

**MINUTES OF A MEETING OF THE
DU PAGE WATER COMMISSION
HELD ON THURSDAY, JANUARY 8, 2004
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 8:00 P.M.

Commissioners in attendance: E. Chaplin, J. Janicik, B. Krajewski, W. Mueller, A. Poole, R. Thorn, G. Wilcox, D. Zeilenga and M. Vondra

Commissioners absent: R. Benson and L. Hartwig

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

PUBLIC COMMENTS

Phil Modaff, Woodridge Director of Public Works, read a prepared statement from Woodridge Mayor Murphy concerning the new ethics legislation.

Commissioner Krajewski arrived at 8:05 P.M.

Commissioner Mueller arrived at 8:06 P.M.

Commissioner Thorn moved to approve the Minutes of the December 11, 2003 meeting of the DuPage Water Commission. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Thorn moved to approve the Minutes of the December 11, 2003 Executive Session meeting of the DuPage Water Commission. Seconded by Commissioner Wilcox and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

The Treasurer's Report for the month of December 2003 showed receipts of \$6,632,174.61, disbursements of \$3,728,300.15 and a cash and investment balance of \$190,169,956.04.

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

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee – Report by Commissioner Thorn

Commissioner Thorn reported that even though the Administration Committee did not have a quorum, several Commissioners attended the meeting to review, with Robert Beezat of The PAR Group – Paul A. Reaume, Ltd., the draft Recruitment Profile for the General Manager position. It was the consensus of the Commissioners that The PAR Group – Paul A. Reaume, Ltd. conduct further interviews with staff, Commissioners, and others, revise the draft Recruitment Profile accordingly, and submit a revised draft for review by the Board at its next meeting.

The Commissioners present also discussed engaging The Par Group – Paul A. Reaume, Ltd. to begin the search process for the Financial Administrator. Commissioner Poole moved to extend the agreement with The Par Group – Paul A. Reaume, Ltd. to include investigating and developing a Recruitment Profile and other preliminary information needed in preparation for implementing the search process for the Financial Administrator position, with the clear understanding that the General Manager will select the new Financial Administrator as provided in the By-Laws. Seconded by Commissioner Wilcox and approved by a Roll Call Vote:

Ayes: E. Chaplin, J. Janicik, W. Mueller, A. Poole, R. Thorn, G. Wilcox and M. Vondra

Nays: B. Krajewski and D. Zeilenga

Absent: R. Benson and L. Hartwig

Commissioners Thorn and Zeilenga also reported that the Committee needed to further consider and refine its telephonic meeting participation recommendations and Ordinance No. O-3-04: An Ordinance Amending the By-Laws of the DuPage Water Commission (Amending Articles VI and VII Concerning Telephonic Meeting Participation) should, therefore, be removed from first reading.

Engineering Committee – Report by Commissioner Wilcox

The Engineering Committee recommended that a work task order for an engineering capacity study be prepared for the February Commission meeting based on the Acting General Manager's memorandum to the Committee dated December 31, 2003.

The Engineering Committee reviewed the Five Year Capital Improvement Plan and recommended approval by the Commission.

The Engineering Committee reviewed progress payments in the amount of \$349,211.10 and recommended approval as part of the Accounts Payable, subject to submission of contractually required documentation.

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Finance Committee – Report by Commissioner Poole

The Finance Committee reviewed the Treasurer's Report, the December financial statements and the Accounts Payable.

The Finance Committee noted that the Commission's staff attorney had successfully completed negotiations with the Illinois Auditor General's office and that the Intergovernmental Agreement is ready for signatures.

The Finance Committee reviewed the November 12, 2003 Virchow Krause & Company report concerning the meaning of the subsequent customer pricing changes required by Illinois Public Act 93-0226. Commissioner Poole moved to extend the services of Virchow & Krause & Company to include, in consultation with the Commission's special council, Lewis Greenbaum, (1) the preparation of a report on the price that could be charged to Subsequent Customers based upon an interpretation of Illinois Public Act 93-0226 that is (a) most favorable to the interests of the Charter Customers and (b) most favorable to the interests of the Subsequent Customers and (2) consultation and advice concerning other available subsequent customer pricing methodologies, all for a cost not to exceed \$20,000. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: R. Benson and L. Hartwig

Chairman's Report

Chairman Vondra advised that the Commission would have a number of important issues before it in 2004.

The important matters before the Administration Committee are the successful hiring of a permanent General Manager, the hiring of legal counsel, resolving the telephone conferencing policy issues.

Important matters before the Engineering Committee include the construction of Contract TIB-1 Interconnection, the construction of Contract TW-3, the implementation of a geographical information system (GIS), completion of the reservoir design, the completion of the backup generation system, the successful resolution of the C-Factor matter and the completion of the capacity study.

The Finance Committee needs to address the Commission's insurance matters, perform a rate study and the resolution of the subsequent customer pricing methodology.

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Chairman Vondra thanked Ed Nawrocki for his many years of valuable service to the Commission.

OMNIBUS VOTE AGENDA

Chairman Vondra requested that Ordinance No. O-1-04 be removed from the Majority Omnibus Vote Agenda for separate consideration.

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

Omnibus Vote

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

Nays: None

Absent: R. Benson and L. Hartwig

Item 1. Resolution R-1-04: A Resolution Authorizing the Disposal of Certain Personal Property Owned by the DuPage Water Commission – “Omnibus Vote”

Item 2. Resolution R-3-04: A Resolution Directing the Transfer of the Excess Debt Service Reserve Account Balance to the General Account of the Water Fund – “Omnibus Vote”

After discussing whether the Commission should or could require Subsequent Customers to pass through rate savings to the consumer, Commissioner Wilcox moved to approve Ordinance No. O-1-04: An Ordinance Waiving the Capital Risk Factor Rate Provisions of the Subsequent Customer Contracts. Seconded by Commissioner Mueller and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: R. Benson and L. Hartwig

Commissioner Janicik moved to approve Resolution No. R-2-04: A Resolution Retaining SPI Energy Group for Assistance in the Evaluation of Electrical Supply Alternatives. Seconded by Commissioner Mueller and unanimously approved by a Roll Call Vote:

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

Nays: None

Absent: R. Benson and L. Hartwig

OLD BUSINESS

Commissioner Wilcox moved to cancel Purchase Order No. 7568 in the amount of \$16,705.00 to Medlin Communications, Inc. Seconded by Commissioner Mueller and unanimously approved by a Roll Call Vote.

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

Nays: None

Absent: R. Benson and L. Hartwig

NEW BUSINESS

Even though approval of the Five Year Capital Improvement Plan was deferred to the February meeting, it was the consensus of the Commissioners to use the draft that was submitted to the Commissioners as the basis for preparing the fiscal year 2004 – 05 draft management budget.

Chairman Vondra noted that, with the resignation of Commissioner Tolentino, he was appointing Commissioner Hartwig to the Task Force on C-Factors, with Commissioner Mueller being appointed as an alternate in case Commissioner Hartwig does not wish to serve on the Task Force.

Commissioner Wilcox moved to approve the appointment of Commissioner Hartwig to the C-Factor Task Force to replace Commissioner Tolentino and, if Commissioner Hartwig is unwilling to serve on the C-Factor Task Force, to approve the appointment of Commissioner Mueller to the C-Factor Task Force. Seconded by Commissioner Thorn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Thorn moved to approve Purchase Order No. 7840 in the amount of \$18,301.00 to Friendly Ford. Seconded by Commissioner Janicik and unanimously approved by a Roll Call Vote.

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

Nays: None

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Absent: R. Benson and L. Hartwig

Chairman Vondra noted for the record that Ordinance No. O-2-04: An Ordinance Amending the By-Laws of the DuPage Water Commission (Amending Article VI Concerning Closed Meetings) was on first reading tonight.

Chairman Vondra noted that Ordinance No. O-3-04: An Ordinance Amending the By-Laws of the DuPage Water Commission (Amending Articles VI and VII Concerning Telephonic Meeting Participation) had been withdrawn from first reading as requested by the Administration Committee.

ACCOUNTS PAYABLE

Commissioner Janicik moved to approve the Accounts Payable in the amount of \$4,875,811.25 subject to submission of all contractually required documentation.
Seconded by Commissioner Mueller and approved by a Roll Call Vote:

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

Nays: None

Absent: R. Benson and L. Hartwig

PUBLIC COMMENTS – No comments

Commissioner Wilcox moved to adjourn the meeting at 9:05 P.M. Seconded by Commissioner Zeilenga and unanimously approved by a Voice Vote.

All voted aye. Motion carried.