

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY NOVEMBER 11, 2010
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Rathje at 7:25 P.M.

Commissioners in attendance: T. Bennington (arrived at 7:45 P.M.), T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Commissioners Absent: W. Mueller

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

PUBLIC COMMENTS

Donald Dionesotes, Bensenville, Illinois, expressed concerns with the Commission's recent financial shortfall, noting that qualified leadership needs to be in place.

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the October 11, 2010 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Zay and approved by a Voice Vote.

All voted aye except Commissioners Hartwig, Maio, Saverino, and Zeilenga abstained. Motion carried.

Commissioner Elliott moved to approve the Executive Session Minutes of the October 11, 2010 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Zay and approved by a Voice Vote.

All voted aye except Commissioners Hartwig, Maio, Saverino, and Zeilenga abstained. Motion carried.

TREASURER'S REPORT

Treasurer/Commissioner Zeilenga presented the October 2010 Treasurer's Report, which consisted of three pages designated Reports A, B, and C. With respect to Report B, Treasurer/Commissioner Zeilenga noted that Table 1 Line B will be eliminated once all current construction projects are completed, which should be by the end of the year. Treasurer/Commissioner Zeilenga then referred to Table 2, Line G, of Report B, noting that the final payment of the 2011 General Obligation Bond will be made March 1 with funds already set aside to make the payment. With respect to Report B, Treasurer/Commissioner Zeilenga referred to Table 2 – total month end funds cash balance for the month of October totaling \$76,947,598, stating that the total reconciled with Report C – Total funds of \$76,947,598.47.

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Treasurer/Commissioner Zeilenga lastly reported that the West Suburban Bank \$30MM Certificate of Deposit loan is up for renewal in December and suggested staff start preparing the necessary documents.

Commissioner Bennington arrived at 7:45 P.M.

Commissioner Maio moved to accept the October 2010 Treasurer's Report. Seconded by Commissioner Hartwig and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee

Meeting Canceled

Engineering & Construction Committee

Meeting Canceled

Finance Committee

Meeting Canceled

CHAIRMAN'S REPORT

Chairman Rathje asked Acting General Manager McGhee to report on the status of the Contaminated Well Water Loan Program and Loan to Downers Grove. Acting General Manager McGhee noted that he spoke with David Fieldman, the Downers Grove Village Manager, and Mr. Fieldman, along with other Village representatives, had planned to attend the meeting to discuss the loan amendment request, but instead sent an email stating that the letter sent from Mayor Sandack would speak for Village and, therefore, Village staff would not be attending.

Commissioner Murphy reminded the Board that the Village of Downers Grove is a customer and, as such, felt that a meeting would be appropriate to determine if a timely resolution could be accomplished that would not have a negative impact on the Commission or the Village of Downers Grove.

Commissioner Zay noted that he spoke to Mayor Sandack and clarified that the reason the Downers Grove representatives decided not to attend the Commission meeting was because the item was not listed on the Agenda even after the Board specifically directed staff to include it. Commissioner Zay noted that all parties involved need to sit down in a face-to-face meeting, work out the details, and then bring it back to the Board for consideration.

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Acting General Manager McGhee stated that he had informed Mr. Fieldman that a discussion of their request would take place at the Commission meeting but that because the Village's request was not a final action item, it would not be separately listed on the Agenda.

Commissioner Maio suggested sending a letter to the Village of Downers Grove asking them to submit a written proposal of their request. Acting General Manager McGhee responded that, in July 2010, staff had requested, but was still waiting to receive, information as to the precise relief being requested.

After Commissioner Elliott echoed Commissioner Zay's comments, noting that a meeting should be scheduled with all parties involved to discuss the request, it was the consensus of the Board to schedule a meeting to include representatives from the Village of Downers Grove, Commissioners Bennington and Murphy, and Commission staff to discuss the Village's proposal.

Regarding the Treasurer's position, Chairman Rathje requested that all Board members review the resumes submitted for appointment at the December Commission meeting subject to the advice and consent of the DuPage County Board. Treasurer/Commissioner Zeilenga reminded the Commissioners that he would be serving as Treasurer through December 31 and would be available for signature as needed.

MAJORITY OMNIBUS VOTE AGENDA

Commissioner Bennington requested that Resolution No. R-50-10 be removed from the Majority Omnibus Vote Agenda for separate consideration to avoid a possible or perceived conflict of interest because his firm represents PNC, NA as a client.

Commissioner Murphy 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 Elliott and unanimously approved by a Roll Call Vote:

Majority Omnibus Vote

- Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje
- Nays: None
- Absent: W. Mueller
- Item 1: Resolution No. R-49-10: A Resolution Further Amending the DuPage Water Commission Flexible Benefits Plan—"Majority Omnibus Vote"
- Item 2: Resolution No. R-51-10: A Resolution Retaining SPI Energy Group for Electric Market Consulting Services—"Majority Omnibus Vote"

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Commissioner Bennington left the meeting at 8:10 P.M.

Commissioner Hartwig moved to adopt Resolution No. R-50-10: A Resolution Further Amending Resolution No. R-7-97 to Designate PNC, NA, the Successor to National City Bank of Michigan/Illinois, as the Authorized Custodian of Commission Investments and Pledged Collateral. Seconded by Commissioner Furstenau and approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington and W. Mueller

Commissioner Bennington returned to the meeting at 8:12 P.M.

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Elliott 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 Hartwig and unanimously approved by a Roll Call Vote:

Super/Special Majority Omnibus Vote

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Mueller

Item 1: Resolution No. R-48-10: A Resolution Awarding Quick Response Electrical Contract QRE-5/10—"Super/Special Majority Omnibus Vote"

Item 2: Resolution No. R-52-10: A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the November 11, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

OLD BUSINESS

Treasurer/Commissioner Zeilenga stated that the Board needs to address the compensation of the part-time Treasurer's position. Based on the hours calculated, Commissioner Furstenau suggested an annual salary of \$10,000.00.

In response to questions raised by various Commissioners, Staff Attorney Crowley noted that there was no statutory limit on the amount of compensation that could be

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paid to the Treasurer except that, pursuant to the Water Commission Act of 1985, no member of a governing board or an officer or employee of a unit of local government within DuPage County could receive any compensation for acting as the Commission's Treasurer. Staff Attorney Crowley also noted that there is no statutory provision that expressly prohibits an officer or employee of a unit of local government within DuPage County from simultaneously serving as Commission Treasurer, adding that so long as the duties of an officer or employee of a unit of local government within DuPage County were purely ministerial involving no exercise of discretion, simultaneous tenure as Commission Treasurer should not trigger incompatibility of office prohibitions under common law.

Commissioner Elliott asked if Staff Attorney Crowley would review the resumes of all the Treasurer applicants and advise the Chairman whether any raised incompatibility of office concerns. Commissioner Maio questioned whether, and Staff Attorney Crowley confirmed that, the State's Attorney determines whether positions are incompatible.

Annual Audit Report for the Fiscal Year Ending April 30, 2009

Commissioner Zay moved to accept the draft Audit Report for the Fiscal Year ending April 30, 2009, direct the auditors to print the final report, and direct staff to distribute copies. Seconded by Commission Bennington and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

The item to retain the services of a Financial Services Provider was deferred to the December Commission meeting.

NEW BUSINESS

Commissioner Elliott moved to reduce Contract PSD-7/08 retainage from 10% of the Contract Price to 5% of the Contract Price. Seconded by Commissioner Zay and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Mueller

With regard to the Workers Compensation Insurance Renewal and the two Purchase Order Nos. 12472 and 12473, Commissioner Bennington questioned the need to suspend the Commission's purchasing procedures. With regard to the Workers Compensation Insurance Renewal, Staff Attorney Crowley explained that the Commission obtained quotes, not sealed proposals, as required for purchases in excess of \$20,000. With regard to the two purchase orders, Staff Attorney Crowley

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noted that even though sealed proposals had been obtained, the two low bidders took exception to certain provisions in the technical specifications.

Commissioner Maio moved to suspend the purchasing procedures of the Commission's By-Laws and purchase workers compensation insurance coverage in accordance with the October 15, 2010, Proposal of Insurance by Arthur J. Gallagher Risk Management Services, Inc. for a premium of \$81,586.00. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Mueller

Commissioner Loper moved to suspend the purchasing procedures of the Commission's By-Laws and approve Purchase Order No. 12472 in the amount of \$62,635.00 to Packey Webb Ford. Seconded by Commissioner Hartwig.

After Commissioner Maio clarified that the purchase of a F350 instead of a F450 was due to the diesel dual axles, Commissioner Maio then questioned why the Commission was not considering diesel, noting it would be better in the long run. Acting General Manager McGhee responded that the Commission currently only has gasoline on site but could consider the cost-effectiveness of adding a diesel supply during the 2011-2012 budget review.

After Commissioner Bennington confirmed with Acting General Manager McGhee that no similar vehicles were available for purchasing under the state purchasing program, the motion was unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Mueller

Commissioner Maio moved to suspend the purchasing procedures of the Commission's By-Laws and approve Purchase Order No. 12473 in the amount of \$58,749.00 to Freeway Ford. Seconded by Commissioner Zay and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

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Absent: W. Mueller

ACCOUNTS PAYABLE

To avoid a possible or perceived conflict of interest because his firm has National City as a client, Commissioner Bennington left the meeting at 8:30 P.M.

Commissioner Elliott moved to approve both Accounts Payable in the combined amount of \$7,762,846.88, 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 Furstenau.

After Commissioner Zay questioned and Staff Attorney Crowley confirmed that there are four authorized users for Commission credit cards, but that only two of the four are currently employed by the Commission, the motion was unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Murphy, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington and W. Mueller

After Commissioner Bennington returned to the meeting at 8:32 P.M., Acting General Manager McGhee referred to the water conservation handouts distributed, noting that included in the handouts was the Water Conservation & Protection Program 2009 Annual Report.

GENERAL MANAGER APPOINTMENT

Regarding the selection of a new General Manager, Chairman Rathje stated that he would be sending another letter to both County Board Chairman Schillerstrom and Senator Cronin asking for prompt action be taken on the selection of a new General Manager for the DuPage Water Commission.

EXECUTIVE SESSION

None

After Commissioner Maio wished everyone good luck, stating he would be out of town and therefore unable to attend the December Commission meeting, Commissioner Maio moved to adjourn the meeting at 8:35 P.M. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.