

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, DECEMBER 20, 2012
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:31 P.M.

Commissioners in attendance: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Commissioners Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

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

Chairman Zay opened the meeting by congratulating Frank Saverino on his appointment as Municipal Representative for District 6 and Michael Scheck on his appointment as County Representative for District 3. Commissioner's Saverino and Scheck took their Oath of Office.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Murphy moved to approve the Minutes of the November 15, 2012 Regular Meeting. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Treasurer Ellsworth presented the November 2012 Treasurer's Report, consisting of six pages.

Treasurer Ellsworth pointed out the \$77.6MM of cash and investments on page 1, noting that the balance was higher by about \$2.8MM from the previous month. The balance in the Illinois Funds Money Market increased by \$8.8MM which was due to the transfer of \$6MM from the BMO Harris Money Market Account. Approximately \$3.3MM had been withdrawn from the IIIT Money Market Account to purchase U.S. Treasury and Agency Investments to further diversify the investment portfolio. The Government Money Market Fund balance decrease from \$1.4MM in the previous month to just over \$1,000.00 due to the interest payment of \$1.3MM on November 1st. Treasurer Ellsworth also pointed out the schedule of investments on pages 2, 3, and 4 totaling \$75.2MM

Minutes of the 12/20/12 Meeting

and the market yield on the total portfolio showed 33 basis points which was a decrease from the prior month. On page 5, the statement of cash flows showed an increase in cash from operating activities of about \$627,000. The sales tax receipts showed an increase in cash of \$18.9MM which was about 3.4% higher compared to the same period last year. The negative \$19MM net cash from capital and related financing activities were due to \$15MM principal payments and \$3.3MM interest payments on the Bonds and construction. On page 6, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements. Treasurer Ellsworth concluded his report by noting that the operating cash reflected \$22MM and that the Revenue Bond Reserve account reflected \$7.1MM on deposit which was a slight decrease from the prior month due to the \$1.3MM interest payment.

Commissioner Russo moved to accept the November 2012 Treasurer's Report.
Seconded by Commissioner Janc 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; summarizing those items.

With respect to Ordinance No. O-15-12, Commissioner Suess explained that the ordinance relates to the Commission's current outstanding Water Refunding Revenue Bonds Series 2003 and by adopting the ordinance it would replace the Commission's current bond deal with a direct placement deal through BMO Harris Bank at a low interest rate of 1.05% which in turn would result in a cost savings of about \$3MM and would also free up approximately \$27MM - \$30MM of the Commission's reserves.

With respect to Resolution No. R-46-12, Commissioner Suess noted that it was the recommendation of the Finance Committee to proceed with the payment towards the debt service in the amount of \$12MM to West Suburban Bank which would then reduce the remaining debt balance to \$3MM with the final payment scheduled for June 30, 2013.

With respect to the selection of auditor services, Commissioner Suess noted that the Finance Committee held a special meeting on November 13th to conduct interviews of four auditing firms and that it was the consensus of the committee members to retain the services of Sikich, LLP for a two year period at a cost not to exceed \$45,000/per year.

Minutes of the 12/20/12 Meeting

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 from the previous month.

With no further discussion, Commissioner Suess moved to approve Ordinance No. O-14-12: The Second Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2012 and Ending April 30, 2013. Seconded by Commissioner Murphy and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

Commissioner Suess moved to approve Ordinance No. O-15-12: A Bond Ordinance Authorizing the Issuance and Sale of Water Revenue Refunding Bonds, Series 2013, of the DuPage Water Commission. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

Commissioner Suess moved to approve Resolution No. R-46-12: A Resolution Authorizing and Directing the Use of General Account Balances for the Payment of Debt Service on the West Suburban Certificate of Debt. Seconded by Commissioner Janc and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

Commissioner Suess moved to retain the services of Sikich LLP for a two year period for Auditing Services at a cost not to exceed \$45,000/per year. Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Minutes of the 12/20/12 Meeting

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

Commissioner Suess concluded his report by thanking members of the Finance Committee for their work over the last two months with respect to the selections of bond counsel, underwriters, and the auditing services. Commissioner Suess also thanked staff and the various outside advisors, such as, Mr. Gorski of Gorski & Good, and representatives from both Ice Miller and PFM for their work and assistance, as well.

Administration Committee

No Committee Meeting

Engineering & Construction Committee – Reported by Commissioner Furstenau

Commissioner Furstenau reported that the Engineering & Construction Committee reviewed and recommended for approval the action items listed on the Engineering & Construction Committee Agenda.

After Commissioner Furstenau finished summarizing the items listed on the Engineering & Construction Committee Agenda, he offered to answer any questions.

With no further discussion, Commissioner Furstenau moved to adopt item numbers 2 and 3 under the Engineering & Construction Committee 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.

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

Item 2: Resolution No. R-44-12: A Resolution Awarding a Contract for the Construction of Corrosion Protection and Control for The Outer Belt Transmission Main (Contract TOB-7/12)–John Neri Construction Company Inc. (\$963,250.00)

Item 3: Resolution No. R-45-12: A Resolution Approving and Ratifying Certain Contract MS-19/12 Change Orders at the December 20, 2012 DuPage Water Commission Meeting – \$4,080.60 (net increase in the Contract Price) Airy's Inc.

ACCOUNTS PAYABLE

Commissioner Murphy moved to approve the Accounts Payable in the amount of \$18,512,429.63 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 Russo and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

CHAIRMAN'S REPORT

Chairman Zay reminded the Commissioners to complete their Open Meetings Act Training, if they haven't already done so, as it was due by the end of the year and to provide a copy of their training certificate to the Commission.

Chairman Zay wished all a Happy and Healthy Holiday season and extended his appreciation to the Board and staff members for all their hard work and dedication as the Commission had accomplished a great deal over the past two years.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

Commissioner Furstenau requested that staff prepare a status report that would document the Commission's financial status over the past two years incorporating all accomplishments, cost savings, cutbacks, etc. Commissioner Furstenau felt it would be a good idea to share this information with customers and perhaps prepare a press release documenting the Commission's positive financial status. General Manager Spatz agreed, but suggested to wait until the 2012-2013 fiscal year ends as the report would capture more of the full two years.

Commissioner Suess extended his appreciation to the staff members for their hard work and assistance throughout the past year.

Minutes of the 12/20/12 Meeting

With regards to the iPads, Chairman Zay mentioned that a few Commissioners were having trouble accessing the information through their Commission email accounts and urged Commissioners to contact staff for assistance, if needed.

NEW BUSINESS

None

EXECUTIVE SESSION

Commissioner Murphy moved to go into Executive Session to discuss to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2). Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

The Board went into Executive Session at 7:55 P.M.

Commissioner Furstenau moved to come out of Executive Session at 8:10 P.M. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Saverino moved to extend the term of the appointment of the General Manager and to amend the employment agreement with the General Manager in accordance with the Commission's By-Laws and to increase the General Manager's compensation in accordance with the discussions in Executive Session. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: R. Furstenau, C. Janc, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: L. Crawford, T. Cullerton, D. Loftus, and J. B. Webb

Commissioner Murphy moved to adjourn the meeting at 8:12 P.M. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.