

**MINUTES OF A MEETING OF THE
DU PAGE WATER COMMISSION
HELD ON THURSDAY, JUNE 10, 2004
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Vondra at 7:30 P.M.

Commissioners in attendance: R. Benson, E. Chaplin, T. Feltes (by teleconference), R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga and M. Vondra

Commissioners absent: W. Murphy

Also in attendance: Treasurer R. Thorn, M. Crowley, R. Martin, E. Kazmierczak, R. Skiba, C. Johnson, W. Green (Alvord Burdick & Howson) and R. Shea (Alvord, Burdick & Howson)

Commissioner Ferraro moved to open the Public Hearing regarding the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2004 and Ending April 30, 2005. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

The Financial Administrator reported that notice of the Public Hearing was published on May 10, 2004, and the draft Annual Budget and Appropriation Ordinance had been on file and available for public inspection for 30 days as required by law. There were no comments from the audience.

Commissioner Mueller moved to close the Public Hearing regarding the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2004 and Ending April 30, 2005. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Noting it was the Financial Administrator's last Board meeting, Chairman Vondra commended Richard H. Skiba, Jr. for his many years of exemplary service to the Commission. Commissioner Poole reiterated Chairman Vondra's comments, noting the standard of excellence that Mr. Skiba displayed during their 12 years of service together on the Finance Committee.

PUBLIC COMMENTS

Bill Lichter, Village Manager of Lombard, read the following prepared statement:

"My name is Bill Lichter and I am the Village Manager of Lombard. At the Commission's meeting of May 13th, Chairman Vondra indicated that he had named Commissioners Poole and Wilcox to work with staff in developing initial recommendations regarding a methodology for addressing the issue of subsequent customer rates. Chairman Vondra also noted that the full Commission would then consider those recommendations at a special meeting.

The methodology for determining subsequent customer rates has been a topic of discussion for many months. In order to bring this issue to some conclusion, I would ask that the working group of Commissioner Poole, Commissioner Wilcox, and staff proceed as expeditiously as possible in developing its initial recommendations so that the full Commission can take up the issue of subsequent customer rates in the relatively near future. I would also ask that the deliberations of the working group be as open as possible, that reports and other pertinent information under consideration by the working group be made available to all interested parties, and that the working group permit public input through an open meeting process as it considers various alternatives in preparing its recommendations to the Commission. Finally, I would request that the working group provide monthly status reports to the full Water Commission as its work moves along.

Thank you for considering these requests, and I look forward to following the progress of the working group in the coming weeks."

In response to Mr. Lichter's statement, Chairman Vondra clarified that the working group referred to by Mr. Lichter was mainly intended to collate the information received from the various consultants and organize an approach for consideration by the Board of the information supplied.

Commissioner Wilcox moved to approve the Minutes of the May 13, 2004 Regular Meeting, First Regular Executive Session Meeting, and Second Regular Executive Session Meeting of the DuPage Water Commission as a group. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Treasurer Thorn presented the Treasurer's Report. The Treasurer's Report for the month of May 2004 showed receipts of \$6,243,439.24, disbursements of \$18,511,775.92 and a cash and investment balance of \$177,962,870.04.

Commissioner Chaplin moved to accept the May 2004 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 Hartwig

Commissioner Hartwig reported the Committee discussed the establishment of a "Mission Statement" as requested by Commissioner Chaplin, and that the Committee would be ready to present its recommendation to the full Board at the August 2004 meeting. With respect to Commissioner Chaplin's request that staff periodically issue press releases concerning actions taken, projects completed, projects started, and other items of interest, it was the recommendation of the Administration Committee, and the consensus of the Commissioners present, that it would be more useful for staff to issue a brief statement of the actions taken at each meeting which could be shared with Commission customers, the County, and the press.

Commissioner Hartwig reported the Administration Committee's comments on the organization chart prepared by the General Manager, noting some discussion as to whether it would be more appropriate for the proposed Human Resources/Training Coordinator to report to the General Manager (or the Manager of Water Operations) rather than the Financial Administrator because of the predominantly technical background of Commission personnel, and whether the Board should establish/sanction the various positions within the organizational chart and/or the total number of personnel to be employed. Commissioner Hartwig noted the Administration Committee had no concerns with respect to the need for a new Manager of Water Operations and a Human Resources/Training Coordinator, but wanted more information on the other new positions. Chairman Vondra also noted the matter was being discussed in the Finance Committee and suggested it would be more efficient if the General Manager were to prepare a more detailed memorandum concerning the need for and estimated cost of the newly-created positions.

With respect to using an executive search firm for the recruitment of the Manager of Water Operations and the Human Resources/Training Coordinator, Commissioner Hartwig noted the Administration Committee recommended that The PAR Group – Paul A. Reaume, Ltd. be retained to provide such services in light of the Commission's current circumstance of having new hires in key administrative staff positions.

Commissioner Hartwig moved to authorize the General Manager to engage The PAR Group – Paul A. Reaume, Ltd. per their proposal dated May 25, 2004. Seconded by Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: W. Murphy

Engineering Committee – Report by Commissioner Wilcox

Commissioner Wilcox reported that the Engineering Committee discussed the Contract TW-3 project and recommended putting the project on hold until it can be reevaluated. Commissioner Wilcox noted that staff, with the assistance of an engineering firm to be retained for such purposes, will re-analyze all alternatives including eliminating the project in its entirety, and that no further design work will be performed on the project until the results of the re-evaluation have been reported to the Board. Commissioner Hartwig agreed with the recommendations of the Engineering Committee but added the General Manager should also meet with the managers and engineers of the affected communities to obtain their input on the project. Commissioner Mathews agreed with both sets of recommendations but added the General Manager should also be prepared to make recommendations concerning capital improvement priorities and five-year plan updates for discussion by the Board as requested in his letter dated May 21, 2004.

Finance Committee – Report by Commissioner Poole

The Finance Committee reviewed the May financial statements and the Accounts Payable and recommended their approval. The Finance Committee also reviewed the arbitrage rebate contract.

Commissioner Poole moved to accept the May 27, 2004 engagement letter with Chapman and Cutler for arbitrage rebate calculation services on outstanding 2003 DuPage Water Commission Water Revenue Bonds for an annual fee of \$2,000.00. Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: W. Murphy

On the matter of liability and property insurance renewals, the Finance Committee recommended the insurance be renewed using the Commission's existing broker and the matter of re-bidding brokers be left for consideration next year.

Commissioner Poole moved to direct staff to proceed with the liability and property insurance renewals using the Commission's existing broker of record. Seconded by Commissioner Chaplin and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Poole noted that staff will be contacting PMA, the Commission's local investment program consultant, to review the financial strength of United Community Bank in connection with that bank's request to participate in the program. Commissioner Poole also noted that, to facilitate the personnel reorganization, and in recognition that such reorganization will likely exceed the personnel budget, the factor applied to operating expenses in the Appropriation Ordinance for FY 2005 (Ordinance No. O-13-04) is 125% of budget, with a factor of 150% applied to construction outlays.

CHAIRMAN'S REPORT

Chairman Vondra reported the survey results favored changing the Board meetings for the months of July and August to breakfast morning meetings, with Committee meetings starting at 8:00 a.m., followed by 9:00 a.m. Board meetings.

Commissioner Ferraro moved to change the starting times of the July and August 2004 Committee and Board meetings to 8:00 a.m. and 9:00 a.m., respectively. Seconded by Commissioner Mathews and approved by a Voice Vote.

Majority voted aye, with Commissioner Benson voting no. Motion carried.

Chairman Vondra reported that Chairman Vondra, Commissioner Mathews and General Manager Robert Martin met with Greenberg Traurig, which Commissioner Mathews summarized as follows:

- The bulk of the meeting was spent providing Commissioner Mathews with historical background on the C-Factor issue.
- The City of Chicago has developed a loop testing program of its own, which is in the second quarter of testing.
- Greenberg Traurig does represent the City of Chicago in non-Commission matters and did represent, before being hired by the Commission, DuPage County in connection with Commission matters.
- Greenberg Traurig will give the Commission a credit on the retainer services for the months of June and July, while the Commission is waiting for the results of the calibration study.

OMNIBUS VOTE AGENDA

Commissioner Benson moved to adopt the items listed on the 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:

Majority Omnibus Vote

Ayes: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Minutes of the 6/10/04 Meeting

Absent: W. Murphy

- Item 1: Ordinance O-13-04: Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2004 and Ending April 30, 2005—"Majority Omnibus Vote"
- Item 2: Ordinance O-14-04: An Ordinance Determining the Prevailing Rate of Wages in DuPage County and Cook County—"Majority Omnibus Vote"
- Item 3: Ordinance O-15-04: An Ordinance Approving and Authorizing the Execution of a First Amendment to the Contract TIB-1 Inner Belt Transmission Main Pipeline Easement Agreement with the City of Elmhurst—"Majority Omnibus Vote"
- Item 4: Resolution R-32-04: A Resolution Awarding a Contract for Soils and Materials Testing Services—"Majority Omnibus Vote"

Commissioner Wilcox moved to adopt the items listed on the Super/Special Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures.
Seconded by Commissioner Ferraro and unanimously approved by a Roll Call Vote:

Super/Special Majority Omnibus Vote

Ayes: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: W. Murphy

- Item 1: Resolution R-31-04: A Resolution Approving and Ratifying Certain Task Orders Under a Master Contract with Consoer Townsend Envirodyne Engineers, Inc. at the June 10, 2004, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"
- Item 2: Resolution R-33-04: A Resolution Approving and Ratifying Certain Contract Change Orders at the June 10, 2004 DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

OLD BUSINESS

Commissioner Benson suggested that instead of purchasing the Lexington Pump Station, the Commission consider entering into a maintenance agreement with the City of Chicago that requires, and identifies with specificity, enhanced maintenance responsibilities. Chairman Vondra advised that whether the Commission should purchase the Lexington Pump Station is a topic that should be reserved for discussion in Executive Session.

Commissioner Wilcox moved to table consideration of the following items of Old Business on the Agenda:

1. Resolution R-29-04: A Resolution Approving and Authorizing the Execution of an Intergovernmental Agreement between the DuPage Water Commission and the Village of Bartlett Regarding Work in the Village
2. Resolution R-30-04: A Resolution Directing Advertisement for Bids on a Contract for the Construction of Phase I of the TW-3 West Transmission Main (Contract TW-3/04 Phase I)
3. Purchase Order No. 8092 in the amount of \$47,128.00 to Olson Technologies

Seconded by Commissioner Ferraro and approved by a Voice Vote.

Majority voted aye, with Commissioner Chaplin voting no. Motion carried.

Chairman Vondra noted that staff will address the concerns raised by Commissioner Chaplin in her letter dated May 17, 2004, at the same time as the results of the Contract TW-3 project re-evaluation and the capital improvement priorities and five-year plan updates requested by Commissioner Mathews were addressed; presumably in a committee of the whole or special meeting format. Commissioner Poole distributed various maps and plats that he requested be considered as part of the Contract TW-3 project re-evaluation.

NEW BUSINESS

Commissioner Wilcox moved to confirm Chairman Vondra's appointment of a single indivisible slate of Commissioners to serve as Vice-Chairman and on the Committees, as Chair or otherwise, set forth in Chairman Vondra's memorandum dated June 3, 2004, to the Commissioners, for a term expiring at the conclusion of the June 2005 regular meeting of the Board of Commissioners or until their successors are duly appointed and confirmed. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

Comment [mc1]: SEE JULY 2004 MEETING MINUTES RE CORRECTION OF TERM FOR VICE CHAIR

All voted aye. Motion carried.

Commissioner Benson moved to approve the revised Accounts Payable in the amount of \$19,105,064.61, 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, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: W. Murphy

Minutes of the 6/10/04 Meeting

Commissioner Mueller moved to readjust and establish the retirement date under Resolution R-29-03 for Financial Administrator Richard Skiba, Jr., to June 30, 2004.
Seconded by Commissioner Wilcox and unanimously approved by a Roll Call Vote:

Ayes: R. Benson, E. Chaplin, T. Feltes, R. Ferraro, L. Hartwig, G. Mathews, W. Mueller, A. Poole, J. Vrdolyak, G. Wilcox, D. Zeilenga, and M. Vondra

Nays: None

Absent: W. Murphy

Commissioner Wilcox moved to adjourn the meeting at 8:30 P.M. Seconded by Commissioner Ferraro and unanimously approved by a Voice Vote.

All voted aye. Motion carried.