

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, OCTOBER 15, 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 6:30 P.M.

Commissioners in attendance in person: J. Broda, D. Novotny, F. Saverino and J. Zay

Commissioners in attendance via Webex: D. Bouckaert, J. Fennell, R. Obarski, J. Pruyon, K. Rush and D. Russo

Commissioners Absent: R. Gans, J. Healy and P. Suess

Also in attendance in person: J. Spatz, C. Johnson, C. Peterson and J. Rodriguez

Also in attendance via Webex: Treasurer W. Fates, A. Stark, D. Cuvalo, M. Weed, J. Schori, E. Kazmierczak, C. Bostick, Rich Stokluska of Arthur J. Gallagher & Co., and P. Luetkehans of Luetkehans, Brady, Garner & Armstrong LLC.

PLAQUE PRESENTATION

Chairman Zay presented Pipeline Supervisor Ed Kazmierczak with a retirement plaque thanking him for his 30 years of service and wished him all the best. Pipeline Supervisor Kazmierczak thanked everyone for the many opportunities the Commission had given him and wished everyone continued success.

PUBLIC COMMENT

None as verified by Commission employee Alan Stark present at Elmhurst City Hall, 290 N. York Street, Elmhurst, IL. 60126.

APPROVAL OF MINUTES

Commissioner Broda moved to approve the Minutes of the September 17, 2020 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Saverino.

Before the minutes were approved, Commissioner Rush moved to amend the September 17, 2020 Regular Commission meeting minutes to add to the second sentence of the fourth paragraph under the heading of "Chairman's Report" to read as follows: "With regards to the County of DuPage, an amount of \$10M would be directed to be used in the area of greatest need." Chairman Zay further amended the September 17, 2020 Regular Commission meeting minutes to add to the end of the first sentence of the last paragraph under the heading of "Chairman's Report" to read as follows: "Chairman Zay concluded the discussion by stating that the Commission is in a good financial position

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and has an opportunity to help all in DuPage County, Municipalities as well as the County of DuPage, but felt that \$10M to the County may be too much and suggested \$5M to the County instead.” Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

With no further amendments, the main motion to approve the Minutes of the September 17, 2020 Regular Meeting of the DuPage Water Commission was approved, as amended, by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Sues

TREASURER’S REPORTS

Treasurer Fates presented the September 2020 Treasurer’s Report consisting of 13 pages, noting that pages 1 and 2 contained a brief summary of the report.

Treasurer Fates pointed out the \$188.6 million of cash and investments on page 4, which reflected an increase of about \$1.6 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 11 totaling \$158.4 million and the market yield on the total portfolio showed 1.50% which had decreased from the prior month. On page 12, the statement of cash flows showed an increase in cash and investments by about \$4.9 million and operating activities generated \$4.6 million. On page 13, the monthly cash/operating report showed that the Commission has met all recommended reserve balances.

Commissioner Russo moved to accept the September 2020 Treasurer’s Report. Seconded by Commissioner Obarski and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Sues

COMMITTEE REPORTS

Finance Committee – Meeting Cancelled

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After Chairman Zay removed item number 2 to Purchase Property and Liability Insurance from the single group Omnibus Vote for separate consideration, Commissioner Russo moved to Suspend the Purchasing Procedures of the Commission's By-Laws and to Purchase Property and Liability Insurance for a total premium of approximately \$423,800.00 as proposed by AJ Gallagher Risk Management Services, Inc. Seconded by Commissioner Broda.

Before the vote was called, General Manager Spatz explained that insurance costs would be increasing by about 2%, partly due to the Commission increasing the property insurance deductible from \$100,000 to \$150,000. If the Commission did not increase the property deductible, then the insurance would have increased approximately 10%. General Manager Spatz also noted that representative Rich Stokluska of Arthur J. Gallagher & Co. was in attendance via Webex to provide a brief explanation for the increase as well as answer any questions.

Commissioner Obarski questioned as to why the excess liability insurance had increased over 30% asking if the increase was due to increased liability coverage or by an incident. Mr. Stokluska gave a brief explanation of changes stating that under the current marketplace various changes have been made to the property and liability insurance stemming from the natural disasters that have occurred over the past 2 years. Mr. Stokluska explained that several insurance companies that have offered \$10M coverage in the past have now decreased coverage limits to \$5M with only a few willing to provide \$10M in coverage limits. The Commission had \$12M in excess liability insurance in the past. Mr. Stokluska continued saying that there is a state law that requires insurance companies to provide a 60-day prior notice of any changes and because Markel Insurance Company did not meet the 60-day notification requirement, they have agreed to extend the limits. However, because Markel Insurance Company is limited to \$10M per policy, they needed to obtain reinsurance from Evanston Insurance Company for the additional \$2M in coverage. After Commissioner Obarski confirmed excess liability coverage was at \$12M, she then questioned if the Commission needed the additional \$2M in coverage or if the Commission was paying the additional \$2M because of the error made by Markel Insurance Company. Mr. Stokluska explained that in his opinion the Commission's \$22M in total coverage limits is sufficient for the type of exposure. General Manager Spatz added by informing everyone that any water main outside 1,000 feet of the Commission facility would not be covered and therefore recommended keeping the coverage the same. With regards to the liability insurance limits, Commissioner Novotny questioned whether that was the aggregate limit or per occurrence to which Mr. Stokluska responded per occurrence and clarified that total coverage was \$20M per occurrence with a \$22M aggregate limit.

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

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Suess

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Commissioner Russo moved to adopt item numbers 3 and 4 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Broda and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Sues

Item 3: Workers' Compensation and Employer's Liability Insurance- To Suspend the Purchasing Procedures of the Commission's By-Laws and to Purchase Workers' Compensation and Employer's Liability Insurance (total premium not-to-exceed \$105,000.00 as proposed by Illinois Public Risk Fund and outlined by Arthur J. Gallagher Risk Management Services, Inc.)

Item 4 Request For Board Action – To Authorize the General Manager to Engage in a Two Year Agreement with Sikich LLC for Auditing Services at the DuPage Water Commission for a not-to-exceed amount of \$30,000.00 per year.

Administration Committee – Meeting Cancelled

Commissioner Obarski moved to adopt item numbers 2 and 3 under the Administration 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. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Sues

Item 2: Resolution No. R-42-20: A Resolution Reviewing Certain Executive Session Meeting Minutes at the October 15, 2020, DuPage Water Commission Meeting (no cost)

Item 3: Resolution No, R-43-20: 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 4 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 Russo and unanimously approved by a Roll Call Vote.

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Suess

Item 2: Resolution No. R-41-20: A Resolution Directing Advertisement for Bids on a Contract for Quick Response Electrical Work Contract QRE-9/20 at the October 15, 2020 DuPage Water Commission Meeting (no cost)

Item 3: Resolution No. R-44-20: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-8/17 at the October 15, 2020 DuPage Water Commission Meeting (McWilliams Electric, Co., at an estimated cost of 26,500.00)

Item 4: Resolution No. R-45-20: A Resolution Approving and Ratifying Certain Task Orders Under a Master Contract with Corpro Companies, Inc. at the October 15, 2020 DuPage Water Commission Meeting (total amount not-to-exceed \$87,000.00)

ACCOUNTS PAYABLE

Commissioner Obarski moved to approve the Accounts Payable in the amount of \$10,247,681.55 subject to submission of all contractually required documentation, for invoices that have been received and to approve the Accounts Payable in the amount of \$2,375,230.00 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.

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Suess

CHAIRMAN'S REPORT

Chairman Zay began by noting his surprise regarding the Board's discussion, last month, on the topic of the COVID-19 Emergency Relief Refund. Chairman Zay stating that the item was on the agenda for discussion purposes only and expressed the importance of hearing all thoughts and opinions but felt very disrespected when he was speaking. Chairman Zay added that he has much respect for all Board members as the Board has worked very hard at establishing a respectful and good working relationship and would like to see that continue.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

With regards to the COVID-19 Emergency Relief discussion, Chairman Zay reiterated his position from last month noting that the Commission has an opportunity to help its customers during this hardship and reminded Board members when customers had to absorb (10 years ago) a water rate increase during the Commission's financial shortfall. He then opened the floor for discussion.

Commissioner Obarski expressed general reluctance due to the possible risks involved, but also stated that she liked the idea of governments helping each other in time of need. Commissioner Obarski continued by suggesting that the Commission look into possibly adjusting the water rate structure as a way to help, but only if the Commission has sufficient funds to do so. Should there be a consensus from the Board to move forward with a relief refund based upon the customer's water bill for May 2020, Commissioner Obarski stated that she would support the proportionate amount to Charter and Subsequent customers. Should the Board decided to consider including the County of DuPage in the relief refund, Commissioner Obarski noted that she would be open to hear the rational and then decide from there.

Commissioner Rush noted that she had been contacted by several municipalities that shared their concerns with the original proposal, specifically how the relief refund would be distributed. Commissioner Rush further noted that should there be an excess in the Commission's reserve structure, then the Board should be reviewing the Commission's policies to be able to make a more informed decision on how to approach financing future capital improvement projects. Commissioner Rush expressed her concern with how the pandemic has affected so many but stressed the importance of looking at this from the rate payer's viewpoint and consider how the relief refund would be afforded to those individuals.

Commissioner Pruyne agreed with both Commissioner's Obarski and Rush viewpoints adding that before the Board makes any decision on a relief refund that staff verifies that there is in fact an excess in the reserve fund accounts because the reserve accounts were funded based on a formula and if they are too high then perhaps a reevaluation of the reserve fund policy is needed. General Manager Spatz responding noting that the Commission's water rates have been steady over the past five years and whatever excess the Commission has generated has been going towards increased costs. With regards to the Commission's Capital Improvement Plan, General Manager Spatz confirmed that the Commission's Five-Year Capital Improvement Plan was fully funded. As far as how the excess funds were generated, General Manager Spatz explained that water sales for 2020 had been better than expected and one of the capital projects originally budgeted is expected to cost significantly less. On a different note, General Manager Spatz informed the Board that the Mayor's office of the City of Chicago had

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contacted him wanting to set up a video conference meeting to discuss the future and how it may impact DuPage. General Manager Spatz noted that the video conference had been scheduled with the City's Mayoral Staff, Chairman Zay and himself for the following day. He then shared concerns with the City being largely in debt and hopefully the City is not considering a large water rate increase. Before moving forward with any relief refund, General Manager Spatz stated that he would like to hear what Chicago has to say first. With that said, General Manager Spatz said that the Commission has tried, and will continue to try, to keep water rates to its customers as flat as possible. At the same time, the thought behind the Emergency COVID-19 Relief Refund was to avoid possible short-term layoffs and/or cutbacks in critical services for all communities of DuPage County noting this was meant to be a good will gesture and not to create havoc among Board members.

Commissioner Fennell thanked General Manager Spatz for his caution and stated that he would be in support of providing a relief fund, if possible, to all the Commission's rate payers on an equivalent basis.

Commissioner Russo shared that the Board has done a great job at managing the Commission's reserve funds and stated that the total amount of what the Commission would be providing for the emergency relief refund would have such a large impact on not only the customers but also to DuPage County. Commissioner Russo added that the County has provided, and will continue to provide, many services for all the municipalities.

Commissioner Obarski suggested putting the discussion on hold until details are provided from the meeting with the City of Chicago. To which all agreed.

Chairman Zay concluded the discussion by noting that he would like staff to look into previous customer rebates/refunds, water rates and legislation.

NEW BUSINESS

None

EXECUTIVE SESSION

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

Ayes: D. Bouckaert, J. Broda, J. Fennell, D. Novotny, R. Obarski, J. Pruyn, K. Rush, D. Russo, F. Saverino, and J. Zay

Nays: None

Absent: R. Gans, J. Healy and P. Sues

The Board went into Executive Session at 7:16 P.M.

Commissioner Broda moved to come out of Executive Session at 7:34 P.M. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

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All voted aye. Motion carried.

Commissioner Broda moved to adjourn the meeting at 7:35 P.M. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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