

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

The meeting was called to order by Vice Chairman Murphy at 7:36 P.M.

Commissioners in attendance: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J.B. Webb, and J. Zay (arrived at 7:50 PM)

Commissioners Absent: C. Janc

Also in attendance: J. Spatz, C. Peterson, C. Johnson, T. McGhee, J. Rodriguez, C. Bostick, M. Weed, F. Frelka, E. Kazmierczak, G. Gorski of Gorski & Good, and S. Lux of Baker Tilly

PUBLIC HEARING

Commissioner Russo moved to open the Public Hearing regarding the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Hearing none, Commissioner Furstenau moved to close the Public Hearing regarding the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the June 21, 2012 Regular Meeting and the Executive Session Minutes of the June 21, 2012 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Financial Consultant Lux presented the July 2012 Treasurer's Report, consisting of six pages.

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Financial Consultant Lux highlighted the \$62.2MM of cash and investments on page 1, noting that the balance was lower by about \$2.3MM due to a \$4MM principal payment to West Suburban Bank which included approximately \$230,000 in related interest. Financial Consultant Lux also pointed out the schedule of investments on pages 2, 3, and 4. On page 5, the negative \$15MM cash from operating activities was due to \$15MM principal payments and \$1.8MM interest payments on the Bonds. The reserve analysis showed \$8.5MM 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 \$62MM shown on page 6. Also reflected on page 6 was an approximate \$95MM of outstanding debt in Table 3, Rows H, I and J.

Commissioner Suess moved to accept the July 2012 Treasurer's Report. Seconded by Commissioner Russo 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.

Commissioner Suess briefly reviewed each item listed on the agenda and offered to answer any questions.

Hearing none, Commissioner Suess moved to adopt item numbers 2 through 3 under the Finance Committee section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Furstenau.

Before the vote was called, General Manager Spatz referred to Resolution No. R-28-12 and noted that due to the large water purchase expenditures the transfer amount into the general account had been changed from \$2MM to \$4MM in order to maintain the proper Operation & Maintenance reserve account required by the revenue bond ordinance.

Commissioner Furstenau questioned the expenditures appropriated at 135% of budget and General Manager Spatz clarified that this was the same as last fiscal year with personnel costs appropriated at 105% of budget and all other operating expenditures at 135% of budget. General Manager Spatz stated that the appropriation budget would give the Board the authority to spend all Commission funds, but that staff would still be bound by the management budget.

There being no further discussion, the motion was unanimously approved by a Roll Call Vote.

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Finance Omnibus Vote

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

Nays: None

Absent: C. Janc and J. Zay

Item 2: Ordinance No. O-9-12: Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013—“Finance Omnibus Vote”

Item 3: Resolution No. R-28-12: A Resolution Authorizing and Directing the Transfer of Funds from the “sales tax subaccount” into the “general account” of the Water Fund—“Finance Omnibus Vote” – Transfer amount of \$4MM.

Commissioner Suess reported that staff would be looking into alternatives to fill the position of Treasurer and concluded his report noting that the selection of a Financial Advisor is moving forward and that the Finance Committee would be presenting various options involving restructuring of the Commission’s debt at the August Board meeting.

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee reviewed all the items listed on the Administration Committee Agenda.

Commissioner Crawford stated that the Commission’s By-Laws are ready and would be on the Agenda for consideration at the August Board meeting. Commissioner Crawford further stated that the Commission’s legal counsel is working with DuPage County in developing an Intergovernmental Agreement to work in conjunction with the Ethics Ordinance.

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.

After Commissioner Loftus briefly reviewed each item listed on the agenda, he then offered to answer any questions.

Chairman Zay arrived at 7:50 PM.

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

Engineering & Construction Omnibus Vote

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

Nays: None

Absent: C. Janc

Item 2: Resolution No. R-26-12: A Resolution Approving Change Order No. 1 to Task Order No. 27 Under the Master Contract with AECOM USA, Inc.—“Engineering & Construction Omnibus Vote” – Increase Task Order No. 27 not-to-exceed \$13,000.00.

Item 3: Resolution No. R-27-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the July 19, 2012, DuPage Water Commission Meeting—“Engineering & Construction Omnibus Vote” – McWilliams Electric Co. Inc., \$1,000.00 - \$2,500.00 (estimated).

With regards to Purchase Order No. 14249, Commissioner Loftus explained that the purchase of this detection system will help safeguard the Commission’s water system and since the purchase was from a sole source provider the Board would also need to suspend the Commission’s purchasing procedures.

Commissioner Loftus moved suspend the purchasing procedures of the Commission’s By-Laws and to approve Purchase Order No. 14249 in the amount of \$80,963.70 to Hach Company. Seconded by Commissioner Scheck and unanimously approved by a Roll Call Vote.

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

Nays: None

Absent: C. Janc

Commissioner Loftus concluded his report by noting that the Engineering Committee would be looking at developing prequalified engineering agreements with various firms for on-call services and those agreements would be presented to the Board for review in the coming months.

ACCOUNTS PAYABLE

Commissioner Webb noted that he would be recusing himself from any discussion or vote related to the accounts payable in order to avoid the appearance of impropriety.

Commissioner Murphy moved to approve the Accounts Payable in the combined amount of \$9,762,228.97, 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 Loftus and unanimously approved by a Roll Call Vote:

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

Nays: None

Recused: J.B. Webb

Absent: C. Janc

CHAIRMAN'S REPORT

Chairman Zay thanked Commissioner Crawford for her efforts regarding the Ethics Ordinance noting that the Commission should be receiving additional information for Board consideration.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

None

EXECUTIVE SESSION

None

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Commissioner Murphy moved to adjourn the meeting at 7:56 P.M. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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