

**MINUTES OF A MEETING OF THE
ADMINISTRATION COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, JANUARY 19, 2017
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS 60126**

Chairman Zay called the meeting to order at 6:15 P.M.

Committee members in attendance: J. Zay, J. Broda, J. Fennell and D. Novotny.

Committee members absent: none

Also in attendance: J. Spatz and F. Frelka.

Commissioner Novotny moved to approve the Minutes of the December 16, 2016, Administration Committee meeting. Second by Commissioner Fennell.

All voted aye. Motion carried.

Discussion began about the first agenda item, O-1-17, an ordinance concerning a water purchase and sale contract between the Commission and Village of Bartlett and the talks included the other two ordinances on the agenda since they are all closely related. Chairman Zay remarked that staff had done a "great job" preparing the agreements with Bartlett for the water purchase contract and intergovernmental agreements concerning loans for the capital cost recovery charge and construction of connection facilities. He further credited staff with getting it done over the holiday period in time for the January meeting. Commissioner Fennell also acknowledged staff's efforts, specifically mentioning the expeditious manner in which the agreements were concluded and quality of the exhibits. General Manager Spatz credited the Commission's and Bartlett's attorneys for quickly getting up to speed on the issues, cooperatively working through previous drafts, and crafting documents acceptable to all parties.

After more discussion, Commissioner Novotny made a motion to recommend approval of O-1-17. The motion was seconded by Commissioner Broda.

Chairman Zay and Commissioners Broda and Novotny voted aye. Commissioner Fennell abstained. Motion carried.

Next, with the previous discussion including and referring to details of the three ordinances on the agenda, Commissioner Novotny made a motion to recommend approval of O-2-17, an ordinance concerning a loan for the capital cost recovery charge to the Village of Bartlett. Motion was seconded by Commissioner Broda.

Chairman Zay and Commissioners Broda and Novotny voted aye. Commissioner Fennell abstained. Motion carried.

Commissioner Novotny made a motion to recommend approval of O-3-17, an ordinance concerning a loan from the Commission to the Village of Bartlett for connection facilities to implement the water services agreement. The motion was seconded by Commissioner Broda.

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General Manager Spatz discussed certain details of the connection facilities loan agreement. He explained that the capital cost recovery charge – in essence a buy-in fee charged to new members joining the Commission – is different from the connection facilities loan. With the capital recovery charge money is loaned to Bartlett by the Commission and immediately paid back so the Commission is never actually at risk. With the connection facilities loan the Commission makes outlays from its funds for connection facility expenses as they are incurred. Because of this he wanted a strong agreement that included the ability to place a lien against future water revenue in the event of a default on its obligations by Bartlett. In the process he discovered that the Illinois Environmental Protection Agency was also making a loan to Bartlett and therefore has the first right to place a lien. That being the case, General Manager Spatz made sure the agreement gives the Commission the right to place a second lien in addition to the ability to recover legal costs and other expenses, if necessary.

Chairman Zay and Commissioners Broda and Novotny voted aye. Commissioner Fennell abstained. Motion carried.

With no further discussion or objections from the Commissioners present, Chairman Zay adjourned the meeting at 6:24 P.M.