

**MINUTES OF A MEETING OF THE
DU PAGE WATER COMMISSION
HELD ON THURSDAY, APRIL 10, 2003
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 7:32 P.M.

Commissioners in attendance: R. Benson (via teleconference), E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Also in attendance: J. Holzwart, R. Martin, E. Nawrocki, R. Skiba, D. Eckmann (AB&H) and M. Crowley (H&K).

Commissioner Janicik made a motion to open the Hearing Regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2003 and Ending April 30, 2004. Seconded by Commissioner Tenison and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Peter Burchard, Naperville City Manager, voiced the City of Naperville's disagreement with increasing the water rate by \$0.05 per 1,000 gallons in each of the next four years. Naperville also indicated there should be study of the Commission's reserves.

Dave Williams, Itasca Village Administrator, voiced concerns about diverting Commission revenue to other governmental bodies.

Commissioner Wilcox made a motion to close the Hearing Regarding the Management Budget Ordinance for the Fiscal Year Commencing May 1, 2003 and Ending April 30, 2004. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

PUBLIC COMMENTS – No public comments

Commissioner Thorn moved to approve the Minutes of the March 12, 2003 meeting of the DuPage Water Commission. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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Commissioner Chaplin moved to approve the Minutes of the March 12, 2003 Executive Session meeting of the DuPage Water Commission. Seconded by Commissioner Tolentino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

The Treasurer's Report for the month of March 2003 showed receipts of \$6,964,454.40, disbursements of \$14,125,552.10 and a cash and investment balance of \$199,064,262.74.

Commissioner Tenison moved to accept the March 2003 Treasurer's Report. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee – Report by Commissioner Thorn

Although the Administration Committee did not have a quorum, Commissioners Chaplin and Thorn reviewed the items listed on the Committee agenda. Commissioners Chaplin and Thorn reviewed Resolution R-16-03 and Ordinance O-6-03 and recommended approval during the Omnibus Vote Agenda.

To avoid future quorum problems, Chairman Vondra requested the Commission's consent to his appointment of Commissioner Mueller to the Administration Committee until the return of Commissioner Hartwig.

Commissioner Tenison moved to approve the temporary appointment of Commissioner Mueller to the Administration Committee. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Engineering Committee – Report by Commissioner Wilcox

The Engineering Committee reviewed progress payments in the amount of \$171,339.14 and recommended approval as part of the Accounts Payable, subject to submission of all contractually required documentation.

The Engineering Committee reviewed an update of the Cost-Benefit Analysis Report for Pipeline Project TW-3 and noted that a comprehensive report and recommendation will be made at the next Commission meeting.

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It was also noted that Staff will be preparing a Request for Qualifications for the design of the generator facilities and additional reservoirs.

Finance Committee – Report by Commissioner Poole

The Finance Committee reviewed the Treasurer's Report, the March financial statements and the Accounts Payable. The Committee reviewed Ordinances O-2-03, O-3-03, O-4-03, O-5-03 and Resolutions R-8-03, R-9-03 and R-10-03 and recommended approval during the Omnibus Vote Agenda.

Commissioner Wilcox moved to authorize staff to replace Specialty National Insurance Company, the Commission's liability insurance carrier, at a cost not to exceed an additional 10% in premium. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Nays: None

Commissioner Poole moved to amend the Revised 2003 – 2004 Five Year Capital Improvement Plan to delete the fourth bullet point on page 2 and to indicate a rate of \$1.65 per 1,000 gallons for all years on page 3. Seconded by Commissioner Thorn.

Commissioner Wilcox moved to lay on the table the motion by Commissioner Poole. Seconded by Commissioner Tenison and approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, J. Janicik, N. Pollock, J. Tenison, G. Wilcox and M. Vondra

Nays: B. Krajewski, W. Mueller, A. Poole, R. Thorn and R. Tolentino

Commissioner Wilcox moved to direct staff to recalculate the Summary of Revenues, Expenditures and Fund Balances, May 1, 2003 to April 30, 2008, portion of the Revised 2003 – 2004 Five Year Capital Improvement Plan as if the motion by Commissioner Poole had passed. The motion died for lack of a second.

Noting that the information had been prepared previously, Chairman Vondra requested that a copy of the Summary of Revenues, Expenditures and Fund Balances, May 1, 2003 to April 30, 2008, portion of the Revised 2003 – 2004 Five Year Capital Improvement Plan showing a rate of \$1.65 per 1,000 gallons and \$1.55 per 1,000 gallons be distributed for the next Commission meeting.

Chairman Vondra noted the Commission is receiving unsolicited proposals for the refunding of the Commission's outstanding Revenue Refunding Bonds. Chairman

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Vondra also noted the interest rate market is sensitive and the Commission needs to move fast to take advantage of this market. Chairman Vondra proposed rejecting the financial advisor proposals received and instead rely on staff evaluations.

Commissioner Poole moved to reject all of the Financial Advisor proposals received. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Pollock moved to direct staff to prepare and issue a Request for Proposals for Bond Underwriters for the refunding of the Commission's 1993 water revenue refunding bonds that includes a weighted evaluation system that considers underwriting costs, creativity and other relevant criteria. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Chairman Vondra proposed creating a Special Task Force on Refunding, consisting of Commissioners Janicik, Krajewski, Mueller, Poole, Wilcox and Chairman Vondra, to evaluate the underwriter proposals.

Commissioner Tenison moved to create a Special Task Force on Refunding to evaluate and recommend an underwriter to the Commission and to approve Chairman Vondra's appointment of Chairman Vondra as Chairman of the Special Task Force on Refunding and Commissioners Janicik, Krajewski, Mueller, Poole, and Wilcox as additional members of the Special Task Force. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

OMNIBUS VOTE AGENDA

Chairman Vondra requested that Ordinance O-4-03 be removed from the Omnibus Vote Agenda.

Commissioner Chaplin requested that Resolution R-14-03 be removed from the Omnibus Vote Agenda.

Commissioner Thorn moved to adopt the items listed on the revised Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

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Omnibus Vote

Ayes: R. Benson, E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Nays: None

Item 1. Ordinance O-2-03: Transfer of Appropriations Ordinance for the Fiscal Year Commencing May 1, 2002 and Ending April 30, 2003 – “Omnibus Vote”

Item 2. Ordinance O-3-03: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2003 and Ending April 30, 2004 – “Omnibus Vote”

Item 3. Ordinance O-5-03: An Ordinance Establishing Fixed Costs to be Payable by Each Contract Customer for the Fiscal Year Commencing May 1, 2003 and Ending April 30, 2004 – “Omnibus Vote”

Item 4. Ordinance O-6-03: An Ordinance Electing Participation in the Illinois Municipal Retirement Fund – “Omnibus Vote”

Item 5. Resolution R-8-03: A Resolution Directing the Transfer of the Excess Debt Service Reserve Account Balance to the General Account of the Water Fund – “Omnibus Vote”

Item 6. Resolution R-9-03: A Resolution Directing the Transfer of Certain Excess Account Balances to the General Account of the Water Fund – “Omnibus Vote”

Item 7. Resolution R-10-03: A Resolution Establishing the Policy of the DuPage Water Commission with Respect to Fund Balances and Construction and Rate Stabilization Reserves for the Fiscal Year Ending April 30, 2003 – “Omnibus Vote”

Item 8. Resolution R-11-03: A Resolution Approving and Ratifying Certain Work Authorization Order Under Quick Response Contract QR-6/02 at the April 10, 2003 DuPage Water Commission Meeting – “Omnibus Vote”

Item 9. Resolution R-12-03: A Resolution Approving a Second Amendment to Task Order No. 8 Under the Master Engineering Agreement with Alvord, Burdick & Howson, L.L.C. – “Omnibus Vote”

Item 10. Resolution R-13-03: A Resolution Approving and Ratifying Certain Task Order(s) Under a Master Engineering Agreement with Alvord, Burdick &

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Howson, L.L.C. at the April 10, 2003 DuPage Water Commission Meeting – “Omnibus Vote”

- Item 11. Resolution R-15-03: A Resolution Awarding a Contract for the Exterior Washing, Spot Painting and Miscellaneous Repairs to Five Tanks – “Omnibus Vote”
- Item 12. Resolution R-16-03: A Resolution Implementing Certain Employee Benefit Changes – “Omnibus Vote”

Commissioner Janicik moved to approve Ordinance O-4-03: An Ordinance Establishing a Water Rate for Operation and Maintenance Costs for the Fiscal Year Commencing May 1, 2003 and Ending April 30, 2004. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Nays: None

Commissioner Mueller moved to approve Resolution R-14-03: A Resolution Authorizing the Execution of an Intergovernmental Agreement Concerning the Implementation of Water Service to the Downers Grove Service Area in DuPage County. Seconded by Commissioner Wilcox and approved by a Roll Call Vote:

Ayes: R. Benson, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Abstain: E. Chaplin

Nays: None

OLD BUSINESS

Commissioner Wilcox moved to take from the table Resolution R-7-03: A Resolution Approving and Ratifying Certain Task Order(s) Under a Master Engineering Agreement with Alvord, Burdick & Howson, L.L.C. at the March 12, 2003 DuPage Water Commission Meeting. Seconded by Commissioner Krajewski and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Wilcox moved to approve Task Order No. 12 listed in Resolution R-7-03 in the revised not to exceed amount of \$30,000. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

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Ayes: R. Benson, E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Nays: None

Commissioner Wilcox moved to table approval of Task Order No. 13 listed in Resolution R-7-03. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

NEW BUSINESS

The General Manager advised the Commissioners on an unresolved item with respect to the Intergovernmental Agreement between the Commission and the County of DuPage for the modification of the Commission's transmission main crossing the East-West Tollway at Raymond Drive. Pursuant to the agreement, the work was to be performed by the Commission at the sole cost and expense of the County. The cost of the work performed by the Commission was approximately \$240,000 but the County reimbursed the Commission for only \$95,000. The County held back approximately \$150,000 due to modifications the County made to a drainage swale on 75th Street in Naperville that it felt the Commission should be responsible for. To settle the dispute, the General Manager recommended splitting a portion of the cost of the drainage swale work with the County.

Commissioner Chaplin moved to accept a \$75,000 offset against the amount due under the transmission main modification agreement for the cost for repairing the drainage swale on 75th Street in Naperville. Seconded by Commissioner Pollock and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino and G. Wilcox

Abstain: M. Vondra

Nays: None

Chairman Vondra requested that the date of the May Commission and Committee meetings be changed from Thursday, May 8, 2003 to Wednesday, May 7, 2003.

Commissioner Tolentino moved to change the date of the May Commission and Committee meetings from Thursday, May 8, 2003 to Wednesday, May 7, 2003. Seconded by Commissioner Wilcox and approved by a Voice Vote.

All voted aye except Commissioner Tenison voted nay. Motion carried.

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Commissioner Mueller indicated that all of the municipal utility customers of the Commission passed (or will pass) resolutions affirming the principles of the Commission, noting that copies of these resolutions have been sent to all Commissioners.

Chairman Vondra objected to some of the statements in the customer resolutions but expressed his desire to move past such disagreements.

Commissioner Mueller also read the following statement from DuPage County Sheriff John E. Zaruba:

"In would like to set the record straight regarding an article that appeared today's Daily Herald concerning the use of funds originating from the water commission to purchase a police helicopter. So that you have no misconception, I assure you that this Office has at no time made a budgetary request for a helicopter. Further, my Office has neither been contacted by the health department, nor requested funds from them for a helicopter.

While the concept of a regional use helicopter has proven its worth, I would be abrogating my responsibility as an elected official to even think of pursuing such an option during the current economic times.

Please forward this communication to the members of Mayors and Managers as well as the appointees to the water commission to ensure the clarification of this issue."

ACCOUNTS PAYABLE

Commissioner Wilcox moved to approve the Accounts Payable in the amount of \$3,123,704.92 subject to submission of all contractually required documentation. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Nays: None

PUBLIC COMMENTS – No Comments

Commissioner Chaplin moved to take a ten-minute recess. Seconded by Commissioner Pollock and unanimously approved by a Voice Vote.

All voted aye. Motion carried, at which point Commissioner Benson disconnected from the teleconference.

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The meeting was reconvened at 9:25 P.M.

Commissioner Wilcox moved to go into Executive Session to discuss matters related to pending, probable or imminent litigation pursuant to 5 ILCS 120/2(c) (11). Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, N. Pollock, A. Poole, J. Tenison, R. Thorn, R. Tolentino, G. Wilcox and M. Vondra

Nays: None

The Commission went into Executive Session at 9:26 P.M.

Commissioner Wilcox moved to come out of Executive Session at 10:05 P.M. Seconded by Commissioner Tolentino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Thorn moved to adjourn the meeting at 10:06 P.M. Seconded by Commissioner Janicik and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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