

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY OCTOBER 14, 2010
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Rathje at 7:35 P.M.

Commissioners in attendance: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje

Commissioners Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga

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

PUBLIC COMMENTS

Debra Fulks, Glen Ellyn, Illinois, and a member of DuPage United, read from a prepared statement expressing concerns with the reappointment of current Board members after their January 1 automatic termination and stressing the importance of hiring a new General Manager by January 2011 as well as implementing the rest of the financial safeguards recommended by Jenner & Block.

APPROVAL OF MINUTES

Commissioner Elliott moved to approve the Minutes of the September 9, 2010 Special Meeting of the DuPage Water Commission. Seconded by Commissioner Loper and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Furstenau moved to approve the Executive Session Minutes of the September 9, 2010 Special Meeting of the DuPage Water Commission. Seconded by Commissioner Elliott and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Loper moved to approve the Minutes of the September 9, 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

Former Financial Administrator Skiba presented the September 2010 Treasurer's Report, which consisted of three pages designated Reports A, B, and C. With respect to Report A, Former Financial Administrator Skiba highlighted the water sales monthly

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operating cash flow, stating that it was positive, reconciled, and tied-in with Report C on a full cash basis.

Former Financial Administrator Skiba confirmed for Commissioner Furstenau that the funds listed on the three reports were actual amounts that the Commission had on deposit in various accounts.

With regard to Report B, Former Financial Administrator Skiba noted that all required accounts were fully funded with available cash consisting of money in the emergency reserve account, money in the sales tax account, and the remaining loan proceeds, but that \$6.4MM is still needed for construction costs.

Commissioner Furstenau referred to Table 1, Lines A, B, C, D, and E, of Report B and asked where the funds were being invested. Former Financial Administrator Skiba replied that most of the Commission's funds were currently invested in the Illinois Funds Money Market.

With regard to Report C, Former Financial Administrator Skiba noted the \$75.8MM of cash and investments.

Commissioner Furstenau moved to accept the September 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 changed the order of business at the meeting to move the Chairman's Report to after the Accounts Payable.

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 and unanimously approved by a Roll Call Vote:

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Majority Omnibus Vote

- Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje
- Nays: None
- Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga
- Item 1: Ordinance No. O-12-10: 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-41-10: A Resolution Accepting the Proposal of Timothy W. Sharpe for Actuarial Services—"Majority Omnibus Vote"
- Item 3: Resolution No. R-42-10: A Resolution Releasing Certain Executive Session Meeting Minutes at the October 14, 2010, DuPage Water Commission Meeting—"Majority Omnibus Vote"

SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA

Commissioner Zay requested that Resolution No. R-43-10 be removed from the Super/Special Majority Omnibus Vote Agenda for separate consideration.

After Acting General Manager McGhee confirmed for Commissioner Furstenau that Resolution No. R-45-10 was a no-cost time extension request related to delays in securing City of Chicago building permits for a separate, but related, contract, Commissioner Murphy moved to adopt the items listed on the revised Super/Special Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Loper and unanimously approved by a Roll Call Vote:

Super/Special Majority Omnibus Vote

- Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje
- Nays: None
- Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga
- Item 1: Resolution No. R-44-10: A Resolution Approving and Ratifying Certain Contract MS-17/10 Change Orders at the October 14, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

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- Item 2: Resolution No. R-45-10: A Resolution Approving and Ratifying Certain Contract PSC-5/08 Change Orders at the October 14, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"
- Item 3: Resolution No. R-46-10: A Resolution Approving and Ratifying Certain Contract PSC-4/08 Change Orders at the October 14, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"
- Item 4: Resolution No. R-47-10: A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the October 14, 2010, DuPage Water Commission Meeting—"Super/Special Majority Omnibus Vote"

With regard to Resolution No. R-43-10, Commissioner Zay disagreed with having open-ended master contracts, stating that there should be one contract per project with a not-to-exceed cost cap.

Commissioner Suess questioned the process of approving master contracts and task orders. Staff Attorney Crowley explained that all engineering master contracts and task orders needed to be approved in advance by the Board. Staff Attorney Crowley cautioned that Resolution No. R-43-10 would approve not only a master contract with CDM but also Task Order No. 1 to that contract. Staff Attorney Crowley added that Task Order No. 1, if adopted in its current form, would delegate to the General Manager the authority to obtain indeterminate engineering assistance so long as the cost of such indeterminate engineering assistance was budgeted and did not exceed \$20,000 per project and, therefore, further Board approval would not be required for that engineering assistance.

Commissioner Furstenau questioned how often new proposals were solicited for master contracts and Acting General Manager McGhee stated that the Commission selects different engineering firms to submit proposals depending upon their specialties and the type of project for which the Commission needs engineering services.

Commissioner Furstenau moved to adopt Resolution No. R-43-10: A Resolution Approving and Authorizing the Execution of a Master Contract with Camp Dresser & McKee Inc. for Professional Engineering Services. Seconded by Commissioner Mueller.

Commissioner Elliott requested that Commissioner Furstenau amend his motion to change the dollar amount in Task Order No. 1 from the not-to-exceed \$20,000 limit per assignment to a not-to-exceed \$5,000.00 limit per assignment. After Commissioner Furstenau as the maker, and Commissioner Mueller as the second, agreed to amend the motion as requested by Commissioner Elliott, the amended motion to adopt Resolution No. R-43-10: A Resolution Approving and Authorizing the Execution of a Master Contract with Camp Dresser & McKee Inc. for Professional Engineering Services as amended to substitute the dollar amount \$5,000.00 for the dollar amount \$20,000.00 wherever such dollar amount appears in said Resolution No. R-43-10, including its exhibits, was approved by a Roll Call Vote:

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Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, and L. Rathje

Nays: J. Zay

Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga

OLD BUSINESS

Recommendations From Ad Hoc Committee

None

NEW BUSINESS

Commissioner Elliott moved to approve Purchase Order No. 12419 in the amount of \$44,290.00 to Acres Group. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje

Nays: None

Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga

Commissioner Murphy moved to purchase property and liability insurance coverage, for a total premium of \$453,942.00, as proposed by Arthur J. Gallagher & Co. and outlined by Nugent Consulting Group. Seconded by Commissioner Loper and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje

Nays: None

Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga

ACCOUNTS PAYABLE

Commissioner Elliott moved to approve both Accounts Payable in the combined amount of \$7,692,550.39, 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 Commissioner Murphy.

With regard to purchasing maintenance supplies, Commissioner Zay questioned what authority level approves the purchase. Acting General Manager McGhee stated that

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each supervisor is responsible for approving the items for their department for a total maximum purchasing cap of \$1,000/per month for all departments combined.

Commissioner Loper questioned why the Commission is paying so many late fees and Acting General Manager McGhee replied that some of the bills the Board approves were estimated, resulting in delayed payment if the approved amount was underestimated.

After Former Financial Administrator Skiba confirmed for Commissioner Zay that the charge for Bank of New York Mellon was for the revenue bond trustee yearly administrative fees, the motion was unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje

Nays: None

Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga

CHAIRMAN'S REPORT

Chairman Rathje reminded the Board that effective January 1, 2011, all terms of the Commission Board will automatically terminate and, as such, the Board needed to plan for the transition. At the request of Chairman Rathje, Acting General Manager McGhee distributed a list of actions that needed to be accomplished in the near future including the following:

- \$30MM Certificate of Debt extension/refinance (12/21/10)
- Appointment of new Board before January 1
- Changing check signing/disbursement authority in the event a new Board is not in place before January 1
- Hire Key Personnel (General Manager/Financial Administrator/Treasurer)
- Appoint New Committees and Chairs
- Health Insurance Renewal (January 1)
- 2011/2012 Budget Direction
- New Electrical Service Contract (March at the latest)
- Consideration of potential new emergency service only customers (Hillside/Berkley and Riverside/Brookfield)

Because there was nothing to prevent the new Board appointments from being made before January 1, Acting General Manager McGhee asked for direction to begin the process. Commissioner Murphy directed staff to prepare letters for the Chairman's signature requesting that DuPage County and the appropriate mayors make their respective appointments by December 15th.

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EXECUTIVE SESSION

Commissioner Furstenau moved to go into Executive Session to discuss security procedures pursuant to 5 ILCS 120/2(c)(8), to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2), to discuss acquisition of real estate pursuant to 5 ILCS 120/2(c)(5), to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11), and/or to discuss minutes of closed meetings pursuant to 5 ILCS 120/2(c)(21). Seconded by Commissioner Elliott and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Mueller, W. Murphy, P. Suess, J. Zay, and L. Rathje

Nays: None

Absent: T. Bennington, L. Hartwig, W. Maio, F. Saverino, and D. Zeilenga

Before the Board went into Executive Session, Staff Attorney Crowley confirmed for Commissioner Elliott that, in the future, it would more appropriate if the motion to go into Executive Session were limited to the specific category or categories of Executive Session topics that were actually intended to be discussed.

The Board went into Executive Session at 8:30 P.M.

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

GENERAL MANAGER APPOINTMENT

None

Commissioner Elliott moved to adjourn the meeting at 9:26 P.M. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.