

**MINUTES OF A MEETING OF THE  
DuPAGE WATER COMMISSION  
HELD ON THURSDAY AUGUST 12, 2010  
600 E. BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

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

Commissioners in attendance: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Commissioners Absent: J. Zay and D. Zeilenga

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

**ADMINISTERING OFFICIAL OATH**

Commissioner Suess took his oath of office.

Commissioner Loper took his oath of office.

**PUBLIC COMMENTS**

Harriet Rose, Lisle, Illinois and a member of DuPage United, read from a prepared statement expressing concerns with the misuse of tax dollars in Illinois and urging the Commission to adopt stronger reforms such as retaining the County Auditor to provide greater financial accountability.

Jim Honig, Glen Ellyn, Illinois, Pastor of Faith Lutheran Church, and a member of DuPage United, read from a prepared statement urging the Board to immediately plan for gradual water rate increases and to allow the Commission's sales tax authority to lapse in 2016.

Don Darrow, Naperville, Illinois and a member of DuPage United, read from a prepared statement addressing the reorganization of the Water Commission and urging that new Commissioners be appointed and the County Auditor be retained for greater financial transparency and accountability.

**APPROVAL OF MINUTES**

After Staff Attorney Crowley noted that July 14, 2010, meeting minutes had been revised to incorporate (1) two separate votes on the failed motion to approve Resolution No. R-20-10 with a stated Target Fund Balance of \$7MM and (2) the \$50,000 cap on Labor Counsel fees, Commissioner Murphy moved to approve the Minutes of the July 14, 2010 Special Meeting of the DuPage Water Commission as revised. Seconded by Commissioner Furstenau and approved by a Voice Vote.

All voted aye except Commissioner Hartwig abstained. Motion carried.

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Commissioner Elliott moved to approve the Minutes of the July 14, 2010 Special Executive Session Meeting of the DuPage Water Commission as revised to change the word "complainant" to "complaint." Seconded by Commissioner Furstenau and approved by a Voice Vote.

All voted aye except Commissioners Bennington and Hartwig abstained. Motion carried.

### **TREASURER'S REPORT**

Former Financial Administrator Skiba reported on the revised July 2010 Treasurer's Report, which consisted of three pages designated Reports A (revised), B, and C (revised). With respect to Report A, Former Financial Administrator Skiba noted a positive cash flow for the month of July, adding that the May 1<sup>st</sup> water rate increase took effect.

With respect to Report B, Former Financial Administrator Skiba reported that the reduction in the operating cash contingency was \$3.87MM, which is above the Commission's bond ordinance and policy requirements.

With respect to Report C, Former Financial Administrator Skiba noted \$74.8MM of cash and investments.

In referring to Report B, Commissioner Furstenau asked for an explanation of Line I. Former Financial Administrator Skiba explained that that is the remaining revenue bond debt and when the final payment is made on May 1, 2016, then approximately \$31MM of reserves required by the revenue bond ordinance will become available to the Commission which could be used, if the Commission desires, towards payment of either of the remaining \$70MM of debt certificates issued in December 2009 and in May 2010.

Commissioner Bennington requested that footnotes be added to each report identifying whether the report was prepared on a cash or on an accounting basis and where the deviations occur.

Commissioner Murphy moved to accept the July 2010 Treasurer's Report as revised. Seconded by Commissioner Mueller and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

### **COMMITTEE REPORTS**

#### **Administration Committee**

Meeting Canceled

#### **Engineering & Construction Committee**

Meeting Canceled

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## **Finance Committee**

Meeting Canceled

### **CHAIRMAN'S REPORT**

None

### **MAJORITY OMNIBUS VOTE AGENDA**

Commissioner Mueller moved to adopt the items listed on the Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Murphy.

Commissioner Hartwig asked for an explanation of each item.

With regard to Ordinance No. O-11-10, Former Financial Administrator Skiba explained the following request for additional funds which were not included in the budget process:

- 01-60-7210 Construction of DuPage pumping station: Proposed increase of \$300,000 for enhancement of security system.
- 01-60-6723 Note interest - certificates of debt: Proposed increase of \$200,000 for interest rate 0.5% higher than budgeted.
- 01-60-6110 Salaries of commission personnel: Proposed reduction of \$127,500 in anticipation of mid-fiscal year employment of General Manager and Financial Administrator.
- 01-60-6290 Contractual services: Proposed increase of \$177,500 for 1,000 hours of financial administration split between two contract employees and 1,500 hours of additional contracted accounting clerical assistance due to timing of employment of regular personnel.
- 01-60-6253 Cost of special counsel services: Proposed increase of \$20,000 for continuing disclosure legal advice.
- 01-60-6232 Cost of bond issue advisory services: Proposed increase of \$22,500 for continuing disclosure financial advisor services and related expenses.
- 01-60-6412 Cost of public official's liability insurance: Proposed increase of \$30,000 for treasurer's and general manager's bond premium adjustments.
- 01-60-6411 Cost of general liability insurance: Proposed increase of \$80,000 in light of premiums paid of \$136,000.

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- 01-60-6630 Cost of repairs and maintenance of pipelines: Proposed increase of \$250,000 based upon four Quick Response repairs in first fiscal quarter cost \$127,000.
- 01-60-6560 Cost of repairs and maintenance of buildings: Proposed increase of \$15,000 for tree removal that will be completed as part of the security upgrade at the Commission's pumping station in addition to the replacement of planter box materials located in front of the pumping station.

In referring to 01-60-6412 Cost of public official's liability insurance: Proposed increase of \$30,000 for treasurer's and general manager's bond premium adjustments, Commissioner Bennington questioned whether, and Former Financial Administrator Skiba confirmed that, the Commissioners' bonds were in place.

With regard to Resolution No. R-33-10, Facilities Construction Supervisor/Safety Coordinator Bostick explained that approval of this resolution would allow the Commission to dispose of various equipment that is no longer useful. Commissioner Furstenau inquired as to how the equipment will be disposed and Instrumentation/Remote Facilities Supervisor Schori responded that all computer hard drives are removed and physically destroyed before the computer equipment is dropped off for recycling. Commissioner Furstenau suggested donating, if possible, the equipment to a non-profit organization and Facilities Construction Supervisor/Safety Coordinator Bostick noted that the Commission had done that in the past, but the receiving organization did not always have the funds needed to upgrade the operating software. Commissioner Hartwig asked for a written report describing the Commission's general property disposition process and the precise disposition of the equipment listed in Resolution No. R-33-10.

In referring back to Ordinance No. O-11-10 and, specifically, line item 01-60-6232 for \$22,500, Commissioner Elliott questioned whether the item related to the request made by Phil Peloquin for additional fees and expenses associated with the Northern Trust Bank Certificate of Debt and whether the additional data requested by former Commissioner Mathews had been provided. Staff Attorney Crowley advised that the \$22,500 related to a different project—continuing disclosure services—and that no supporting documentation had been received with respect to Mr. Peloquin's request for additional funds on the Certificate of Debt project.

Commissioner Bennington suggested appropriating the funds when needed as opposed to transferring funds in advance.

After Commissioner Furstenau questioned line item 01-60-6560 for \$15,000, noting that that amount seemed high for landscaping materials and the supporting documentation was insufficient and inaccurate, and after Commissioner Furstenau requested that more detail be provided in the future, the motion to adopt the items listed on the Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures failed by a Roll Call Vote for lack of an approving majority:

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**Majority Omnibus Vote**

- Ayes: W. Mueller, W. Murphy, and L. Rathje
- Nays: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, F. Saverino, and P. Suess
- Absent: J. Zay and D. Zeilenga
- Item 1: Ordinance No. O-11-10: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011—"Majority Omnibus Vote"
- Item 2: Resolution No. R-33-10: A Resolution Authorizing and Ratifying the Disposal of Certain Personal Property Owned by the DuPage Water Commission—"Majority Omnibus Vote"

After Commissioner Hartwig suggested the Ordinance be amended and re-voted on, Commissioner Bennington moved to reconsider the items listed on the Majority Omnibus Vote Agenda. Seconded by Commissioner Hartwig and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Hartwig moved to amend Ordinance No. O-11-10: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011 by eliminating the transfer of appropriation for line item 01-60-6232 Cost of bond issue advisory services. Seconded by Commissioner Murphy and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Hartwig moved to adopt Ordinance No. O-11-10: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011 as amended. Seconded by Commissioner Elliott and unanimously approved by a Roll Call Vote:

- Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje
- Nays: None
- Absent: J. Zay and D. Zeilenga

Commissioner Bennington moved to adopt Resolution No. R-33-10: A Resolution Authorizing and Ratifying the Disposal of Certain Personal Property Owned by the DuPage Water Commission. Seconded by Commissioner Murphy and unanimously approved by a Roll Call Vote:

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Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Nays: None

Absent: J. Zay and D. Zeilenga

**SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA**

Commissioner Murphy moved to adopt the items listed on the Super/Special Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Elliott.

With regard to Resolution No. R-34-10, Commissioner Furstenau inquired as to how the estimated cost was determined. After Facilities Construction Supervisor/Safety Coordinator Bostick explained that each Task Order under the Master Contract with EN Engineering was negotiated individually, and Pipeline Supervisor Kazmierczak added that the Commission followed a Request for Qualifications process in selecting EN Engineering for a Master Contract, the motion was unanimously approved by a Roll Call Vote:

**Super/Special Majority Omnibus Vote**

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Nays: None

Absent: J. Zay and D. Zeilenga

Item 1: Resolution No. R-34-10: A Resolution Approving and Ratifying Certain Task Orders Under a Master Contract with EN Engineering, LLC at the August 12, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 2: Resolution No. R-35-10: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-8/08 at the August 12, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 3: Resolution No. R-36-10: A Resolution Approving and Ratifying Certain Task Orders under a Master Contract with AECOM Technical Services, Inc. at the August 12, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

Item 4: Resolution No. R-37-10: A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the August 12, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

**OLD BUSINESS**

**Recommendations From Ad Hoc Committee**

Commissioner Murphy reported that there was nothing new to discuss other than evaluating the candidates for the General Manager position in Executive Session.

With respect to the earlier suggestion by DuPage United representatives that the Commission should retain the County Auditor, various Commissioners questioned the authority for, and the wisdom of, having an officer of a Commission customer serve as the Commission's independent auditor and/or Treasurer. After the Staff Attorney indicated that she would verify whether the Commission's revenue bond ordinance established standards of qualification to serve as the Commission's auditors such as having to be from a nationally recognized firm, Commissioners Maio and Mueller commented that they would only consider retaining the services of the County Auditor as an additional, but not the sole, auditor of the Commission's financial statements and Commissioner Bennington commented that the entire discussion was premature as he doubted the County Auditor had expressed any interest in auditing the Commission's books or becoming the Commission's Treasurer.

**NEW BUSINESS**

**Authorizing Negotiations for Extending Short Term Financing**

At 8:30 P.M., and to avoid possible or perceived conflicts of interest, Commissioner Mueller left the meeting because he maintains certain bank accounts with West Suburban Bank and Commissioner Bennington left the meeting because West Suburban Bank is a client of his law firm.

Commissioner Murphy moved to authorize Treasurer Zeilenga, Former Financial Administrator Skiba, and Staff Attorney Crowley to negotiate, for recommendation to the Board, an extension of the \$30MM Certificate of Debt issued to West Suburban Bank. Seconded by Commissioner Maio.

Commissioner Furstenau asked if the interest rate would increase from 1.25% to almost 2.5% and, if so, whether staff looked into other cost saving options. Former Financial Administrator Skiba explained that the 2.5% was an estimate and Commissioner Suess noted that the interest rate should not be any higher than 2% and suggested bidding for a more favorable interest rate or, at least, providing the Board with evidence as to the reasonableness of any proposed rate by informally soliciting interest rate quotes from various banks. Former Financial Administrator Skiba explained that Treasurer/Commissioner Zeilenga would like to begin with West Suburban Bank, as a starting point, but if terms were unfavorable, then other financial institutions would be considered.

There being no further discussion, the motion was unanimously approved by a Voice Vote.

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All voted aye. Motion carried.

Commissioners Bennington and Mueller returned to the meeting at 8:35 P.M.

Commissioner Furstenau move to approve Purchase Order No. 12338 in the amount of \$9,967.10 to Acres Group. Seconded by Commissioner Loper and unanimously approved by a Roll Call Vote.

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Nays: None

Absent: J. Zay and D. Zeilenga

**ACCOUNTS PAYABLE**

Commissioner Furstenau moved to approve the Accounts Payable in the amount of \$7,532,322.48, subject to submission of all contractually required documentation, for invoices that have been received. Seconded by Commissioner Loper and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Nays: None

Absent: J. Zay and D. Zeilenga

Commissioner Furstenau moved to approve the Accounts Payable in the amount of \$527,600.00, subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Elliott and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Nays: None

Absent: J. Zay and D. Zeilenga

Before moving onto the next item, Commissioner Elliott commented on the Commission's Water Conservation Program, noting that at first he was skeptical but has since had a change of heart after attending a water conservation conference and reading the report prepared by the Regional Water Supply Planning Group on the Water Supply/Demand Plan. Commissioner Elliott expressed the importance of promoting water conservation to all communities and, in referring to the water supply/demand plan and, specifically, the thirteen steps on managing the use of water, Commissioner Elliott



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asked staff to prepare a report identifying where each of the Commission's customers stand in terms of compliance with those thirteen steps.

### **EXECUTIVE SESSION**

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

Ayes: T. Bennington, T. Elliott, R. Furstenau, L. Hartwig, J. Loper, W. Maio, W. Mueller, W. Murphy, F. Saverino, P. Suess, and L. Rathje

Nays: None

Absent: J. Zay and D. Zeilenga

The Board went into Executive Session at 8:50 P.M.

Commissioner Maio moved to come out of Executive Session at 9:25 P.M. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Hartwig announced that he will be tendering his resignation in September due to his need to focus on his Metropolitan Mayors Caucus duties.

Commissioner Maio moved to adjourn the meeting at 9:27 P.M. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.