3 to Contract MS-18/09 (Contract for the Construction of DuPage County Meter/Pressure Adjusting Stations 9A and 9B) is for Unit Price Item quantity adjustments representing final in place field measurements.

Commissioner Elliott asked two questions, both referring to the Status of Operations Report and, specifically, projects PSC-4 and PSC-5. With regard to PSC-4, Commissioner Elliott asked how realistic the October 21st completion date was, considering the many months of delays involving submittal of shop drawings. With regard to PSC-5, Commissioner Elliott asked whether the PSC-5 contractor had asked for a completion date extension because the work on PSC-5 ties in with PSC-4.

In referring to the PSC-4 project, Facilities Construction Supervisor/Safety Coordinator Bostick noted significant positive progress had been made and that the October 21st completion date was achievable. As for project PSC-5, Facilities Construction Supervisor/Safety Coordinator Bostick stated that an extension request had not yet been formally submitted but agreed that, because both projects tie together, it made more sense to have identical completion dates.

Finally, Acting General Manager McGhee noted that the back-up generator testing at the DuPage Pumping Station would begin within the next couple of weeks, adding how pleased he was with the project as it nears completion.

Commissioner Saverino moved to adjourn the meeting at 7:08 P.M. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.