

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, MARCH 14, 2013
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:31 P.M.

Chairman Zay opened the meeting by congratulating Joseph Broda on his appointment as Municipal Representative for District 2 and changed the order of Business to administer the Oath of Office. Commissioner Joseph Broda took his Oath.

Commissioners in attendance: J. Broda, R. Furstenau, C. Janc, J. Pruyn, M. Scheck, J. B. Webb, and J. Zay

Commissioners Absent: L. Crawford, D. Loftus, W. Murphy, D. Russo, F. Saverino, and P. Suess

Also in attendance: Treasurer D. Ellsworth, J. Spatz, C. Johnson, C. Peterson, T. McGhee, J. Rodriguez, M. Weed, F. Frelka, R. C. Bostick, E. Kazmierczak, and G. Gorski of Gorski & Good, LLP

Chairman Zay noted that Commissioner Murphy's absence was due to a scheduling conflict with the regularly scheduled Village of Woodridge monthly meeting and the Commission's rescheduled March Board meeting being held on the same night.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the February 21, 2013 Regular Meeting and the Minutes of the February 21, 2013 Special Committee of the Whole Meeting. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Treasurer Ellsworth presented the February 2013 Treasurer's Report, consisting of six pages.

Treasurer Ellsworth pointed out the \$63MM of cash and investments on page 1, noting that the balance was down by \$7.5MM from the previous month due to a \$9MM payment to the escrow agent as part of bond refinance that was done on February 1st. Treasurer Ellsworth also pointed out the schedule of investments on pages 2, 3, and 4 totaling \$60.6MM and the market yield on the total portfolio showed 37 basis points.

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Treasurer Ellsworth pointed out a change in the allocation in the investments between the various reserve accounts relating to the bond refinance and the adoption of a new fund balance policy. Pursuant to the new reserve policy, the significant changes were the elimination of the O&M reserve and depreciation accounts. The general account decreased from \$16MM to \$8.3MM and the creation of two new reserve accounts were the operating reserve account which has \$34MM and the long term water capital reserve account which has \$1.2MM. On page 5, the statement of cash flows showed a decrease in cash and investments by \$14MM and operating activities decreased cash slightly over \$175,000. The sales tax receipts showed an increase in cash of \$27MM. Debt service payments totaled \$40MM with capital assets decreasing cash by \$1.5MM. On page 6, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements and approximately \$75.4MM of outstanding debt in Table 3, Rows H, I and J.

Commissioner Furstenau moved to accept the February 2013 Treasurer's Report.
Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Pruyn

Commissioner Pruyn reported that the Finance Committee reviewed all items listed on the Finance Committee Agenda.

With regards to the Commission's Water Revenue Refunding Bonds, Series 2013, Commissioner Pruyn stated that legal counsel for Ice Miller would be preparing an opinion letter confirming that the Commission does not need to do an arbitrage tax rebate calculation on the new bonds which in turn would save approximately \$3,000.00-\$5,000.00.

With regards to the Debt Certificates, Commissioner Pruyn noted that staff would be looking into various refinancing options for potential interest savings. The \$3MM of debt remaining with West Suburban Bank is scheduled to be paid off in June and that a possible \$5MM payment may be paid to Northern Trust Bank before the end of the fiscal year.

With respect to the Interest Period under the Northern Trust Certificate of Debt, Commissioner Pruyn stated that the Finance Committee recommended electing another one month interest period as the interest rate had remained the same.

Administration Committee

No meeting due to lack of a quorum.

Engineering & Construction Committee – Reported by Commissioner Furstenau

Commissioner Furstenau reported that the Engineering & Construction Committee reviewed all items listed on the Engineering & Construction Committee Agenda with no issue.

ACCOUNTS PAYABLE

Commissioner Janc moved to approve the Accounts Payable in the amount of \$6,595,144.63 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, as revised. Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote:

Ayes: J. Broda, R. Furstenau, C. Janc, J. Pruyn, M. Scheck, J. B. Webb, and J. Zay

Nays: None

Absent: L. Crawford, D. Loftus, W. Murphy, D. Russo, F. Saverino, and P. Suess

CHAIRMAN'S REPORT

In referring to the Rory Group Contract which was listed on the Agenda for Board consideration, Chairman Zay noted various reasons for the need of a consultant. Chairman Zay explained that the Rory Group provides consulting services for the City of Chicago and felt that their assistance would be beneficial in resolving various intergovernmental issues.

Discussion ensued with the following concerns:

- Provide a guideline of the issues needed to be resolved
- Build a cooperative partnership with Chicago
- Provide monthly status reports
- Action taken if desired results are not obtained timely
- Termination of Agreement

After Commissioner Pruyn confirmed that the contract could be terminated, at any time, should the Board feel desired results were not being achieved, Commissioner Furstenau moved to authorize the Execution of a Consulting Agreement with Rory Group, LLC. in an amount not to exceed \$15,000.00. Seconded by Commissioner Scheck and unanimously approved by a Roll Call Vote:

Ayes: J. Broda, R. Furstenau, C. Janc, J. Pruyn, M. Scheck, J. B. Webb, and J. Zay

Nays: None

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Absent: L. Crawford, D. Loftus, W. Murphy, D. Russo, F. Saverino, and P. Suess

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

Chairman Zay reminded the Board that approval of the FY 2013-2014 budget would be on the April Agenda and asked all Commissioners with questions to submit them to staff in writing and in advance of the meeting to allow staff time to prepare responses.

In referring back to a discussion at the February meeting regarding a potential proposal in Springfield which could allow outside organizations to tap into the Commissions transmission lines, General Manager Spatz informed the Board of a meeting that was being held the following day with representatives from the City of Hodgkins, consultant/lobbyist John Millner, and the Commission's legal counsel to discuss the possible legislation. Commissioner Pruyn asked if the legislation passed, would there be a problem with the Commission's water allocation of Lake Michigan water. General Manager Spatz replied no and explained that the problem would not be with the allocation, but more with future DuPage County capacity. General Manager Spatz further explained that similar requests had been made by the City of Hodgkins for supplemental service in 2003, 2006, and 2009. In 2009, a hydraulic study had been conducted and hydraulically it could be done, but that the concern still remained with the capacity growth.

NEW BUSINESS

None

EXECUTIVE SESSION

None

Commissioner Janc moved to adjourn the meeting at 8:05 P.M. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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