

**MINUTES OF A MEETING OF THE  
DuPAGE WATER COMMISSION  
HELD ON THURSDAY, JUNE 18, 2020  
600 E. BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

**DUE TO THE CORONAVIRUS THE MEETING WAS HELD VIA WEBEX.**

The meeting was called to order by Chairman Zay at 6:35 P.M.

Commissioners in attendance via Webex: D. Bouckaert, J. Broda, J. Fennell, R. Gans, J. Healy, D. Novotny, R. Obarski, J. Pruyne, K. Rush, D. Russo, F. Saverino, P. Suess and J. Zay

Commissioners Absent: None

Also in attendance via Webex: Treasurer W. Fates, J. Spatz, C. Johnson, C. Peterson, A. Stark, D. Cuvalo, J. Bonnema, J. Rodriguez, M. Weed, J. Schori, E. Kazmierczak, C. Bostick, P. Luetkehans of Luetkehans, Brady, Garner & Armstrong LLC., Representatives from the Village of Oak Brook Doug Patchin Public Work Director and Rick Valent Public Works Superintendent and Representatives from Aqua Illinois Jim Bilotta and Craig Blanchette

**PUBLIC COMMENT**

None

**PRESENTATION BY THE VILLAGE OF OAK BROOK**

General Manager Spatz introduced Doug Patchin the Public Works Director for the Village of Oak Brook and asked him to begin his presentation regarding Oak Brook's interest in selling part of their Water System (5 zones outside the corporate limits) to a private company called Aqua Illinois.

Mr. Patchin began by thanking the Commissioners for their time and then presented a history of Oak Brook's water system starting with when it became incorporated in 1958 to when they became a customer of the Commission in 1986.

After Mr. Patchin concluded his presentation, the following questions/answers were discussed:

Commissioner Healy asked if any public meetings had been held or any public notifications had been provided to the unincorporated communities to inform them that the Village of Oak Brook was interested in selling off these zones. Mr. Patchin responded that no notifications had been made because Oak Brook wanted to get feedback from the contiguous communities and the Commission first to see if there was any interest.

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Commissioner Healy asked if these unincorporated zones were included in the initial 1986 Charter Customer Agreement with Oak Brook. Mr. Patchin responded yes and explained that originally Mr. Butler wanted to supply water to these areas and as part of their water system water mains were extended outside Oak Brook's corporate limits.

Commissioner Healy asked if Oak Brook had ever tried to incorporate these zones. Mr. Patchin responded no, because they are unincorporated Villa Park, Oakbrook Terrace, Downers Grove, and Hillside. Commissioner Healy further asked if these areas were contiguous to the Village of Oak Brook and Mr. Patchin responded that some were, but not all.

Commissioner Russo asked if the unincorporated zones are being charged the same water rates as the incorporated areas of Oak Brook. Mr. Patchin responded no and explained that the Village of Oak Brook charges the unincorporated areas an additional \$1.00/per 1,000 gallons which began around 7 years ago.

After Commissioner Russo noted Oak Brook's 50% increase in water rates over the past 6 years, he then asked if the Village was using the additional revenue from the rate increases to maintain the system in these unincorporated areas. Mr. Patchin responded yes noting that everything has been maintained to date throughout the incorporated and unincorporated areas.

Commissioner Russo asked about Oak Brook's water loss and whether it was specifically related to these unincorporated areas or if it was related to both incorporated and unincorporated areas. Mr. Patchin responded that Oak Brook's water loss was due to original outdated meters needing replacement and inaccurate meter reads over the last 2 years. Since that finding, all meters have been replaced 100%.

Commissioner Russo asked if Oak Brook had completed another leak survey study since 2016. Mr. Patchin responded yes that the study is being conducted on a 4-year cycle with a quarter of their system being completed last year.

Chairman Zay shared concerns about Mr. Patchin's presentation regarding selling off parts of the unincorporated areas to allow for upgrades to Oak Brook's system. Chairman Zay continued to say that it appears that these unincorporated areas have not been maintained or upgraded for a significant period of time and by selling these areas to a private company its more than likely these residents would see a considerable rate increase. Mr. Patchin stated that Zone 4 was completely replaced 7 years ago. He then added that the Village of Oak Brook had not been making repairs globally within their system and had been postponing a lot of the repairs then they started noticing water loss. Once they began to identify the problems, such as the outdated meters, they began looking at system repairs more aggressively.

Chairman Zay stated that Aqua Illinois has been in the news lately regarding high lead levels in the water supplied to University Park, Garden Green, and Monee Township. How would Aqua Illinois guarantee that this would not happen in these unincorporated areas. Mr. Patchin noted that the end goal would be for Aqua Illinois to direct connect to the Commission. Jim Bilotta from Aqua Illinois echoed Mr. Patchin noting it would be the same water source they currently have. Chairman Zay asked if Aqua Illinois was aware

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of the new customer required buy-in cost and Mr. Bilotta replied yes. He stated that Aqua Illinois is aware of the buy-in cost associated with becoming a new customer.

Commissioner Broda signed off of the Webex meeting at 6:50 P.M.

Commissioner Healy asked if the Village of Oak Brook would provide the Board with a breakdown of capital improvements that have been made in these areas per zone over the last 10 years and an audit of what would still be needed for the next 10-years. Mr. Patchin said he would have staff work on that.

Chairman Zay expressed concerns with residents not being aware of what the Village is proposing to do and suggested that a public meeting be held as the next step. Mr. Patchin noting that the Village is prepared to hold public meetings but thought it would be best to first discuss with the Commission to see if the Board would even consider the idea before notifying residents. Mr. Bilotta added that there is legislation in place that dictates how the public process works and if the Commission were to consider this proposal then Aqua Illinois and the Village of Oak Brook would move forward with the public meeting processes. Chairman Zay reiterated his concerns with selling these zones without any prior notification to the residents. Commissioner Russo also shared his concern noting the importance of getting the residents feedback first before any decision is made.

Commissioner Rush asked what the anticipated water rate increase to residents would be if Aqua Illinois were to purchase these zones. Mr. Bilotta noted that a water rate analysis was conducted and found that Aqua Illinois rates would be similar to the current rate, if not lower. Mr. Patchin added that the wheeling fees were not included in the rate analysis so the total increase had not yet been determined.

General Manager Spatz stated that the installation of about 15-20 meters would be needed to connect those unincorporated areas as part of the wheeling agreement until Aqua Illinois would directly connect to the Commission's water system. He then asked what would be the anticipated timeline for Aqua Illinois to connect directly to the Commission's water system. Mr. Patchin responded that the wheeling agreement would be reevaluated every five years. General Manager Spatz advised that if the Commission were to consider going forward with an agreement, that a firm direct connect date should be written into that agreement versus reevaluating every five-years. Mr. Patchin noted that Aqua should have a good idea, within the next five years, of connection and reservoir sites. However, should Aqua need to renew the wheeling agreement for an additional five years and then realize that they are unable to move forward with the direct connect, the Village would look into a more long-term agreement with them.

After General Manager Spatz stated that the Village conducted a water survey in 2016 and then shortly thereafter started the process of wanting to sell off the areas of these five zones, he then asked what percentage of current water loss is related to these zones and would the Village share the information from that audit. Mr. Patchin responded that discussion of selling these unincorporated areas has been going on for years and was not a result from the 2016 audit. Mr. Patchin noted that when the Village began looking at their water loss and various options to correct the issues, they decided to evaluate the entire system for better long-term solutions.

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General Manager Spatz noted that the Commission contacted several of the contiguous communities for feedback as to why they had no interest in purchasing these areas and found that the communities felt that these specific areas were not being properly maintained and asked Mr. Patchin to expand on this. Mr. Patchin responded that the only feedback he received was that they were not interested in discussing a sale price.

With no further discussion, Chairman Zay thanked the representatives for their presentation and asked that any additional questions be directed to General Manager Spatz for further discussion at the next Board meeting.

### **APPROVAL OF MINUTES**

Commissioner Healy moved to approve the Minutes of the April 16, 2020 Regular Scheduled Meeting of the DuPage Water Commission. Seconded by Commissioner Obarski and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

### **TREASURER'S REPORTS**

Treasurer Fates presented the April and May 2020 Treasurer's Reports each consisting of 13 pages, noting that pages 1 and 2 contained a brief summary of the reports.

#### **April 2020**

Treasurer Fates pointed out the \$183.7 million of cash and investments on page 4, which reflected an increase of about \$2.5 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$157.1 million and the market yield on the total portfolio showed 1.80% which has slightly decreased from the prior month. On page 12, the statement of cash flows showed an increase in cash and investments by about \$12.5 million and operating activities generated \$9.5 million. On page 13, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements.

#### **May 2020**

Treasurer Fates pointed out the \$183.4 million of cash and investments on page 4, which reflected a decrease of about \$0.3 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$157.6 million and the market yield on the total portfolio showed 1.68% which had decreased from the prior month. On page 12, the statement of cash flows showed a decrease in cash and investments by about \$268,000 and operating activities reduced cash by approximately \$478,000. On page 13, the monthly cash/operating report showed that the Commission had not met all recommended reserve balances, but has until the end of the fiscal year to meet the requirements and anticipates the targeted amounts to be reached in the next couple of months.

Commissioner Healy moved to accept the April and May 2020 Treasurer's Reports. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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Commissioner Rush signed off of the Webex meeting at 7:15 P.M.

**COMMITTEE REPORTS**

**Finance Committee – Meeting Cancelled**

Commissioner Suess moved to adopt item numbers 2 and 3 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Fennell, R. Gans, J. Healy, D. Novotny, R. Obarski, J. Pruyne, D. Russo, F. Saverino, P. Suess and J. Zay

Nays: None

Absent: J. Broda and K. Rush

Item 2: Request For Board Action: To Authorize the Transfer of Funds from the General Account to the Operating Reserves, Long Term Water Capital Reserve, and Capital Reserve Fund Accounts (\$16.4M)

Item 3: Request For Board Action: To Authorize the General Manager to engage in a Two (2) Year Agreement with Arthur J. Gallagher for Insurance Brokerage Services at the DuPage Water Commission (in an amount not to exceed \$29,500/per year)

**Administration Committee – Meeting Cancelled**

Commissioner Healy moved to adopt item number 2 under the Administration Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Obarski and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Fennell, R. Gans, J. Healy, D. Novotny, R. Obarski, J. Pruyne, D. Russo, F. Saverino, P. Suess and J. Zay

Nays: None

Absent: J. Broda and K. Rush

Item 2: Resolution No. R-26-20: A Resolution Authorizing and Ratifying the Disposal of Certain Personal Property Owned by the DuPage Water Commission (No Cost)

**Engineering & Construction Committee – Meeting Cancelled**

Commissioner Fennell moved to adopt item numbers 2 through 6 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus

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Vote Procedures. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Fennell, R. Gans, J. Healy, D. Novotny, R. Obarski, J. Pruy, D. Russo, F. Saverino, P. Suess and J. Zay

Nays: None

Absent: J. Broda and K. Rush

Item 2: Resolution No. R-22-20: A Resolution Suspending the Purchasing Procedures and Authorizing the General Manager to Purchase material and labor service for the Commission's Emergency Generator System, including Ancillary Equipment at a cost not-to-exceed \$100,000.00 from Altofer Power Systems

Item 3: Resolution No. R-23-20: A Resolution Approving and Ratifying Certain Contract Change Orders at the June 18, 2020 DuPage Water Commission Meeting (Rossi Contractors, Inc. in the amount of \$8,173.00)

Item 4: Resolution No. R-24-20: A Resolution Approving and Ratifying Certain Work Authorization Orders under Quick Response Electrical Contract QRE-8/17 at the June 18, 2020 DuPage Water Commission Meeting (Volt Electric., Inc. in the estimated amount of \$3,875.00)

Item 5: Resolution No. R-25-20: A Resolution Approving and Ratifying Certain Contract Change Orders at the June 18, 2020 DuPage Water Commission Meeting (Independent Mechanical Industries, Inc., in the increased amount of \$17,218.00)

Item 6: Request for Board Action: To Authorize Approval of Requisition No. 69990 to Atlas Bobcat for the purchase of one E26 R-Series Bobcat Compact Excavator in the amount of \$28,535.00.

### **ACCOUNTS PAYABLE**

Commissioner Russo moved to approve the Accounts Payable in the amount of \$7,907,929.05 (April 2020), disbursements made with concurrence of Commission's Chairman) and \$8,693,789.75 (May 2020) subject to submission of all contractually required documentation, for invoices that have been received and to approve the Accounts Payable in the amount of \$1,803,475.00 (April 2020), disbursements made with concurrence of Commission's Chairman) and \$2,049,175.00 (May 2020) subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote.

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Ayes: D. Bouckaert, J. Fennell, R. Gans, J. Healy, D. Novotny, R. Obarski, J. Pruyne, D. Russo, F. Saverino, P. Suess and J. Zay

Nays: None

Absent: J. Broda and K. Rush

### **CHAIRMAN'S REPORT**

Chairman Zay began by wishing everyone good health and then thanked General Manager Spatz for his continued leadership during this challenging time noting employees continue to follow the necessary safety procedures to keep everything running smooth.

Chairman Zay concluded his report by suggesting that the Commission reach out to the customers for potential hardship from revenue loss and perhaps offer assistance. Commissioner Suess shared concerns noting there may be better alternatives.

### **OMNIBUS VOTE REQUIRING MAJORITY VOTE**

None

### **OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE**

None

### **OLD BUSINESS**

General Manager Spatz began by providing clarification of a miscommunication from the City of Chicago regarding a possible postponement of the June 1<sup>st</sup> water rate increase. In conversations with various City of Chicago personnel, General Manager Spatz noted that Chicago would not be postponing its water rate increase, but that they would be working with customer's that are experiencing hardship due to the Coronavirus.

Commissioner Suess inquired as to any new updates regarding the Illinois Tollway Authority. General Manager Spatz reported that plans have been reviewed by staff and the engineers and both were pleased noting that the bid opening had been scheduled for the following day.

General Manager Spatz briefly updated Board members on the quarterly reports from the Commission's consultants John J. Millner & Associates and the Rory Group noting that the reports are being fine-tuned and would be presented at the next Board meeting.

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**NEW BUSINESS**

None

**EXECUTIVE SESSION**

None

Commissioner Saverino moved to adjourn the meeting at 7:30 P.M. Seconded by Commissioner Novotny and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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