

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, AUGUST 15, 2013
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Vice Chairman Murphy at 7:05 P.M.

Commissioners in attendance: J. Broda, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruy, M. Scheck, and P. Suess

Commissioners Absent: L. Crawford, D. Russo, F. Saverino, J.B. Webb, and J. Zay

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, G. Gorski of Gorski & Good, LLP, and Robert C. Renner, Executive Director of the Water Research Foundation.

RECOGNITION

Vice Chairman Murphy began the meeting by introducing Robert C. Renner, Executive Director of the Water Research Foundation in recognition of General Manager Spatz for his service to the Foundation.

Mr. Renner began by thanking Board members for allowing him the opportunity to commend General Manager Spatz for his exemplary service to the Foundation. After Mr. Renner gave a brief background of the Water Research Foundation, he presented General Manager Spatz with a Plaque honoring him for five years of service.

General Manager Spatz thanked Mr. Renner for his kind words noting that it had been an honor to serve such a great organization as it gave him the opportunity to work with many experienced and knowledgeable leaders in the water utility industry.

Vice Chairman Murphy closed by thanking Mr. Renner for attending the meeting and expressed his appreciation for Mr. Renner's leadership with the Water Research Foundation. On behalf of Chairman Zay and the Commissioners, Vice Chairman Murphy congratulated General Manager Spatz for his continued work and dedication in the water industry.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the July 18, 2013 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

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

Treasurer Ellsworth pointed out the \$64.7MM of cash and investments on page 1, which reflects an approximate increase of \$800,000.00 from the previous month. Treasurer Ellsworth also pointed out the schedule of investments on pages 2, 3, and 4 totaling \$62.5MM and the market yield on the total portfolio showed 45 basis points which remained the same from the prior month. On page 5, the statement of cash flows showed a decrease in cash and investments by about \$286,000.00 and operating activities increased cash by approximately \$657,000.00, roughly \$8MM of sales tax was received, and Debt service payments totaled about \$9.1MM. On page 6, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements and approximately \$61.5MM of outstanding debt in Table 3, Rows H, I and J.

Commissioner Janc moved to accept the July 2013 Treasurer's Report. Seconded by Commissioner Suess 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 all action items listed on the Finance Committee Agenda, specifically focusing on the following three agenda items:

- 2013 Annual Audit Report
- Certificate of Debt with Northern Trust Bank
- PFM's Quarterly Investment Update

With respect to the 2013 Annual Audit Report, Commissioner Suess noted that the Finance Committee reviewed and recommended the Annual Audit Report for distribution.

With respect to Resolution No. R-23-13, Commissioner Suess referred to page 6 of the Treasurer's Report under Table 2- Other Cash pointing out the approximate \$16.4MM of cash noting that the Committee recommended approval of the \$5MM payment towards the Northern Trust Certificate of Debt which would then reduce the remaining debt balance to \$20MM. Commissioner Suess further noted that the Finance Committee discussed conducting quarterly reviews of the debt service for further recommendations, if necessary.

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Commissioner Suess asked Sikich LLP representative, Jim Savio to present the 2013 Annual Audit Report. Mr. Savio provided a favorable summary of the report pointing out that the Commission had no audit adjustments, no past adjustments, no material weaknesses, no significant deficiencies, no deficiencies, and also issued an unqualified opinion to the Commission.

After Commissioner Furstenau suggested correcting a typographic error before distributing the report, Commissioner Suess moved to accept the draft audit report for the fiscal year ending April 30, 2013, to direct the auditors to print the final report, and to direct staff to distribute the FY2013 audit report to the Commission's customers and other interested parties. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, M. Scheck, P. Suess, and W. Murphy

Nays: None

Absent: L. Crawford, D. Russo, F. Saverino, J.B. Webb, and J. Zay

Commissioner Suess moved to adopt Resolution No. R-23-13: A Resolution Authorizing and Directing the Use of General Account Balances for the Payment of Debt Service on the Northern Trust Certificate of Debt - \$5MM. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, M. Scheck, P. Suess, and W. Murphy

Nays: None

Absent: L. Crawford, D. Russo, F. Saverino, J.B. Webb, and J. Zay

Administration Committee

None

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval all action items listed on the Engineering & Construction Agenda. After Commissioner Loftus gave a brief summary of each item, he welcomed any questions.

Hearing none, 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 Broda and unanimously approved by a Roll Call Vote.

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Ayes: J. Broda, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, M. Scheck, P. Suess, and W. Murphy

Nays: None

Absent: L. Crawford, D. Russo, F. Saverino, J.B. Webb, and J. Zay

Item 2: Resolution No. R-22-13: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-10/13 at the August 15, 2013, DuPage Water Commission Meeting—**(Rossi Contractors Inc. in the amount of \$107,300.00)**

Item 3: To Suspend the Purchasing Procedures of the Commission's By-Laws and for Authorization for the purchase and installation services for a PAX mixer—**(Utility Service Company – estimated cost \$60,000.00)**

Commissioner Loftus concluded his report by noting that the Commission had received several requests for consideration regarding emergency water supply connections and that the Engineering & Construction Committee would be holding a special meeting sometime before the next regularly scheduled September Board meeting to review and discuss all requests.

ACCOUNTS PAYABLE

Commissioner Suess moved to approve the Accounts Payable in the amount of \$14,092,204.25 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 and unanimously approved by a Roll Call Vote:

Ayes: J. Broda, R. Furstenau, C. Janc, D. Loftus, J. Pruyn, M. Scheck, P. Suess, and W. Murphy

Nays: None

Absent: L. Crawford, D. Russo, F. Saverino, J.B. Webb, and J. Zay

CHAIRMAN'S REPORT

None

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

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OLD BUSINESS

None

NEW BUSINESS

Vice Chairman Murphy asked General Manager Spatz to provide the details regarding the upcoming August 23rd Jardine Water Purification Plant and Lexington Pumping Station Tours. General Manager Spatz stated that the meeting would begin at the Commission facilities with a light lunch followed by members being transported, by Bus, to the Jardine plant, then to the Lexington plant, and ending back at the Commission facilities. General Manager Spatz added that a separate Commission vehicle would be accompanying the Bus should anyone need to return sooner.

General Manager Spatz lastly noted that staff would try and coordinate a second tour for those Commissioners that were unable to attend, but are still interested.

EXECUTIVE SESSION

None

Commissioner Furstenau moved to adjourn the meeting at 7:32 P.M. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.