

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY DECEMBER 9, 2010
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman S. Louis Rathje at 7:20 P.M.

Commissioners in attendance: T. Bennington (arrived at 7:25 PM), T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Commissioners Absent: W. Maio and W. Mueller

Also in attendance: T. McGhee, R. Skiba, M. Crowley, C. Johnson, J. Nesbitt, R. C. Bostick, J. Schori, M. Weed, E. Kazmierczak, and F. Frelka

Commissioner Pruyn took his Oath of Office.

PUBLIC HEARING

Commissioner Elliott moved to open the Public Hearing regarding Amendments to the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011. Seconded by Commissioner Loper and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Acting General Manager McGhee explained that Ordinance No. O-15-10 would appropriate an additional \$3,163,300 of the estimated \$36.3 million May 1, 2010 unappropriated Commission funds to ensure that no line item actual expenditure through November 30, 2010 exceeded 58.33% (7/12 of the lapsed fiscal year at November 30, 2010) of the amended appropriation, in addition to appropriating an additional \$2,587,700 in contingency against possible emergency pipeline expenses. Acting General Manager McGhee added that adoption of Ordinance No. O-15-10 was optional and mostly intended to restore the Contingency appropriation to its initial amount. Commissioner Suess asked where the previously unappropriated funds were to come from. Former Financial Administrator Skiba responded that the previously unappropriated funds would come from reserves that were mostly derived from certificate of debt proceeds.

Commissioner Bennington arrived at 7:25 P.M.

Treasurer/Commissioner Zeilenga added that the previously unappropriated funds would come from the \$25,344,166 general cash balance shown on Line A of Report B of the Treasurer's Report.

After Commissioner Suess confirmed with Former Financial Administrator Skiba that any expenditure of the Contingency appropriation would require Board approval, Chairman Rathje opened up the floor for public questions and comments. Hearing

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none, Commissioner Elliott moved to close the Public Hearing regarding Amendments to the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011. Seconded by Commission Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

PUBLIC COMMENTS

Stan Zegel, Winfield, Illinois, expressed concerns with the Commission's meeting Agenda, noting that most of the items should be deferred to the regular January meeting for the new Board to decide.

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the November 11, 2010 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT

Treasurer/Commissioner Zeilenga presented the November 2010 Treasurer's Report, which consisted of three pages designated Reports A, B, and C. With respect to Report B, Treasurer/Commissioner Zeilenga noted that the current construction obligations have dropped because the projects are nearing completion and that the total summary cash plus reserve analysis shows a balance for the month of November that was higher than October's month end. Treasurer/Commissioner Zeilenga also noted that Reports A and C are reconciled with each other.

Commissioner Furstenau moved to accept the November 2010 Treasurer's Report. Seconded by Commissioner Elliott and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Administration Committee

Meeting Canceled

Engineering & Construction Committee

Meeting Canceled

Finance Committee

Meeting Canceled

CHAIRMAN'S REPORT

Chairman Rathje deferred his report to the end of the meeting.

MAJORITY OMNIBUS VOTE AGENDA

Chairman Rathje requested that each item be removed from the Majority Omnibus Vote Agenda for separate consideration.

Treasurer/Commissioner Zeilenga moved to adopt Ordinance No. O-13-10: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

Commissioner Zay moved to adopt Resolution No. R-53-10: A Resolution Awarding a Contract for High Lift Pump Motor Re-Build at the DuPage Pumping Station. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Due to unsettled issues with the Contract PSD-7/08 Contractor, Acting General Manager McGhee requested that Resolution No. R-55-10: A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the December 9, 2010, DuPage Water Commission Meeting not be acted upon.

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Commissioner Murphy moved to adopt Resolution No. R-54-10: A Resolution Approving and Ratifying Certain Contract PSC-4/08 Change Orders at the December 9, 2010, DuPage Water Commission Meeting. Seconded by Commissioner Furstenau and approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, D. Zeilenga, and L. Rathje

Nays: T. Bennington and J. Zay

Absent: W. Maio and W. Mueller

OLD BUSINESS

Recommendations From Ad Hoc Committee

None

Downers Grove Contaminated Well Loan

Commissioner Elliott requested that the discussion be deferred to Executive Session.

Treasurer Compensation

Treasurer/Commissioner Zeilenga moved to change the compensation of the Treasurer, effective as of January 1, 2011, from a stipend of \$50 per meeting to an annual fee of \$10,000.00, payable in substantially equal monthly installments, to any Treasurer who is not a member of a governing board or an officer or employee of a unit of local government within DuPage County. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

Ordinance No. O-15-10

Failed for lack of an approving motion

Retain Financial Services Provider

Commissioner Murphy asked Acting General Manager McGhee to provide staff's overview of the proposals received. Acting General Manager McGhee reminded the Board that, in October, staff was directed to formally solicit outsourcing proposals from reputable accounting firms.

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Acting General Manager McGhee noted that of the seven firms solicited, only four submitted proposals. Acting General Manager McGhee advised that copies of the proposals received had been provided to Chairman Rathje, Treasurer/Commissioner Zeilenga, Finance Committee Chairman Zay, and Commissioner Murphy for review. Acting General Manager McGhee also noted that based upon staff's review of the various firm qualifications, together with the separately sealed cost information that had been provided to the full Board as requested at the November meeting, Crowe Horwath remained the staff's most favored firm in terms of both cost (\$19,500/month) and qualifications, with Baker Tilly (\$23,872/month) next in line. Acting General Manager McGhee concluded his remarks by noting that based upon the Commission's current cost to retain three independent financial consultants in addition to the employment one full time account clerk, it would be more cost efficient to outsource the financial department.

After several Commissioners complained that they had never received the cost data, Commissioner Elliott move to table to the January meeting retaining the services of a financial service provider. Seconded by Commissioner Furstenu and unanimously approved by a Voice Vote:

All voted aye. Motion carried.

NEW BUSINESS

Westchester Pavement Failure

Acting General Manager McGhee gave a brief summary and video presentation regarding the Village of Westchester's request for Commission assistance in repairing a street that had settled over the Commission's 72" Transmission Main. After the Board viewed the video, the Village of Westchester's Village President, Sam Pulia, distributed a handout highlighting the pavement area in question and the Village's historical street repairs.

During the discussion, Acting General Manager McGhee noted that the transmission main had been installed by the Commission approximately 15 years ago under Intergovernmental Agreement with the Village. Acting General Manager McGhee added that the Intergovernmental Agreement specifically included a two-year warranty—one year from the contractor and an additional year from the Commission. Acting General Manager McGhee additionally noted that the Intergovernmental Agreement also limited the Commission's obligation to make repairs due to subsidence for a period of two years following installation. Staff Attorney Crowley agreed with Acting General Manager McGhee's summary of the Intergovernmental Agreement provisions, as well as noting that the statute of limitations had also run.

With respect to Mr. Pulia's statement that the Village's engineering consultant believed that the 72" Transmission Main was incorrectly compacted when it was initially installed, Acting General Manager McGhee stated that the Commission had received compaction

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test reports from the Commission's independent materials testing service verifying that, as the installation of the 72" Transmission Main progressed, the trench was backfilled and compacted in accordance with the requirements of the Intergovernmental Agreement. Acting General Manager McGhee added that, at project completion, the Commission also obtained "Final Acceptance" certifications from the Village and the Village engineer stating that the entire installation within the Village complied with Village requirements.

Based solely on a possible risk to the 72" Transmission Main, it was the consensus of the Board to reconsider the matter once the Village of Westchester's engineer had conducted a further evaluation and reported back to the Board.

Ordinance No. O-14-10

Commissioner Bennington left the meeting at 8:34 P.M. to avoid a possible or perceived conflict of interest because his firm represents West Suburban Bank as a client.

Commissioner Zay moved to adopt Ordinance No. O-14-10: An Ordinance of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Amending and Extending the \$30,000,000 Taxable Debt Certificate, Series 2009, of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Pursuant to Agreement with the Original Purchaser. Seconded by Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington, W. Maio, and W. Mueller

ACCOUNTS PAYABLE

Commissioner Zay moved to approve both Accounts Payable in the combined amount of \$6,347,853.81, 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 Treasurer/Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington, W. Maio and W. Mueller

Commissioner Bennington returned to the meeting at 8:35 P.M.

GENERAL MANAGER APPOINTMENT

None

TREASURER APPOINTMENT

None

EXECUTIVE SESSION

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

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

The Board went into Executive Session at 8:40 P.M.

Commissioner Furstenau moved to come out of Executive Session at 9:15 P.M. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Chairman Rathje presented each Commissioner with a plaque thanking them for their loyal and dedicated service.

Commissioner Elliott moved to adjourn the meeting at 9:25 P.M. Seconded by Commissioner Bennington and unanimously approved by a Voice Vote.

All voted aye. Motion carried.