

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, JUNE 20, 2013
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Vice Chairman Murphy at 7:00 P.M.

Commissioners in attendance: L. Crawford, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, P. Suess, and J. B. Webb

Commissioners Absent: J. Broda, C. Janc, D. Russo, M. Scheck, and J. Zay

Also in attendance: Treasurer D. Ellsworth, J. Spatz, C. Johnson, C. Peterson, T. McGhee, J. Rodriguez, F. Frelka, R. C. Bostick, J. Schori, E. Kazmierczak, and G. Gorski of Gorski & Good, LLP

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the May 16, 2013 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Saverino.

Before the vote was called, Commissioner Suess requested that the first paragraph on page two under the heading of "Treasurer's Report" be revised to read as follows:

"Treasurer Ellsworth concluded his report by noting that at year end on April 30th, **the Commission's revenues had exceeded expenditures by \$26.8MM and actual total expenditures were \$8MM less than budgeted.** Treasurer Ellsworth further noted that it had been a great year for the Commission financially as staff had done a good job at managing its annual budget."

After Commissioner Furstenau as the movant, and Commissioner Saverino as the second, agreed to amend the motion as requested by Commissioner Suess, the amended motion was unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Treasurer Ellsworth presented the May 2013 Treasurer's Report, consisting of six pages.

Treasurer Ellsworth pointed out the \$63.9MM of cash and investments on page 1, noting a decrease of \$1.1MM from the previous month due to the \$3.6MM revenue bond payment that was made during the month of May. Treasurer Ellsworth also pointed out the schedule of investments on pages 2, 3, and 4 totaling \$58.5MM and the

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market yield on the total portfolio showed 46 basis points which was a slight improvement from the prior month. On page 5, the statement of cash flows showed a decrease in cash and investments by about \$1.1MM and operating activities increased cash by approximately \$60,000.00, roughly \$2.4MM of sales tax was received, and Debt service payments totaled about \$3.7MM. On page 6, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements and approximately \$66.9MM of outstanding debt in Table 3, Rows H, I and J.

Treasurer Ellsworth concluded his report by noting that the Committee had discussed leaving on the balance sheet the accounting entry to adjust the investments to fair value entry that is usually done on April 30th and reversed on May 1st for audit reporting purposes. Currently the reversal of the entry causes the investment income account to show a combination of current year activity and this reversing entry resulting in a debit balance.

Commissioner Loftus moved to accept the May 2013 Treasurer's Report. Seconded by Commissioner Pruyn 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 did not have a quorum, but that the members present reviewed and discussed the items listed on the Finance Committee Agenda.

With regards to the Certificate of Debt with West Suburban Bank, Commissioner Suess noted that the final payment on the debt would be made on June 21st.

With respect to the Interest Period under the Northern Trust Certificate of Debt, Commissioner Suess stated that the Finance Committee recommended electing another one month interest period as the interest rate had remained the same. In addition, under the new agreement with Northern Trust Bank, Commissioner Suess stated that the interest rate had been reset at 75 basis points plus Libor (approximately 94 basis points) which reflects a monthly reduction of approximately 50 basis points on the loan.

Commissioner Furstenau questioned whether the Board should be looking into electing a long term interest period versus continuing to elect the month to month reset interest period. Commissioner Suess stated that the Finance Committee had reviewed a one month interest period versus a long term interest period and had determined that there was no economic benefit, at this time, to lock in for a longer term. Commissioner Suess added that by electing a one month reset interest period it allows the Commission the option to make additional principal payments at the reset date.

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Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee reviewed and recommended for approval all action items listed on the Administration Committee Agenda and welcomed any questions.

Hearing none, Commissioner Crawford moved to adopt Resolution No. R-20-13: A Resolution Authorizing and Ratifying the Disposal of Certain Personal Property Owned by the DuPage Water Commission. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, P. Suess, and J. B. Webb

Nays: None

Absent: J. Broda, C. Janc, D. Russo, M. Scheck, and J. Zay

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval all action items listed on the Engineering & Construction Agenda and offered to answer any questions.

Hearing none, Commissioner Loftus requested that Item No. 6 be removed from the Engineering & Construction Omnibus Vote Agenda for separate consideration.

Commissioner Furstenau moved to adopt item numbers 2 through 5 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote:

Engineering & Construction Omnibus Vote

Ayes: L. Crawford, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, P. Suess, and J. B. Webb

Nays: None

Absent: J. Broda, C. Janc, D. Russo, M. Scheck, and J. Zay

Item 2: Ordinance No. O-4-13: An Ordinance Determining the Prevailing Rate of Wages in DuPage County and Cook County

Item 3: Resolution No. R-17-13: A Resolution Approving and Ratifying Certain Contract TS-8/12 Change Orders at the June 20, 2013, DuPage Water Commission Meeting—Change in Contract Completion Date and Grant Final Acceptance of the Work

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Item 4: Resolution No. R-18-13: A Resolution Awarding Quick Response Contract (Contract QR-10/13)–Retain two stand-by contractors (John Neri Construction Co. Inc. and Rossi Contractors, Inc.)

Item 5: Resolution No. R-19-13: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-6/12 at the June 20, 2013, DuPage Water Commission Meeting–Divane Bros. Electric Co. not to exceed \$5,900.00.

With regards to Item 6 the purchase of meter parts from HD Supply Waterworks, Commissioner Loftus explained that HD Supply Waterworks had been the Commission's sole source supplier of meter parts for a long time, but on January 1, 2014 the supply for spare meter parts would be discontinued, and, therefore, the Commission was looking to maintain an adequate supply of the needed parts before they are no longer available for purchase. Commissioner Loftus added that approval of the item would require two steps: 1) to suspend the Commission's purchasing procedures since the purchase was from a sole source supplier; and 2) to authorize the purchase.

With no further discussion, Commissioner Loftus moved to suspend the Purchasing Procedures of the Commission's By-Laws to Purchase Meter Parts from HD Supply Waterworks. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, P. Suess, and J. B. Webb

Nays: None

Absent: J. Broda, C. Janc, D. Russo, M. Scheck, and J. Zay

Commissioner Loftus moved to authorize the General Manager to Purchase Meter Parts from HD Supply Waterworks in an amount not-to-exceed \$90,000.00. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, P. Suess, and J. B. Webb

Nays: None

Absent: J. Broda, C. Janc, D. Russo, M. Scheck, and J. Zay

ACCOUNTS PAYABLE

Commissioner Suess moved to approve the Accounts Payable in the amount of \$10,933,510.33 subject to submission of all contractually required documentation, for invoices that have been received and for invoices that have not yet been received but

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have been estimated. Seconded by Commissioner Webb and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, P. Suess, and J. B. Webb

Nays: None

Absent: J. Broda, C. Janc, D. Russo, M. Scheck, and J. Zay

CHAIRMAN'S REPORT

None

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

General Manager Spatz informed the Board members that he had just attended the American Water Works Association Annual Conference & Exposition in which he serves on the Water Utility Council. General Manager Spatz stated that the Association is strongly supporting a piece of legislation called the Water Infrastructure Finance and Innovation Act which was just passed by the US Senate under the Water Resources Development Act. The legislation would provide long-term, low-interest loans for large water infrastructure projects and, as such, members of the council are urged to reach out to members of Congress to stress the importance of the legislation. General Manager Spatz noted that he had scheduled a meeting with Congressman John Shimkus of Illinois to discuss the issue and would keep the Board members informed.

EXECUTIVE SESSION

None

Commissioner Furstenau moved to adjourn the meeting at 7:15 P.M. Seconded by Commissioner Crawford and unanimously approved by a Voice Vote.

All voted aye. Motion carried.