

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, AUGUST 15, 2019
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 6:31 P.M.

Commissioners in attendance: D. Bouckaert, J. Broda, J. Fennell, R. Gans, D. Novotny, R Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, P. Suess and J. Zay

Commissioners Absent: J. Healy

Also in attendance: Treasurer W. Fates, J. Spatz, C. Johnson, C. Peterson, J. Rodriguez, A. Stark, M. Weed, F. Frelka, J. Schori, D. Cuvalo, E. Kazmierczak, P. Luetkehans of Schirott, Luetkehans & Garner, LLC. and J. Savio of Sikich LLP

OATH OF OFFICE

Chairman Zay welcomed new Commissioner Kathleen Rush noting that she had already taken her Oath of Office.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Obarski moved to approve the Minutes of the June 20, 2019 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORTS

Treasurer Fates reported that he had reviewed and approved all journal entries and bank reconciliations for the months of June and July. He then presented the July 2019 Treasurer's Report consisting of 12 pages, noting that pages 1 and 2 contained a brief summary of the report.

July 2019

Treasurer Fates pointed out the \$173.8 million of cash and investments on page 4, which reflected an increase of about \$1.2 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 10 totaling \$154.2 million and the market yield on the total portfolio showed 2.16% which has slightly decreased from the prior month. On page 11, the statement of cash flows showed an increase in cash and investments by about \$2.6 million and operating activities generated \$2.2 million, and roughly \$113,000 of sales tax was received. On page 12, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements.

Minutes of the 8/15/2019 Commission Meeting

Commissioner Russo moved to accept the June and July 2019 Treasurer's Reports. Seconded by Commissioner Broda 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.

With regards to the 2019 Annual Audit Report, Commissioner Suess asked Sikich LLP representative Jim Savio to present the 2019 Annual Audit Report. Mr. Savio provided a favorable summary of the report pointing out that the Commission had no audit adjustments, no past adjustments, no material weaknesses, no significant deficiencies, no deficiencies, and also issued an unmodified opinion to the Commission.

Commissioner Suess thanked Treasurer Fates, General Manager Spatz, Financial Administrator Peterson and staff for their hard work on the audit. There being no further comments, Commissioner Suess moved to accept the draft audit report for the fiscal year ending April 30, 2019, to direct the auditors to print the final report, and to direct staff to distribute the FY2019 Audit Report to the Commission's customers and other interested parties. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, R. Gans, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy

Commissioner Suess concluded his report by noting that a summary report had been provided pertaining to the Village of Bartlett financials which included what the Commission had loaned the Village and the projected revenues noting that the return was making a nice contribution to the Commission's financials.

Administration Committee – Reported by Commissioner Broda

Commissioner Broda reported that the Administration Committee reviewed and recommended for approval all action items listed on the Administration Committee Agenda. After providing a brief summary, he welcomed any questions. Hearing none, Commissioner Broda moved to adopt Resolution No. R-27-19: A Resolution Authorizing and Ratifying the Disposal of Certain Personal Property Owned by the DuPage Water Commission. Seconded by Commissioner Obarski and unanimously approved by a Roll Call Vote.

Minutes of the 8/15/2019 Commission Meeting

Ayes: D. Bouckaert, J. Broda, J. Fennell, R. Gans, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy

Engineering & Construction Committee – Reported by Commissioner Fennell

Commissioner Fennell reported that the Engineering & Construction Committee reviewed and recommended for approval all action items listed on the Engineering & Construction Committee Agenda and welcomed any questions. Hearing none, Commissioner Fennell moved to adopt item numbers 2 through 9 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Bouckaert and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, R. Gans, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy

Item 2: Ordinance No. O-5-19: An Ordinance Determining the Prevailing Rate of Wages in DuPage County and Cook County (no cost)

Item 3: Resolution No. R-22-19: A Resolution Directing Advertisement for Bids on a contract for 36-month Maintenance, Parts and Repair service for Large Electric Motors (no cost)

Item 4: Resolution No. R-23-19: A Resolution approving a First Amendment to Task Order No. 1 under a Master Contract with Greeley and Hansen (for an additional cost not-to-exceed \$8,000.00)

Item 5: Resolution No. R-24-19: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-11/17 at the August 15, 2019, DuPage Water Commission Meeting (John Neri Construction Co., Inc., in the amount of \$3,100.00)

Item 6: Resolution No. R-25-19: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-8/17 at the August 15, 2019, DuPage Water Commission Meeting (Volt Electric, Inc., in an estimated cost of \$11,221.00)

Item 7: Resolution No. R-26-19: A Resolution to Suspend Purchasing Procedures and Authorize the General Manager to Purchase Spare Medium Voltage Breakers and Power Transformer (Industrial Electric Manufacturing at an estimated cost of \$68,000.00)

Minutes of the 8/15/2019 Commission Meeting

- Item 8: Resolution No. R-28-19: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-8/17 at the August 15, 2019, DuPage Water Commission Meeting (WAO #12 to Volt Electric, Inc. at an estimated cost of \$6,240.00 and WAO #13 to McWilliams Electric, Inc., at an estimated cost of \$9,540.00)
- Item 9: Resolution No. R-29-19: A Resolution Directing Advertisement for Bids on a Contract for the Fabrication of Valve Stem Risers (no cost)

ACCOUNTS PAYABLE

Commissioner Gans moved to approve the Accounts Payable in the amount of \$9,001,104.08 (June 2019, disbursements made with concurrence of Commission's Chairman) and \$11,158,828.80 (July 2019) subject to submission of all contractually required documentation, for invoices that have been received and to approve the Accounts Payable in the amount of \$1,147,825.00 (June 2019, disbursements made with concurrence of Commission's Chairman) and \$940,525.00 (July 2019) subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Broda and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, R. Gans, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy

CHAIRMAN'S REPORT

None

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

General Manager Spatz began by noting that an ad hoc committee had been formed to begin the process of renegotiating the Water Purchase and Sale Contracts between the Commission and its customers with the first meeting scheduled for August 28th.

Minutes of the 8/15/2019 Commission Meeting

Next, General Manager Spatz advised that the Village of Oak Brook is currently seeking requests for proposals to sell part of their Water System (5 zones outside the corporate limits) to a private company. General Manager Spatz shared his concern regarding the legal stipulation of exceeding a 5% water sale limit to a for-profit company resulting in a possible loss of the Commission's tax exemption status. Based upon Oak Brook's actions, General Manager Spatz had suggested that the Commission adopt future policies and procedures regarding water agencies selling parts of their system. Discussed ensued regarding what approvals are currently needed for the sale of any parts of the Commission's customers water systems.

Lastly, General Manager Spatz provided a brief update with regards to the possibility of the Commission supplying water to other communities. For the Villages of Oswego and Montgomery and the City of Yorkville, General Manager Spatz noted that due to the recent changes with their mayors and board members it was uncertain, at this time, whether the Commission was still being considered as an option. As for the City of Joliet, all options are still being considered and that the Village of Shorewood was still interested with more detailed discussions expected.

NEW BUSINESS

General Manager Spatz shared that the Commission had earned a national award for utility performance and specifically recognized the Commission's two Coordinating Engineers Alan Stark and Denis Cuvalo for their hard work in preparing a very thorough 15-page application. General Manager Spatz noted that the award ceremony was being held in October in Rhode Island and that Chairman Zay and both Coordinating Engineers Stark and Cuvalo would be joining him to accept this award.

General Manager Spatz also shared that Manager of Water Operations Terry McGhee would be retiring on November 1, 2019 with 28 years of service. Both Chairman Zay and General Manager Spatz stated that the Commission would like to plan something in recognition of his service.

EXECUTIVE SESSION

None

Commissioner Broda moved to adjourn the meeting at 6:59 P.M. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.