

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, APRIL 19, 2012
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Vice Chairman Murphy at 7:34 P.M.

Commissioners in attendance: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, W. Murphy, D. Russo, F. Saverino, M. Scheck, P. Suess, and J.B. Webb

Commissioners Absent: J. Zay

Also in attendance: N. Narducci, J. Spatz, M. Crowley, C. Johnson, T. McGhee, J. Rodriguez, M. Weed, C. Bostick, F. Frelka, E. Kazmierczak, and S. Lux of Baker Tilly

OFFICER APPOINTMENTS

Before proceeding with Officer Appointments, Vice Chairman Murphy recognized Commissioner Saverino who, in turn, requested a moment of silence in remembrance of West Chicago Mayor Mike Kwasman. After the moment of silence, Commissioner Pruyn moved to appoint William F. Murphy to serve as the Vice-Chairman of the DuPage Water Commission for a term commencing May 1, 2012, and expiring April 30, 2014, or until his successor is duly appointed and confirmed. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote of the municipally appointed Commissioners:

Ayes: T. Cullerton, R. Furstenau, J. Pruyn, F. Saverino, P. Suess, and W. Murphy

Nays: None

Absent: None

Commissioner Russo moved to confirm Chairman Zay's appointment of Carolyn Johnson to serve as the Clerk of the DuPage Water Commission for a term commencing May 1, 2012, and expiring May 1, 2014, or until her successor is duly appointed and confirmed. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

Absent: J. Zay

PUBLIC COMMENT

None

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APPROVAL OF MINUTES

Commissioner Cullerton moved to approve the Minutes of the March 15, 2012 Regular Meeting, the Executive Session Minutes of the March 15, 2012 Regular Meeting, and the Minutes of the March 14, 2012 Special Meeting of the DuPage Water Commission. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

CHARTER CUSTOMER HEARING REGARDING MANAGEMENT BUDGET ORDINANCE FOR THE FISCAL YEAR COMMENCING MAY 1, 2012 AND ENDING APRIL 30, 2013

Commissioner Suess moved to open the Charter Customer Hearing regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

There being no comments, Commissioner Furstenau moved to close the Charter Customer Hearing regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Treasurer Narducci presented the March 2012 Treasurer's Report, consisting of six pages.

Treasurer Narducci highlighted the \$77MM of cash and investments on page 1, noting that page 1 also reflected the transfer of funds from the Illinois Funds Money Market into the IIIT Money Market Funds in order to invest Commission funds as directed by PFM Investments, the Commission's new appointed investment advisor. Treasurer Narducci also pointed out the schedule of investments on pages 2, 3, and 4; the \$5MM in net cash from operating activities reflected in the summary statement of cash flows on page 5; and the \$19MM of unrestricted cash on hand as well as the full funding of the Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts with a total cash balance of \$77MM shown on page 6.

Commissioner Furstenau moved to accept the March 2012 Treasurer's Report. Seconded by Commissioner Pruyin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Suess

Commissioner Suess reported that the Finance Committee reviewed and recommended for approval the action items listed on the Finance Committee Agenda.

With respect to Ordinance No. O-4-12, Commissioner Suess noted that the Commission's operating expenses (minus water purchases) were roughly \$3.3MM less than the previous fiscal year and thanked General Manager Spatz for the work he did with the Finance Committee in getting those results.

Commissioner Suess next reported that a special Finance Committee meeting was held on April 12, 2012, primarily to interview the three candidates that had been recommended by staff for the Financial Administrator position. In addition, though, Commissioner Suess reported that representatives from Wells Fargo Securities had also attended the special meeting to present a financial analysis of the benefits of refunding the Commission's outstanding revenue bonds. Commissioner Suess then advised that the Finance Committee, after further consideration, decided it would rather have a financial analysis of a plan for refinancing all of the Commission's outstanding debt, including the Certificates of Debt, and, therefore, recommended that staff seek proposals from financial advisors to develop such a plan.

At which point, Commissioner Suess moved to adopt item numbers 2 through 6 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Crawford and unanimously approved by a Roll Call Vote.

Finance Omnibus Vote

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruy, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

Absent: J. Zay

Item 2: Ordinance No. O-4-12: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013—"Finance Omnibus Vote"

Item 3: Ordinance No. O-5-12: An Ordinance Establishing Fixed Costs to be Payable by Each Contract Customer for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013—"Finance Omnibus Vote"

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- Item 4: Resolution No. R-13-12: A Resolution Approving a First Amendment to the Financial Services Contract between the DuPage Water Commission and Baker Tilly Virchow Krause, LLP—"Finance Omnibus Vote"
- Item 5: Resolution No. R-17-12: A Resolution Authorizing and Directing the Use of General Account Balances for the Payment of Debt Service on the Northern Trust and/or West Suburban Certificates of Debt—"Finance Omnibus Vote"
- Item 6: Capital Asset Policy—"Finance Omnibus Vote"

Commissioner Suess concluded his report by requesting confirmation that the vote included a direction to General Manager Spatz to issue a Request for Proposals to financial advisors for the development of a plan to refinance all of the Commission's outstanding debt. After the Staff Attorney replied that the direction was not included in the motion and Vice Chairman Murphy noted the matter was not on the Agenda, Staff Attorney Crowley advised that a formal motion was not required to direct staff to issue an RFP and General Manager Spatz confirmed that he would follow through with the Finance Committee's direction.

Vice Chairman Murphy deferred consideration of the Financial Administrator Appointment until after the discussion in Executive Session.

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee reviewed and recommended the action items listed on the Administration Committee Agenda.

With respect to the Commission's By-Laws, Commissioner Crawford noted that the Administration Committee had completed its review of the draft of recommended changes except Article VIII (purchasing) and Article XII (ethics) which General Manager Spatz was currently working on and, once completed, would then be incorporated into the By-Laws for full consideration.

Commissioner Crawford moved to approve Resolution No. R-16-12: A Resolution Releasing Certain Executive Session Meeting Minutes at the April 19, 2012, DuPage Water Commission Meeting. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

Absent: J. Zay

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval the action items listed on the Engineering & Construction Committee Agenda and offered to answer any questions.

There being no questions, Commissioner Loftus moved to adopt item numbers 2 and 3 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Suess and unanimously approved by a Roll Call Vote.

Engineering & Construction Omnibus Vote

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

Absent: J. Zay

Item 2: Resolution No. R-14-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-9/11 at the April 19, 2012, DuPage Water Commission Meeting—“Engineering & Construction Omnibus Vote”

Item 3: Resolution No. R-15-12: A Resolution Awarding a Contract for Soils and Materials Testing Services—“Engineering & Construction Omnibus Vote”

ACCOUNTS PAYABLE

Commissioner Janc moved to approve the Accounts Payable in the combined amount of \$11,657,617.18, subject to submission of all contractually required documentation, for invoices that have been received and for invoices that have not yet been received but have been estimated. Seconded by Commissioner Suess and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

Absent: J. Zay

CHAIRMAN’S REPORT

None

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

General Manager Spatz first reported that the Commission had received the reports from Standard and Poor's Financial Services LLC and Moody's Investor Services, Inc., noting that even though both agencies had upgraded their outlook to "positive," they both stated they would like to see more financial data before an upgrade to the Commission's bond rating could be considered.

Next, General Manager Spatz reported that the approved settlement concerning DuPage County's Capital Cost Recovery Charge should be finalized soon as the Commission was expecting a check in the amount of \$2,561,898.00 by the end of the month.

General Manager Spatz then referred to the Request for Proposals for Legal Services that had been distributed to the Board members, noting that seventeen law firms had been contacted to participate in the proposal process.

Finally, General Manager Spatz stated that work continues on the development of the Commission's ethics and credit card policies.

Following the General Manager's comments, Commissioner Furstenau requested monthly reports on the status of implementing the changes recommended in the forensic audit, together with completion dates for each recommended change.

NEW BUSINESS

None

EXECUTIVE SESSION

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

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

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Absent: J. Zay

The Board went into Executive Session at 7:57 P.M.

Commissioner Russo moved to come out of Executive Session at 8:15 P.M. Seconded by Commissioner Scheck and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Suess moved to appoint the individual discussed in Executive Session to serve as the Financial Administrator of the DuPage Water Commission subject to the advice and consent of the DuPage County Board and contingent on the satisfactory outcome, as determined by the General Manager in consultation with the Commission's counsel, of a background check and a post-offer body substance drug and alcohol test. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, J. Pruyne, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and W. Murphy

Nays: None

Absent: J. Zay

Commissioner Furstenau moved to adjourn the meeting at 8:17 P.M. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.