

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, AUGUST 18, 2016
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 6:30 P.M.

Commissioners in attendance: J. Broda, L. Crawford, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyne, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Commissioners Absent: J. Fennell

Also in attendance: Treasurer W. Fates, J. Spatz, C. Johnson, J. Rodriguez, T. McGhee, R. C. Bostick, F. Frelka, J. Schori, M. Weed, E. Kazmierczak, R. Jones of Gorski & Good, and J. Savio of Sikich LLP

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Saverino moved to approve the Minutes of the June 16, 2016 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT'S

Treasurer Fates presented the June 2016 and the July 2016 Treasurer's Reports, both reports consisting of 13 pages, noting that pages 1, 2 and 3 contained a brief summary of each report.

June 2016

Treasurer Fates pointed out the \$142.7 million of cash and investments on page 4, which reflected an increase of about \$1.9 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$133.4 million and the market yield on the total portfolio showed 1.06% basis points which increased from the prior month. On page 12, the statement of cash flows showed an increase in cash and investments by about \$6.4 million and operating activities increased cash by approximately \$1.4 million, roughly \$5.9 million of sales tax was received. On page 13, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements.

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July 2016

Treasurer Fates pointed out the \$147.1 million of cash and investments on page 4, which reflected an increase of about \$4.4 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$136.5 million and the market yield on the total portfolio showed 1.04% basis points which decreased from the prior month. On page 12, the statement of cash flows showed an increase in cash and investments by about \$10.8 million and operating activities increased cash by approximately \$3.1 million, and roughly \$8.8 million of sales tax was received. On page 13, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements.

Commissioner Russo moved to accept the June 2016 and the July 2016 Treasurer's Reports. Seconded by Commissioner Gans 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 had reviewed and recommended for approval all action items listed on the Finance Committee Agenda.

With regards to the 2016 Annual Audit Report, Commissioner Suess asked Sikich LLP representative Jim Savio to present the 2016 Annual Audit Report. Mr. Savio provided a favorable summary of the report pointing out that the Commission had no audit adjustments, no past adjustments, no material weaknesses, no significant deficiencies, no deficiencies, and also issued an unmodified opinion to the Commission.

General Manager Spatz referred to the Net Pension Liability on page 33 of the report and noted that the schedule of changes was through December 31, 2015 and did not include the additional Illinois Municipal Retirement Fund (IMRF) contribution that the Commission had made in April of 2016. Per a conversation between IMRF, General Manager Spatz and Financial Administrator Peterson, the Commission is currently 98.7% funded. The Commission plans on making an additional contribution in December of 2016 which would fully fund the IMRF pension fund under the new GASB 68 standards.

Commissioner Furstenau questioned and General Manager Spatz explained that should an additional payment be made in December of 2016 then the Commission would be fully funded. However, that could change after that time period based upon the rate of return that IMRF would receive in the future. Chairman Zay stated that the Financial Administrator distributed a chart which reflects IMRF's historical annual rates of return.

There being no further comments/questions regarding the 2016 Annual Audit Report, Commissioner Suess moved to accept the draft audit report for the fiscal year ending April 30, 2016, to direct the auditors to print the final report, and to direct staff to distribute the FY2016 audit report to the Commission's customers and other interested parties. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

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All voted aye. Motion carried.

Commissioner Suess concluded his report by thanking General Manager Spatz and Financial Administrator Peterson for their hard work on the audit.

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee had reviewed and recommended for approval all action items listed on the Administration Committee Agenda. After providing a brief summary, Commissioner Crawford moved to Authorize the Execution of a Consulting Agreement with the Rory Group, LLC. for a one year period in an amount not to exceed \$18,000.00. Seconded by Commissioner Russo.

Commissioner Furstenau asked for an explanation as to what the Rory Group was currently handling for the Commission. General Manager Spatz noted that the Rory Group has been assisting the Commission with various items involving the City of Chicago, such as (1) helping to facilitate the title and property transfer of the Lexington Pumping Station to the City of Chicago; (2) helping to facilitate an agreement with the City of Chicago as to proper co-insurance for the Lexington Pumping Station as part to the title transfer; (3) helping to facilitate a supply contract amendment between the City of Chicago and the DuPage Water Commission to include price safeguards such as consumer price index or 5% whichever is less. Chairman Zay added that the Rory Group continues to have a good working relationship with the City of Chicago and felt that they would continue to be an asset in completing these tasks.

Discussion ensued regarding the City of Chicago's new proposed water and sewer utility tax. General Manager Spatz noted that he had confirmed with the Commissioner of the Chicago Department of Water Management that this tax would only apply to the City of Chicago residents and businesses.

With no further discussion, the motion was unanimously approved by a Roll Call Vote.

Ayes: J. Broda, L. Crawford, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyne, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: J. Fennell

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee had reviewed and recommended for approval all action items listed on the Engineering & Construction Agenda. After providing a brief summary, Commissioner Loftus moved to adopt item numbers 2 through 9 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, L. Crawford, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Pruyne, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: J. Fennell

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- Item 2: Resolution No. R-20-16: A Resolution Suspending the Purchasing Procedures and Authorizing the General Manager to Purchase a 36-month Extended Service Coverage Agreement for the Commission's Emergency Generators at the August 18, 2016 DuPage Water Commission Meeting. (Patten Power Systems in the total amount of \$50,050.00)
- Item 3: Resolution No. R-21-16: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-7/15 at the August 18, 2016, DuPage Water Commission Meeting (McWilliams Electric Co., Inc. at an estimated cost of \$17,700.00)
- Item 4: Resolution No. R-22-16: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-7/15 at the August 18, 2016, DuPage Water Commission Meeting. (McWilliams Electric Co., Inc. at an estimated cost of \$1,500.00)
- Item 5: Resolution No. R-23-16: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contract QR-10/13 at the August 18, 2016, DuPage Water Commission Meeting (Rossi Contractors, Inc., at an estimated amount of \$1,900.00)
- Item 6: Resolution No. R-24-16: A Resolution Awarding a Contract to Provide Vacuum Excavation and Thermite Welding Services (Corrpro Companies Inc., in a unit price contract estimated at \$70,795.00)
- Item 7: Resolution No. R-25-16: A Resolution Awarding a Contract for Masonry Rehabilitation and Window Replacement Work at the DuPage Pumping Station (Mertes Contracting Corp. – \$286,445.00)
- Item 8: Resolution No. R-26-16: A Resolution Suspending the Purchasing Procedures and Authorizing the Execution of a Consulting Agreement with IT Savvy, LLC for Network Management Services (\$6,701.00/per month)
- Item 9: Request For Board Action – To authorize an increase in cost under Quick Response Electrical Contract QRE-7.003. (Windy City Electric Co. in an increased amount from \$40,000.00 to 49,337.49)

ACCOUNTS PAYABLE

Commissioner Loftus moved to approve the Accounts Payable in the amount of \$9,769,999.73 (June 2016, disbursements made with concurrence of Commission's Chairman) and \$10,531,329.16 (July 2016) subject to submission of all contractually required documentation, for invoices that have been received and moved to approve the Accounts Payable in the amount of \$1,309,475.00 (June 2016, disbursements made with concurrence of Commission's Chairman) and \$752,525.00 (July 2016) subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Broda and unanimously approved by a Roll Call Vote.

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Ayes: J. Broda, L. Crawford, R. Furstenau, R. Gans, D. Loftus, D. Novotny, J. Prun, D. Russo, F. Saverino, M. Scheck, P. Suess, and J. Zay

Nays: None

Absent: J. Fennell

CHAIRMAN'S REPORT

Chairman Zay began by reminding the Board that the Commission had collected the last of the sales tax and with the sales tax being gone, the Commission may have an opportunity to bring in additional money by expanding its base. Chairman Zay noted that he has had discussions with other towns that may be interested in connecting to the Commission's pipeline. Discussion ensued regarding capacity limits, allotments, and buy-in costs. Chairman Zay concluded his report by noting that should the Board be interested in pursuing this, then the Commission would need to hold discussions with its Charter Customers and also conduct a thorough evaluation.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

None

EXECUTIVE SESSION

None

Commissioner Gans moved to adjourn the meeting at 7:06 P.M. Seconded by Commissioner Scheck and unanimously approved by a Voice Vote.

All voted aye. Motion carried.