

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, OCTOBER 18, 2012
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:46 P.M.

Commissioners in attendance: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, P. Suess, J. B. Webb, and J. Zay

Commissioners Absent: C. Janc, W. Murphy, and M. Scheck

Also in attendance: J. Spatz, C. Johnson, C. Peterson, T. McGhee, J. Rodriguez, M. Weed, J. Schori, F. Frelka, E. Kazmierczak, S. Lux of Baker Tilly and G. Gorski of Gorski and Good, LLP

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the September 20, 2012 Regular Meeting and the Minutes of the September 20, 2012 Executive Session of the DuPage Water Commission. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Financial Consultant Lux presented the September 2012 Treasurer's Report, consisting of six pages.

Financial Consultant Lux highlighted the \$72.7MM of cash and investments on page 1, noting that the balance was higher by about \$3.4MM as a result of the Commission's operations and continued strength in the sales tax. Financial Consultant Lux pointed out a new line item for BMO Harris Money Market stating that the Harris Bank accounts are up and running. Financial Consultant Lux also pointed out the schedule of investments on pages 2, 3, and 4. On page 5, the negative \$17MM net cash from capital and related financing activities was due to \$15MM principal payments and \$1.8MM interest payments on the Bonds and construction. The reserve analysis showed \$17.8MM of unrestricted cash on hand as well as the full funding of the Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts with a total cash balance of \$72MM shown on page 6. Also reflected on page 6 was an approximate \$95MM of outstanding debt in Table 3, Rows H, I and J.

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Commissioner Suess moved to accept the September 2012 Treasurer's Report.
Seconded by Commissioner Russo 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 the action items listed on the Finance Committee Agenda.

With regards to the Property and Liability Insurance, Commissioner Suess noted that he would be recusing himself from any discussion or vote related to the item in order to avoid the appearance of impropriety, noting that Commission Pruyn would be reporting out on the item.

With regards to the refinancing of the revenue bonds, Commissioner Suess reported that staff had received proposals with respect to legal counsel noting that the staff would be making a recommendation at the November meeting and that the Finance Committee would be holding a Special Meeting, before the November Board meeting, to interview the top 3 underwriters for a recommendation at the November Board meeting.

With respect to the Interest Period under the Northern Trust Certificate of Debt, Commissioner Suess stated that the Finance Committee recommended electing another one month interest period as the interest rate had decreased from last month.

Commissioner Furstenau asked and General Manager Spatz explained that by refinancing the Commission's revenue bonds, it would result in a savings of approximately \$2.7MM over the remaining 3-4 year term.

With respect to the selection of Bond Counsel, Chairman Zay suggested that the Commission be consistent with processes used in the past and hold interviews for the top three firms, as well, and report back at the November meeting with a recommendation for Board consideration. Commissioner Suess agreed and added that staff had also received proposals for auditor services and that the Finance Committee would be holding a special meeting to conduct interviews for that as well.

Commissioner Suess deferred to Commissioner Pruyn to report on the Property and Liability Insurance. Commissioner Pruyn reported that the Commission's insurance consultant Michael Nugent had solicited quotes from two different insurance agencies and that it was staff's recommendation to go with Marsh USA with a separate 3 year pollution policy with Gallagher.

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Commissioner Pruyn moved to suspend the purchasing procedures of the Commission's By-Laws and to purchase property and liability insurance coverage, for a total premium of approximately \$460,000.00 as proposed by Marsh USA and outlined by Nugent Consulting Group. Seconded by Commissioner Russo.

General Manager Spatz clarified that the renewal cost comparison quote breakdown would be \$430,000.00 for Marsh USA and \$30,000.00 for the pollution policy with Gallagher. After Chairman Zay stated that the \$30,000.00 for pollution policy would need to be on the November Board Meeting Agenda for consideration, the motion was unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, J. B. Webb, and J. Zay

Nays: None

Recused: P. Suess

Absent: C. Janc, W. Murphy, and M. Scheck

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee had met and discussed various items, one being a request that she had received to review potential modifications to the recently amended Commission By-Laws. Those modifications were:

- Under the Gift Ban and Political Contribution Limit. To revise the \$1,000.00 contribution limit allowed in donations to Commissioners and/or elected officials by contractors doing business with or receiving any type of remuneration from the DuPage Water Commission to a zero dollar amount.
- Adding Agenda Items. To modify to read that any group of three Commissioners would have the ability to add item(s) on an agenda.

With regards to adding item(s) to an agenda, Commissioner Crawford stated that the Administration Committee discussed the request and it was the consensus of the Committee to modify the By-Laws to incorporate language to allow the Chairman, the General Manager, or four Commissioners; two county appointed members and two municipal appointed members to request that an item be added to an agenda and that all requests would need to be in writing and submitted 7 business days prior to next Board meeting.

Commissioner Furstenau agreed with the process with one exception. Instead of two Commissioners from the County side and two Commissioners from the Municipal side, just have any four Commissioners. Chairman Zay stated that the Board works together as a group and by having two members from each side, it would keep things fair and on a more even playing field.

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With regards to the Gift Ban and Political Contribution Limit, Commissioner Crawford reported that it was the consensus of the Administration Committee along with the Commission's General Counsel to keep the contribution amount at \$1,000.00 as this amount was consistent with that of the County of DuPage and at this time the Committee would not be recommending any changes.

Commissioners Furstenau and Suess both disagreed noting that the Commission needs to be more stringent and suggested lowering the contribution level to \$250.00 as this would give the Commission an opportunity to be different from the County of DuPage.

Next, Commissioner Crawford reported that staff had purchased the iPads and should be ready to distribute them at the November Board meeting. Also, at the November meeting, Commissioner Crawford reported that staff would be introducing the 2013 Commission Employee Benefits Package for review and consideration and further reported that General Manager Spatz had arranged an insurance fair for the Commission employees to give them an opportunity to ask questions before making their selections.

General Manager Spatz explained that the reason staff is seeking Board approval in November was because the new 2013 insurance rates would not be released until November 1st and that employees would need to make their final selections before the December meeting as open-enrollment is 15 days prior to January 1, 2013.

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval the action items listed on the Engineering & Construction Committee Agenda.

Commissioner Loftus gave a brief summary of each item listed on the Engineering & Construction Committee Agenda, specifically Ordinance No. O-11-12 clarifying that should there be any changes to the ordinance, the changes would be brought back to the Board for discussion prior to any final approval. Commissioner Loftus then offered to answer any questions regarding the Status of Operations Report.

With no further discussion, Commissioner Loftus moved to adopt item numbers 2 and 4 under the Engineering & Construction Committee section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and M. Scheck

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- Item 2: Ordinance No. O-11-12: An Ordinance Approving and Authorizing the Execution of an Intergovernmental Agreement between the DuPage Water Commission, the County of DuPage, and the Village of Oak Brook Concerning the Construction and Operation of a Connection Facility for Interim and Emergency Water Deliveries
- Item 3: Resolution No. R-36-12: A Resolution Authorizing the Execution of an Agreement between the DuPage Water Commission and Tank Industry Consultants Inc. for Professional Engineering Services at the October 18, 2012, DuPage Water Commission Meeting - \$44,750.00 (estimated)
- Item 4: Resolution No. R-37-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the October 18, 2012, DuPage Water Commission Meeting - \$6,500.00 (estimated not-to-exceed)

Commissioner Loftus concluded his report by noting that work continues regarding the general terms and conditions for professional engineering services and that staff had emailed the terms to various professional firms to seek interested parties with positive responses being received and that the next step would be to move forward with developing the scope of services.

ACCOUNTS PAYABLE

Commissioner Russo moved to approve the Accounts Payable in the combined amount of \$7,169,189.90, 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: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and M. Scheck

CHAIRMAN'S REPORT

Chairman Zay thanked Steve Lux of Baker Tilly for his help and dedication as the October Board meeting would be his last meeting.

Chairman Zay reminded the four Commissioners of their terms expiring on January 1, 2013. Chairman Zay then stated that he would be reappointing the Committees and asked that all members submit, in writing, which committee they would like to serve on by ranking their choices from 1-3.

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OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

With regard to the two municipal Commissioners whose terms expire January 1, 2013, General Manager Spatz informed that staff would be sending out letters to the mayors and managers of those districts informing them of the expiration.

General Manager Spatz then referred to the City of Chicago's accountability reports noting that staff would be developing a list of follow up questions from those reports and welcomed Board members to submit any questions they would like to add for inclusion on that list.

NEW BUSINESS

Commissioner Suess moved to approve Resolution No. R-38-12: A Resolution Ratifying and Confirming the Authorization and Execution of Certain Settlement Documents Related to a Potential Claim Against UBS. Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and M. Scheck

At the request of Chairman Zay, Commissioner Suess moved to change the order of Business at the meeting to consider the Treasurer's Appointment before the going into Executive Session. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Furstenau moved to confirm Chairman Zay's appointment of Douglas R. Ellsworth to serve as the Treasurer of the DuPage Water Commission, subject to the advice and consent of the DuPage County Board. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote:

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Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and M. Scheck

EXECUTIVE SESSION

Commissioner Furstenau moved to go into Executive Session to discuss to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2). Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, J. Pruyn, D. Russo, F. Saverino, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: C. Janc, W. Murphy, and M. Scheck

The Board went into Executive Session at 8:24 P.M.

Commissioner Russo moved to come out of Executive Session at 8:38 P.M. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Furstenau moved to adjourn the meeting at 8:39 P.M. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.