

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, MAY 17, 2012
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:30 P.M.

Commissioners in attendance: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Commissioners Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

Also in attendance: N. Narducci, C. Peterson, C. Johnson, T. McGhee, J. Rodriguez, M. Weed, C. Bostick, J. Schori, E. Kazmierczak, B. Adams of Holland & Knight, and S. Lux of Baker Tilly

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Furstenau moved to approve the Minutes of the April 12, 2012 Special Finance Committee Meeting, the Minutes of the April 19, 2012 Regular Minutes, and the Executive Session Minutes of the April 19, 2012 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Financial Consultant Lux presented the May 2012 Treasurer's Report, consisting of seven pages.

Financial Consultant Lux highlighted the \$77MM of cash and investments on page 1, noting that the balance was \$116,000 higher in the month of April due to operations less the Commission's \$5MM principal payment to Northern Trust Bank. Financial Consultant Lux also pointed out the schedule of investments on pages 2, 3, 4; and 5; the \$9MM in net cash from operating activities reflected in the summary statement of cash flows on page 6; and the \$17MM of unrestricted cash on hand as well as the full funding of the Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts with a total cash balance of \$77MM shown on page 7.

Commissioner Janc moved to accept the May 2012 Treasurer's Report. Seconded by Commissioner Furstenau 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 the action items listed on the Finance Committee Agenda.

Commissioner Suess reported that staff had engaged both West Suburban Bank and Northern Trust Bank for purposes of negotiating a lower interest rate on the two Certificates of Debt. With respect to Ordinance No. O-6-12, Commissioner Suess noted that staff was able to negotiate with West Suburban Bank a 1 ½% fixed rate of interest which in turn would save the Commission approximately \$150,000/per year with an expected payoff date of May 31, 2013. Commissioner Suess further noted that if the Commission is unable to meet the payoff deadline of May 31, 2013, then the loan would revert back to its original interest rate terms.

After Attorney Adams explained a few modifications that had been made to the original Ordinance distributed to the Board members, including a statement that the purchases contemplated are now substantially complete, but that there we no changes to any of the loan terms or the payoff date, Commissioner Suess moved to adopt Ordinance No. O-6-12: An Ordinance Further Amending the \$30,000,000 Taxable Debt Certificate, Series 2009, of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Pursuant to Agreement with the Original Purchaser (West Suburban Bank). Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

With respect to Ordinance No. O-7-12, Commissioner Suess noted that staff was able to negotiate with Northern Trust Bank and reduce the interest rate from 150 basis points plus Libor selection to 125 basis points plus Libor selection, which in turn would save the Commission around \$75,000/per year.

After Attorney Adams explained that there had been a few modifications to the Ordinance since it was last distributed to the Board members, including a statement that the purchases contemplated are now substantially complete and some comments from bond counsel, but that there we no changes to any of the loan terms or the payoff date, Commissioner Suess moved to adopt Ordinance No. O-7-12: An Ordinance Further Amending the \$40,000,000 Taxable Debt Certificate, Series 2010, of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Pursuant to Agreement with the Original Purchaser (The Northern Trust Company). Seconded by Commissioner Janc and unanimously approved by a Roll Call Vote.

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Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee did not have a quorum, but that she had spoken with General Manager Spatz regarding the Commission’s By-Laws, Ethics Policy and Credit Card Policy.

With respect to the Credit Card Policy, Commissioner Crawford reported that the policy would give the General Manager the authority to designate a few individuals to have Commission credit cards, but that each cardholder would have a limit of \$1,500 per single purchase and with a not to exceed total limit of \$10,000.00.

With respect to the Ethics Policy, Commissioner Crawford reported that General Manager Spatz met with DuPage County Chief of Staff Tom Cuculich and Lombard Village Trustee Peter Breen and it was suggested by Mr. Cuculich for the Commission to hold on amending its Ethics policy as the County will soon be proposing its own policy for others to weigh in on.

Engineering & Construction Committee – Reported by Commissioner Furstenau

Commissioner Furstenau reported that the Engineering & Construction Committee did not have a quorum, but that those Commissioners present reviewed and recommended for approval the action items listed on the Engineering & Construction Committee Agenda.

With respect to Resolution No. R-18-12, Commissioner Furstenau explained that the Commission initially solicited proposals for the project and only two had been received, both of which greatly exceeded the engineer’s estimate. Commissioner Furstenau further explained that staff had reworked the bidder’s proposal for solicitation of a second set of bids which brought in costs closer to the engineer’s estimate.

There being no questions, Commissioner Furstenau moved to adopt Resolution No. R-18-12: A Resolution Awarding a Contract for the Construction of DuPage County Steeple Run Metering Station 9C (Contract MS-19/12). Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote.

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Nays: None

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Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

ACCOUNTS PAYABLE

Commissioner Suess moved to approve the Accounts Payable in the combined amount of \$10,671,456.30, 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 Janc and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

CHAIRMAN'S REPORT

Chairman Zay reported that the Commission had solicited Requests for Proposals for Legal services to seventeen law firms. Ten proposals were received and of those ten, seven law firms had been contacted for interviews. Chairman Zay further reported that interviews had been conducted by a panel consisting of himself, Commissioner Murphy and General Manager Spatz and noted that the panel would be meeting again to discuss the qualifications in more detail and report back to the Board.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

None

EXECUTIVE SESSION

Commissioner Furstenau 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 Pruyn and unanimously approved by a Roll Call Vote:

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Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

The Board went into Executive Session at 7:45 P.M.

Commissioner Saverino moved to come out of Executive Session at 8:02 P.M. Seconded by Commissioner Cullerton and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Cullerton moved to adopt Resolution No. R-19-12: A Resolution Approving and Authorizing the Execution of Collective Bargaining Agreements with the International Union of Operating Engineers Local 150, Public Employee Division, and the International Union of Operating Engineers Local 399 (AFL-CIO), and Related Documents. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, J. Pruyn, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: D. Loftus, W. Murphy, D. Russo, M. Scheck, and J.B. Webb

Commissioner Suess moved to adjourn the meeting at 8:03 P.M. Seconded by Commissioner Crawford and unanimously approved by a Voice Vote.

All voted aye. Motion carried.