

**Minutes of a Meeting  
of the**

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**BOARD OF COMMISSIONERS**

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DuPage Water Commission  
600 E. Butterfield Road, Elmhurst, Illinois

October 19, 2023

I. The meeting was called to order by Chairman Zay at 6:30 PM

II. Roll Call

Commissioners in attendance: N. Cuzzone, J. Fennell, J. Healy, D. Novotny, J. Pruyn, K. Romano, K. Rush, F. Saverino, P. Suess, D. Van Vooren, J. Zay.

Commissioners absent: D. Bouckaert, D. Russo

Also in attendance: P. May, C. Bostick, C. Peterson, M. Weed, D. Panaszek, D. Cuvalo, J. Loster, D. Mundall, J. Rodriguez, J. Haney, William Fates, Mara Georges of Georges & Synowiecki, Ltd., Phil Luetkehans of Luetkehans, Brady, Garner & Armstrong, LLC

III. Public Comments

No public comment was offered.

IV. Approval of Minutes

Commissioner Healy moved to approve the minutes of the September 19, 2023 Regular Meeting of the DuPage Water Commission, and the minutes from the September 21, 2023 Executive Session, seconded by Commissioner Saverino, unanimously approved by a voice vote. All Aye, motion carried.

V. Treasurer's Report

Treasurer Fates presented the September 2023 Treasurer's Reports consisting of 13 pages with pages 1 and 2 containing a brief summary of the report.

September 2023

Treasurer Fates noted \$230.5 million of cash and investments on page 4, a increase of \$1.6M from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$201.5 million and the market yield on the total portfolio showed 3.32% which is up slightly from the prior month. On page 12, the statement of cash flows showed an increase in cash and investments by about \$2.8 million and operating activities increased by approximately \$1.1 million. Also noted on page 13, the monthly cash/operating report showed that the Commission has met all recommended reserve balances.

Commissioner Pruyun moved to accept the September 2023 Treasurer's Reports, seconded by Commissioner Rush, unanimously approved by a voice vote. All aye, motion carried.

VI. Committee Reports

**A. Finance Committee**

- Item 1: Commissioner Suess provided an update of the Finance Committee meeting.
- Item 2: RFBA - Authorization for the General Manager to engage in a two-year agreement with Sikich LLC for audit services at the DuPage Water Commission, at a not to exceed amount of \$33,000 per year.
- Item 3: RFBA – Property and Liability Insurance: To Suspend the Purchasing Procedures of the Commission’s By-Laws and to Purchase Property and Liability Insurance as proposed by AJ Gallagher Risk Management Services, Inc, at a not to exceed cost of \$625,000.00.
- Item 4: RFBA - Workers’ Compensation and Employer’s Liability Insurance - To Suspend the Purchasing Procedures of the Commission’s By-Laws and to Purchase Workers’ Compensation and Employer’s Liability Insurance as proposed by Illinois Public Risk Fund and outlined by Arthur J. Gallagher Risk Management Services, Inc., at a cost of \$127,000.00.

Commissioner Suess moved to adopt item numbers 2 through 4 under the Finance Report section of the agenda in a single group pursuant to the Omnibus Vote Procedures seconded by Commissioner Pruyun, unanimously approved by a Roll Call Vote.

Ayes: N. Cuzzone, J. Fennell, J. Healy, D. Novotny, Pruyun, K. Romano, K. Rush, F. Saverino, P. Suess, D. Van Vooren, J. Zay

Nay: None

Absent: D. Bouckaert, D. Russo

**B. Administration Committee**

Administration Committee did not meet.

**C. Engineering & Construction Committee**

Engineering & Construction Committee did not meet.

VII. Accounts Payable

**A. September 2023**

- Item 1: To approve the Accounts Payable in the amount of \$11,767,628.40 (September 2023), subject to submission of all contractually required documentation for invoices that have been received.
  
- Item 2: To approve the Accounts Payable in the amount of \$4,311,675.00 (September 2023), subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated.

Chairman Zay asked for a motion to combine and approve the accounts payable disbursements and the estimated accounts payable for September 2023, Commissioner Cuzzone moved, seconded by Commissioner Romano and unanimously approved by a roll call vote.

- Ayes: N. Cuzzone, J. Fennell, J. Healy, D. Novotny, J. Pruyn, K. Romano, K. Rush, F. Saverino, P. Suess, D. Van Vooren, J. Zay
  
- Nay: None
  
- Absent: D. Bouckaert, D. Russo

VIII. Source Water Update and Presentations

A. Presentation by Carollo Engineering

General Manager May introduced Carollo Engineering, their task was to further evaluate the Alternate Water Source North Route and its feasibility. Mr. Len Rago of Carollo Engineering began the presentation by introducing his team. He then went on to offer a recap of the alternative water supply system study along with a review of the expanded alternative water supply (north) study. Mr. Rago introduced Mr. Mike Morris to expand on the alternative north water supply study. Mr. Morris detailed the changes to the plan and the affect to partner water commissions. The original water treatment plant site may no longer be large enough, however, larger water treatment plant sites have been identified which allow for better tunneling routes. Mr. Ike Isaacson then detailed the tunnel routes and process, noting that NE Illinois offers excellent tunneling conditions. The partner agency's connections provide a shorter tunnel route and therefore decrease costs. Ms. Jennifer Ivey detailed midrange capital costs, of approximately \$3.5 billion dollars, and reviewed general financing conditions and assumptions. Debt service calculations were computed at 3% and 6%, indicating that favorable rates could be expected when compared to estimated future Chicago Wholesale rates. Mr. Rago concluded the Carollo presentation by pointing out the amount of savings being realized by taking on NSMJAWA and NWC over the length of a contract.

B. Presentation by Raftelis Financial

Mr. Joe Mastracchio of Raftelis Financial began his presentation by introducing the scope of the study carried out. Mr. Mastracchio began with the cost analysis, including capital cost escalation and cost of debt. Raftelis' s preliminary conclusion parallels that of Carollo; project unit costs projected to be lower than DWC continuing to purchase water from the City of Chicago, assuming Chicago rates continue to be calculated under the current rate methodology. Project financing alternatives to be considered were covered briefly, with advantages and disadvantages noted for all options. Financing plan scenario options were also presented, for both the alternative water supply project and expanded alternative water supply project. In conclusion, projected unit costs are lower for the alternative water supply project and the expanded water supply project than purchasing water from the City of Chicago at current rates plus future escalation.

General Manager May opened the floor for questions relative to how long to extend the Chicago contact. Chairman Zay assured the Commissioners that the alternative water supply project is not a bargaining chip to use in contract negotiations with the City of Chicago, it is being considered to determine what best for residents of DuPage County in the long-term.

Commissioner Pruyn began the question-and-answer session by asking about the sensitivity analysis. Mr. Mastracchio replied that the assumptions were conservative and can be tightened based on further evaluation of necessary system size and scale. Commissioner Pruyn followed up with a question on construction cost trends. Mr. Mike Morris of Carollo replied that costs are difficult to forecast, and that industry standard forecast data had been used. Ms. Ivey went on to mention that the forecasted rates of increase also apply to the City of Chicago, as capital costs for their work will increase at the same rate as the capital cost for a source water project. Commissioner Van Vooren inquired about 360 million peak day and whom that applies to. General Manager May replied he can provide a list to Commissioner Van Vooren of the municipalities that applies to, noting that there may be some ability to refine the scale to a reduced size as conservative flow estimates and peaking factors were utilized in the analysis. Commissioner Van Vooren went on to ask how the City of Aurora factors into this decision making process. Chairman Zay replied that he has engaged the City of Aurora, which could become a future consumer based on proximity to our infrastructure.

Commissioner Healy thanked staff for their hard work and thanked the Chairman for looking at this project from a regional perspective instead of a County perspective. He went on to ask for a rough estimate for the lifespan of pipes/tunnels in regard to cost. Mr. Morris replied that pipes/tunnels have a 100-year lifespan.

Commissioner Cuzzone asked if costs included upgrading the Lexington plant, General Manager May replied that Lexington would be no longer be of service to DWC if flows are reversed, as the new system would provide the source of water, therefore replacing the Lexington supply.

Commissioner Suess asked if the Commission is subject to prevailing wage, to which the answer is yes. He continued to question the ability to accelerate the project, therefore

reducing costs. Mr. Rago agreed that accelerating the project would reduce costs. Commissioner Suess inquired about financing options and their benefit to the Commission.

IX. Consideration of Chicago Source Water Contract Extension

- A. Resolution No. R-54-23: A Resolution seeking approval from the Charter Customers under Section 16 of the Water Purchase and Sale Contract to extend the Chicago Water Supply Contract.

Chairman Zay updated the Commissioners on contract negotiations with the City of Chicago, Ms. Mara Georges confirmed that any renewal between 10-40 years will not require City Council action. Chairman Zay asked the board for their concurrence to extend the Chicago contract for a term of 15-20 years to be brought to the customers. Commissioner Van Vooren asked for the justification for the 15-20 term to which General Manager May replied that it shortens the amount of time that we have project debt service and commodity purchase cost to the City of Chicago overlapping. Commissioner Suess asked if the term should be closer to the 12-year mark, instead of 15-20. General Manager May said he was not confident the project could be completed in that time period. Commissioner Fennell took the alternate view by asking what happens if we exceed the 20-year term. Attorney Luetkehans replied that the consequences would be financial and possibly legal. Commissioner Saverino asked if we can reduce the amount of water taken from Chicago. Chairman Zay reminded the Commissioners that we are bound by contract to take a minimum of 50% of our maximum ability, and the full water supply for DWC customers.

Commissioner Healy moved to approve Resolution R-54-23, as amended to include the range of 15–20-year extension of the Chicago contract, seconded by Commissioner Fennell unanimously approved by a Roll Call Vote.

Ayes: N. Cuzzone, J. Fennell, J. Healy, D. Novotny, J. Pruy, K. Romano, K. Rush, F. Saverino, P. Suess, D. Van Vooren, J. Zay

Nay: None

Absent: D. Bouckaert, D. Russo

X. Chairman’s Report

Chairman Zay thanked Staff for their continued hard work.

General Manager May welcomed new Engineering Manager Jeff Loster and new Commissioner Karyn Romano. He went on to thank Staff for all of their hard work.

XI. Old Business

No Old Business was offered.

XII. New Business

No new business was offered.

XIII. Executive Session

No Executive Session was offered.

XIV. Adjournment

Commissioner Van Vooren made a motion to adjourn, seconded by Commissioner Healy, unanimously approved by a voice vote. All aye, motion carried.

Meeting adjourned at 8:14 PM.