

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, MAY 16, 2013
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

Commissioners in attendance: J. Broda, L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb and J. Zay

Commissioners Absent: None

Also in attendance: Treasurer D. Ellsworth, J. Spatz, C. Johnson, C. Peterson, T. McGhee, J. Rodriguez, M. Weed, F. Frelka, R. C. Bostick, J. Schori, E. Kazmierczak, and G. Gorski of Gorski & Good, LLP

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Broda moved to approve the Minutes of the April 18, 2013 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Treasurer Ellsworth presented the April 2013 Treasurer's Report, consisting of six pages.

Treasurer Ellsworth pointed out the \$65MM of cash and investments on page 1, noting a decrease of \$3.4MM from the previous month due to the \$5MM payment made to Northern Trust Bank towards the Debt Certificate. Treasurer Ellsworth also pointed out the schedule of investments on pages 2, 3, and 4 totaling \$62MM and the market yield on the total portfolio showed 42 basis points which was a slight improvement from the prior month. Treasurer Ellsworth pointed out the investment balance and the O&M account which decreased slightly under \$5MM. On page 5, the statement of cash flows showed a decrease in cash and investments by \$12MM and operating activities increased cash by \$2MM. Treasurer Ellsworth noted that it had been a good year for sales tax as the sales tax receipts showed an increase in cash of \$33MM which was up 3.7% from the prior year. Debt service payments totaled \$40MM with capital assets totaling \$2.4MM. On page 6, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements and approximately \$70.4MM of outstanding debt in Table 3, Rows H, I and J.

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Treasurer Ellsworth concluded his report by noting that at year end on April 30th, the Commission's revenues had exceeded expenditures by \$26.8MM and actual total expenditures were \$8MM less than budgeted. Treasurer Ellsworth further noted that it had been a great year for the Commission financially as staff had done a good job at managing its annual budget.

Commissioner Murphy moved to accept the April 2013 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 all action items listed on the Finance Committee Agenda and gave a brief summary of each item.

With regards to Ordinance No. O-3-13, Commissioner Suess explained that approval of the ordinance would reduce the existing interest rate on the Debt Certificate with Northern Trust Bank currently at 125 basis points plus Libor to 75 basis points plus Libor for an approximate savings of \$125,000 per year.

With regards to Resolution No. R-16-13, Commissioner Suess stated that the final payment of \$3MM plus interest would be made to West Suburban Bank on June 21st.

With no further discussion, Commissioner Suess moved to adopt item numbers 2 and 3 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote:

Finance Omnibus Vote

Ayes: J. Broda, L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb and J. Zay

Nays: None

Absent: None

Item 2: Ordinance No. O-3-13: An Ordinance of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Further Amending the \$40,000,000 Taxable Debt Certificate, Series 2010, of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Pursuant to Agreement with the Original Purchaser [The Northern Trust Company]

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Item 3: Resolution No. R-16-13: A Resolution Authorizing The Redemption of the West Suburban Second Amended and Extended 2009 Debt Certificate and Authorizing and Directing the Use of General Account Balances for the Payment Thereof – Final Payment \$3MM plus interest – West Suburban Bank

Commissioner Furstenau questioned whether additional payments could be made towards the Northern Trust Bank Certificate of Debt. General Manager Spatz replied yes and explained that the Commission's goal would be to make additional payments throughout the year and as long as the Commission elects the one month reset interest period, additional payments could be made at any month.

Commissioner Suess concluded his report by noting that the Finance Committee met with the Commission's Financial Advisor, PFM, to review the quarterly update and that the investments on the reserve funds had been going very well as the approximate \$43MM that PFM manages was earning around 44 basis points.

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee reviewed and recommended for approval all action items listed on the Administration Committee Agenda. After Commissioner Crawford gave a brief summary of each item, she welcomed any questions.

Hearing none, Commissioner Crawford moved to adopt item numbers 2 and 3 under the Administration Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Broda and unanimously approved by a Roll Call Vote:

Administration Omnibus Vote

Ayes: J. Broda, L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb and J. Zay

Nays: None

Absent: None

Item 2: Resolution No. R-14-13: A Resolution Releasing Certain Executive Session Meeting Minutes at the May 16, 2013, DuPage Water Commission Meeting

Item 3: Resolution No. R-15-13: A Resolution Authorizing and Ratifying the Disposal of Certain Personal Property Owned by the DuPage Water Commission

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval all action items listed on the Engineering & Construction Agenda and gave a brief a brief summary of each item.

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With regards to Resolution No. R-13-13, Commissioner Loftus noted that the Commission had solicited RFQs for general engineering services and received positive requests from twenty-two firms. Commissioner Loftus further noted that by engaging various firms, on a project by project basis, that it should bring more competitive pricing which in turn would add value to the Commission's budget.

After Commissioner Loftus noted that he would be recusing himself from any discussion or vote related to the items in order to avoid the appearance of impropriety, Commissioner Scheck moved to adopt item numbers 2 and 3 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote:

Engineering & Construction Omnibus Vote

Ayes: J. Broda, L. Crawford, R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb and J. Zay

Nays: None

Recused: D. Loftus

Absent: None

Item 2: Resolution No. R-13-13: A Resolution Approving and Authorizing the Execution of a Master Contracts with the list of attached firms for Professional Engineering Services

Item 3: To retain the services of Christopher B. Burke Engineering, LTD., for professional services related to the Lexington Pump Station Title Transfer in an amount not to exceed \$5,000.00.

ACCOUNTS PAYABLE

Commissioner Suess moved to approve the Accounts Payable in the amount of \$6,802,255.60 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, as revised. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: J. Broda, L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb and J. Zay

Nays: None

Absent: None

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CHAIRMAN'S REPORT

Chairman Zay advised that he would like to change the start times of the regular and committee meetings as a lot had been accomplished over the past two years and felt that the extra time designated for the meetings was no longer needed.

Commissioner Murphy moved to change the regular Commission and the Committee meetings of each month, with the regular Board meeting to begin at 7:00 P.M., the Administration Committee to begin at 6:40 P.M., the Engineering and Construction Committee to begin at 6:20 P.M., and the Finance Committee to begin at 6:00 P.M. prior to the regular Board meetings. Seconded by Commissioner Russo and unanimously approved by a Voice Vote:

All voted aye. Motion carried.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

None

EXECUTIVE SESSION

None

Commissioner Murphy moved to adjourn the meeting at 7:46 P.M. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.