

**MINUTES OF A MEETING OF THE
DU PAGE WATER COMMISSION
HELD ON WEDNESDAY, JULY 17, 2003
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 10:05 A.M.

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

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

PUBLIC COMMENTS

Gary Webster, Glen Ellyn Village Manager, inquired about the cost and corporate purpose of Resolution R-29-03.

John Perry, Woodridge Village Administrator, reiterated the comments made by Mr. Webster and expressed his agreement with the recommendation of the Special Task Force on Refunding not borrow more money than the Commission needs.

Joe Breinig, Carol Stream Village Manager, also commended the Commission for limiting its borrowing to refunding outstanding bonds, as Carol Stream only bonds for defined needs.

Commissioners Poole and Krajewski requested that the June 12, 2003, meeting minutes be amended to reflect (1) Commissioner Poole's request that staff prepare an amendment to Resolution No. R-10-03 reducing the target fund balance in the Water Fund for emergency repairs and other contingencies to the lesser of (a) 2 percent of the adjusted original cost of construction of the Commission's Waterworks System or (b) \$20,000,000.00; (2) Commissioner Poole's request for a legal opinion on the continuing effectiveness on the Commission's supermajority vote requirements in light of the provisions of HB3402; and (3) Commissioners Krajewski's and Thorn's expressed concern with respect to Commissioner Chaplin's qualifications to perform the duties of Treasurer outlined in the Commission's By-Laws.

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

All voted aye. Motion carried.

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Commissioner Wilcox moved to approve the Minutes of the First and Second June 12, 2003 Executive Session meetings of the DuPage Water Commission. Seconded by Commissioner Mueller and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

The Treasurer's Report for the month of June 2003 showed receipts of \$7,219,795.93, disbursements of \$4,084,659.94 and a cash and investment balance of \$197,305,164.55.

Commissioner Wilcox moved to accept the June 2003 Treasurer's Report. Seconded by Commissioner Thorn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee – Report by Commissioner Thorn

Commissioner Thorn reported the Administration Committee discussed personnel matters, some of which would be discussed further in Executive Session.

Commissioner Thorn moved to authorize the payment of \$23,000 in bonuses for key personnel as allocated by the General Manager. Seconded by Commissioner Chaplin and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

Commissioner Thorn moved to appoint Kim Godden the recording secretary for the Administration Committee. Seconded by Commissioner Hartwig and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Engineering Committee – Report by Commissioner Wilcox

The Engineering Committee reviewed the change orders in the amount of \$17,813.04 and recommended approval of Resolution R-25-03 during the Omnibus Vote Agenda.

The Engineering Committee reviewed progress payments in the amount of \$373,224.24 and recommended approval as part of the Accounts Payable, subject to submission of all contractually required documentation.

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Finance Committee – Report by Commissioner Poole

The Finance Committee reviewed the Treasurer's Report, the June financial statements and the Accounts Payable. It was also noted that the audit is complete and is under partner and quality review.

The Committee also reviewed the status of replacing Kemper as the Commission's liability insurance carrier. Commissioner Janicik moved to purchase liability insurance coverage in accordance with the July 9, 2003, Liability Insurance Proposal prepared by Arthur J. Gallagher Risk Management Services, Inc., for a total premium of \$157,774, and to authorize the General Manager to bind up to \$20 million in umbrella coverage from either American Alternative Insurance Corporation AAIC or another carrier as determined by the General Manager to be most favorable to the interests of the Commission. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

The Finance Committee also reviewed Resolution R-27-03, the proposed amendment to Resolution No. R-10-03 which would reduce the target fund balance in the Water Fund for emergency repairs and other contingencies and the Committee recommended approval during the Omnibus Vote Agenda.

Special Task Force on Refunding – Report by Chairman Vondra

As recommended by the Commission's financial advisor, Chairman Vondra reported the Special Task Force was recommending that, rather than seeking an underlying rating from the bond rating agencies on the new bonds, the Commission purchase bond insurance. Chairman Vondra noted that purchasing insurance would guaranty the highest available bond ratings because the rating would be based on the insurance company's ratings. Commissioner Wilcox moved to purchase bond insurance in lieu of obtaining an underlying rating for the Commission's new bonds. Seconded by Commissioner Chaplin and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

Chairman Vondra then explained to the Commissioners the four financing scenarios reviewed by the Special Task Force at its last meeting: Scenario #1, a traditional fixed rate bond refunding with maturities extended by two years to 2016; Scenario #2, a traditional fixed rate bond refunding with maturities extended by two years, coupled with a synthetic bond component of additionally extended maturities for new money, with the

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new money component equating to roughly 50% of the Five Year Capital Improvement Plan estimated costs; Scenario #3, same as Scenario #2 except with the new money component equating to roughly 100% of the Five Year Capital Improvement Plan estimated costs; and Scenario #4, a combined traditional fixed rate refunding with maturities extended by two years and synthetic bond refunding with additionally extended maturities.

Commissioner Poole moved to proceed with the refunding based on Scenario #1, a traditional fixed rate bond refunding with maturities extended by two years to 2016. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

OMNIBUS VOTE AGENDA

Chairman Vondra requested that Resolution R-30-03 be removed from the Omnibus Vote Agenda.

Commissioner Poole requested that Resolution R-26-03 be removed from the Omnibus Vote Agenda.

Commissioner Wilcox 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 Chaplin and unanimously approved by a Roll Call Vote:

Omnibus Vote

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

- Item 1. Resolution R-25-03: A Resolution Approving Certain Contract Change Orders at the July 17, 2003 DuPage Water Commission Meeting – “Omnibus Vote”
- Item 2. Resolution R-27-03: A Resolution Amending Resolution R-10-03, Being 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 3. Resolution R-28-03: A Resolution Amending Resolution R-20-03, Being a Resolution Directing Advertisement for Bids on a Contract for the Construction of Inner Belt Transmission Main (Contract TIB-1/03) – “Omnibus Vote”

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- Item 4. Resolution R-29-03: A Resolution Adopting a Retirement Incentive Program for the Fiscal Year Commencing May 1, 2003, and Ending April 30, 2004 – “Omnibus Vote”
- Item 5. Resolution R-31-03: A Resolution Electing to Allow Illinois Municipal Retirement Fund Service Credit for Prior Military Service – “Omnibus Vote”

Commissioner Wilcox moved to approve Resolution R-26-03 entitled “A Resolution of Commendation for Commissioner Jack D. Tenison”. Seconded by Commissioner Janicik.

Discussion ensued regarding the merits of such a resolution, with Commissioner Poole suggesting that a more generic, less subjective resolution of appreciation would be more appropriate, especially in light of the fact that no other Commissioners have received such a resolution. Though noting other Commissioners were honored with dinners or lunches, and that Commissioner Tenison never asked for any recognition, Chairman Vondra suggested that Chairman Vondra and Commissioner Poole could develop together an acceptable resolution of appreciation. Accordingly, Commissioner Wilcox withdrew the motion and Commissioner Janicik withdrew the second.

Commission Wilcox moved to approve a resolution of appreciation for Commissioner Jack D. Tenison in a form acceptable to Chairman Vondra and Commissioner Poole. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

OLD BUSINESS

Commissioner Mueller requested a legal opinion on the continuing effectiveness on the Commission’s supermajority vote requirements in light of the provisions of HB3402, with Commissioner Janicik requesting the opinion not be issued until the legislation became effective.

NEW BUSINESS

Commissioner Wilcox moved to suspend the purchasing procedures of the Commission’s By-Laws and ratify Purchase Order No. 7568 in the amount of \$16,705.00 to Medlin Communications, Inc. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

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Commissioner Thorn moved to approve Purchase Order No. 7571 in the amount of \$15,119.00 to National Waterworks Inc. Seconded by Commissioner Janicik and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

Commissioner Wilcox moved to suspend the purchasing procedures of the Commission's By-Laws and approve Purchase Order No. 7597 in the amount of \$11,700.00 to Consolidated Concrete Restoration, Inc. Seconded by Commissioner Tolentino and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

Commissioner Thorn moved to approve Chairman Vondra's appointment of Commissioner Zeilenga to the Administration Committee, the removal of Commissioner Chaplin from the Administration Committee, and the appointment of Commissioner Chaplin to the Finance Committee, each of the appointments for terms expiring at the conclusion of the September 2003 Board meeting or until their successors are duly appointed and confirmed. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

ACCOUNTS PAYABLE

Commissioner Thorn moved to approve the Accounts Payable in the amount of \$3,990,580.08 subject to submission of all contractually required documentation. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

PUBLIC COMMENTS

In response to Naperville City Councilman Furstenau's inquiry, Chairman Vondra noted agenda packets are available for public inspection at the front desk and committed to having the inspection packet available by noon of the Monday before a Thursday meeting if at all possible.

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

All voted aye. Motion carried.

The meeting was reconvened at 11:25 A.M.

Commissioner Krajewski moved to go into Executive Session to discuss matters related to pending, probable or imminent litigation pursuant to 5 ILCS 120/2(c)(11) and personnel matters pursuant to 5 ILCS 120/2(c)(1) and (2). Seconded by Commissioner Janicik and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

The Commission went into Executive Session at 11:25 A.M.

Commissioner Wilcox moved to come out of Executive Session at 12:13 P.M. Seconded by Commissioner Thorn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Zeilenga moved to approve the pay increase for the General Manager, retroactive to May 1, 2003, in accordance with the discussion in Executive Session. Seconded by Commissioner Krajewski and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, L. Hartwig, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, R. Tolentino, G. Wilcox, D. Zeilenga and M. Vondra

Nays: None

Commissioner Wilcox moved to adjourn the meeting at 12:14 P.M. Seconded by Commissioner Thorn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.