



# DuPage Water Commission

600 E. Butterfield Road, Elmhurst, IL 60126-4642  
(630)834-0100 Fax: (630)834-0120

**NOTICE IS HEREBY GIVEN THAT THE RESCHEDULED JANUARY 2011 REGULAR MEETING OF THE DUPAGE WATER COMMISSION WILL BE HELD AT 7:00 P.M. ON THURSDAY, JANUARY 13, 2011, AT 600 EAST BUTTERFIELD ROAD, ELMHURST, ILLINOIS 60126. THE AGENDA FOR THE RESCHEDULED JANUARY 2011 REGULAR MEETING IS AS FOLLOWS:**

## REVISED AGENDA

### DUPAGE WATER COMMISSION

**THURSDAY, JANUARY 13, 2011  
7:00 P.M.**

**600 EAST BUTTERFIELD ROAD  
ELMHURST, IL 60126**

I. Call to Order and Pledge of Allegiance

II. Roll Call

(Majority of the Commissioners **Eligible for Office**—minimum 7)

III. Administering Official Oath and Determination of Terms of Office

#### Municipal Appointed Commissioners

Jeffrey J. Pruyn – District 1

Thomas Cullerton – District 2

William F. Murphy – District 3

Philip J. Suess – District 4

Richard R. Furstenau – District 5

Frank Saverino, Sr. – District 6

#### County Appointed Commissioners

Christopher Janc – District 1

Daniel J. Loftus – District 2

Michael R. Scheck – District 3

J. Bradley Webb – District 4

Laura Crawford – District 5

David Russo – District 6

IV. Approval of James F. Zay as Chairperson of the DuPage Water Commission and Administering Official Oath

(Concurrence of a Majority of those Commissioners **Present and in Office**, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To approve the appointment of James F. Zay as Chairperson of the DuPage Water Commission (Voice Vote).**

All visitors must present a valid driver's license or other government-issued photo identification, sign in at the reception area and wear a visitor badge while at the DuPage Pumping Station.

V. Appointment of Vice Chairperson of the DuPage Water Commission

(Affirmative Majority of the **Municipal Appointed Commissioners**—4)

**RECOMMENDED MOTION: To appoint XXX to serve as Vice-Chairman of the DuPage Water Commission for a term expiring April 30, 2012, or until his or her successor is duly appointed and confirmed (Roll Call).**

VI. Public Comments (limited to 5 minutes per person)

VII. Approval of Minutes

A. Approval of Minutes of Special Committee of the Whole of December 9, 2010

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To approve the Minutes of the December 9, 2010 Special Committee of the Whole Meeting of the DuPage Water Commission (Voice Vote).**

B. Regular Meeting of December 9, 2010

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To approve the Minutes of the December 9, 2010 Regular Meeting of the DuPage Water Commission (Voice Vote).**

C. Executive Session of December 9, 2010

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To approve the Executive Session Minutes of the December 9, 2010 Regular Meeting of the DuPage Water Commission (Voice Vote).**

VIII. Treasurer's Report – December 2010

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To accept the December 2010 Treasurer's Report (Voice Vote).**

IX. Committee Reports

A. Administration Committee

- Meeting Cancelled

B. Engineering & Construction Committee

- Meeting Cancelled

## C. Finance Committee

- Meeting Cancelled

## X. Chairman's Report

## A. Committee Appointments

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To confirm Chairman Zay's appointments of Commissioners to serve on the Committees, as Chair or otherwise, as set forth in Chairman Zay's memorandum dated January 6, 2011 (Voice Vote).**

## B. Treasurer Appointment

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

**RECOMMENDED MOTION: To confirm Chairman Zay's appointment of XXX to serve as the Treasurer of the DuPage Water Commission, subject to the advice and consent of the DuPage County Board (Roll Call).**

## C. Meeting Schedule

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION: To change the regular Commission and Committee meeting schedule from the second Thursday of each month to the third Thursday of each month, with the regular Board meeting to begin at 7:30 p.m., the Administration Committee to begin at 7:00 P.M., the Engineering and Construction Committee to begin at 6:30 P.M., and the Finance Committee to begin at 6:00 P.M. prior to the regular Board meetings (Voice Vote).**

## XI. Omnibus Vote Requiring Majority Vote

- A. Ordinance No. O-1-11: An Ordinance Amending the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011

(Concurrence of a Majority of the Appointed Commissioners—7)

**RECOMMENDED MOTION: To adopt the items listed on the Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures (Roll Call).**

**XII. Omnibus Vote Requiring Super-Majority or Special Majority Vote**

- A. Resolution No. R-1-11: A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the January 13, 2011, DuPage Water Commission Meeting

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

**RECOMMENDED MOTION: To adopt the items listed on the Super/Special Majority Omnibus Vote Agenda in a single group pursuant to the Omnibus Vote Procedures (Roll Call).**

**XIII. Old Business**

- A. Downers Grove Contaminated Well Loan

- B. Retain Financial Services Provider

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

**RECOMMENDED MOTION: To retain the services of XXXXX as Financial Services Provider at a cost of \$XXXXX (Roll Call).**

**XIV. New Business**

- Continuing Disclosure Material Event Notices

(Concurrence of a Majority of the Appointed Commissioners—7)

**RECOMMENDED MOTION: To direct staff to file the Continuing Disclosure Material Event Notices as presented (Roll Call).**

**XV. Accounts Payable**

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

**RECOMMENDED MOTION: To approve the Accounts Payable in the amount of \$4,308,372.08, subject to submission of all contractually required documentation, for invoices that have been received (Roll Call).**

**RECOMMENDED MOTION: To approve the Accounts Payable in the amount of \$889,600.00, subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated (Roll Call).**

**XVI. Executive Session**

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**RECOMMENDED MOTION:** To go into Executive Session to discuss security procedures pursuant to 5 ILCS 120/2(c)(8), to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2), to discuss acquisition of real estate pursuant to 5 ILCS 120/2(c)(5), to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11), and/or to discuss minutes of closed meetings pursuant to 5 ILCS 120/2(c)(21) (Roll Call).

**RECOMMENDED MOTION:** To come out of Executive Session (Voice Vote).

XVII. Adjournment

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**MINUTES OF A SPECIAL COMMITTEE OF THE WHOLE  
MEETING OF THE DUPAGE WATER COMMISSION  
HELD ON THURSDAY, DECEMBER 9, 2010  
600 E. BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

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

Commissioners in attendance: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino (arrived at 6:45 P.M.), P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Commissioners Absent: T. Bennington, W. Maio, and W. Mueller

Also in attendance: T. McGhee, R. Skiba, M. Crowley, C. Johnson, R. C. Bostick, J. Schori, J. Nesbitt, F. Frelka, M. Weed, and E. Kazmierczak

Chairman Rathje asked Commissioner Elliott to report on a meeting that took place involving representatives from the Village of Downers Grove, representatives of certain potentially responsible parties (PRPs) under environmental law, Commissioners Murphy, Zay, and Furstenau, Acting General Manager McGhee, and Staff Attorney Crowley regarding the loan made to the Village under the Commission's Contaminated Well Loan Program. Commissioner Elliott suggested that the discussion be deferred to Executive Session because of the potential for litigation as the Village was in default under the loan because the Commission had yet to receive a payment that was due in August. Chairman Rathje asked Staff Attorney Crowley for an opinion as to whether the matter could be discussed in Executive Session. Staff Attorney Crowley advised that if the Commissioners believed that litigation to force the Village to comply with the terms of the loan was either more likely than not to occur or was close at hand, then that probable or imminent litigation would be an appropriate topic for discussion in Executive Session.

Commissioner Zay briefly noted that he felt the meeting was productive and that the Village of Downers Grove basically asked for an extension on the overdue payment until June 2011, at which point they should be in a position to work out an amicable settlement with the Commission.

Commissioner Suess commented that the Commission is getting drawn into a negotiation to change an existing contractual obligation that the Village of Downers Grove needs to honor and that the issue is only between the Village of Downers Grove and the Commission and no other party. Commissioner Suess further commented that the principal payment had been due since August but the Commission had yet to receive a specific settlement proposal from the Village and that no representatives from the Village of Downers Grove have ever attended a Board meeting to discuss the issue even though directly invited to do so on more than one occasion and even though the matter appears on the regular meeting agenda.

Commissioner Saverino arrived at 6:45 P.M.

**APPROVAL OF MINUTES**

Commissioner Elliott moved to approve the Minutes of the November 11, 2010 Special Committee of the Whole Meeting of the DuPage Water Commission. Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**RECOMMENDATIONS FROM AD HOC COMMITTEE**

None

**FINANCE REPORT**

Former Financial Administrator Skiba reported that:

- During November, \$1.8 million of debt certificate proceeds were used to fund on-going construction projects and water purchased from Chicago was paid from operating revenues with no adverse effect on bond required reserves.
- Water sales to Commission customers for November 2010 were 40.9 million gallons (2.0%) more than November 2009 and, through the first seven months of the fiscal year, water sales were 125.4 million gallons (0.7%) more than the same period last fiscal year.
- November sales tax collections (August sales) were \$227.244 (9.4%) more than the same period last fiscal year, with the \$17.5 million year-to-date sales tax collections \$1.0 million (6.1%) more than last fiscal year.
- The Operations and Maintenance Account was fully funded as of November 30, 2010, the Operations and Maintenance Reserve Account and the Depreciation Account were over funded, and an additional \$2.0 million was transferred to the General Account of the Water Fund for a balance of \$11.1 million.
- The remaining construction obligations for uncompleted work at November 30, 2010 were almost \$3.8 million.

As part of the Financial Report, Former Financial Administrator Skiba gave a brief an explanation of Ordinance Nos. O-13-10 and O-15-10 which appear on the regular meeting agenda.

With respect to Ordinance No. O-13-10: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011, Former Financial Administrator Skiba explained the ordinance would authorize appropriation transfers between various line items within certain funds but not fund increases. Former Financial Administrator Skiba further explained that the main appropriation transfers were needed (1) to complete the City of Chicago Construction

## Minutes of the 12/9/10 Committee of the Whole Meeting

project (transfer of approximately \$1.2MM); (2) to cover the 1.25% increased interest rate associated with extending the \$30MM taxable Certificate of Debt with West Suburban Bank (transfer of approximately \$135,000); and (3) to correct a budgeting error regarding the interest payments on the General Obligation Bonds (transfer of approximately \$96,000).

Commissioner Suess asked whether, and Former Financial Administrator Skiba confirmed that, the transfer of approximately \$1.2MM for the City of Chicago construction projects should allow for full project completion without the need for further appropriation transfers. Treasurer/Commissioner Zeilenga asked whether, and Former Financial Administrator Skiba confirmed that, the \$1.2MM in City of Chicago construction costs was included within the almost \$3.8MM in remaining construction obligations identified in Line B of Report B of the Treasurer's Report.

Commissioner Zay inquired as to how long the Commission will continue receiving a credit on the water billing from the City of Chicago and Former Financial Administrator Skiba noted that the Commission will continue to receive a credit, at most, through the end of fiscal year 2011/2012 but that the credit may terminate sooner depending upon final costs and seasonal water demand.

Commissioner Zay questioned how close the Commission was to completing the construction projects and Former Financial Administrator Skiba replied by that all projects should be completed by the end of January 2011.

With regards to Ordinance No. O-15-10: An Ordinance Amending the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011, Former Financial Administrator Skiba explained that approval of Ordinance No. O-15-10 would appropriate an additional \$3,163,300 of the estimated \$36.3 million May 1, 2010 unappropriated Commission funds to ensure that no line item actual expenditure through November 30, 2010 exceeded 58.33% (7/12 of the lapsed fiscal year at November 30, 2010) of the amended appropriation, in addition to appropriating an additional \$2,587,700 in contingency against possible emergency pipeline expenses. Former Financial Administrator Skiba added that adoption of Ordinance No. O-15-10 was optional and mostly intended to restore the Contingency appropriation to its initial amount.

Commissioner/Treasurer Zeilenga disagreed with the need to restore the Contingency appropriation, noting that he felt it was a knee-jerk reaction considering the approximately \$500,000.00 of the Contingency appropriation that was unexpended with only four months remaining in the fiscal year, and that approximately \$1.4MM of the initial Contingency appropriation was expended for unique and special Lexington Pumping Station project expenditures. Commissioner Zay agreed with Commissioner/Treasurer Zeilenga, noting that if an emergency arose, then the Board could transfer or amend the appropriation at that time.



## **ENGINEERING**

As part of the engineering report, Acting General Manager McGhee gave a brief description of all resolutions listed on the regular meeting agenda.

Acting General Manager McGhee explained that Resolution No. R-53-10: A Resolution Awarding a Contract for High Lift Pump Motor Re-Build at the DuPage Pumping Station would award the contract to the low bidder, Dreisilker Electric Motors, Inc., in the amount of \$7,940.00, for the removal, shop repair, and reinstallation of the Commission's 800 HP High Lift Pump Motor #5.

With respect to Resolution No. R-54-10: A Resolution Approving and Ratifying Certain Contract PSC-4/08 Change Orders at the December 9, 2010, Du Page Water Commission, Acting General Manager McGhee explained that Resolution No. R-54-10 would retroactively authorize, at a net increase in the Contract Price of \$88,870.66, the following three changes to the Contract:

- Replacement of the specified 480V fuel pumps with 208V rated fuel pumps, together with the installation of a Mechanical Line Leak Detector (\$38,339.54);
- Installation of low voltage conduits, cables, and conductors in the ComEd building and performance of terminations in both the ComEd building and the Lexington Pumping Station (\$22,514.82); and
- Installation of 18" diameter generator exhaust piping and stacks in lieu of the specified 14" diameter generator exhaust piping and stacks (\$28,016.30).

Commissioner Zay noted his concerns with approving the Change Order, stating that the design engineers should be held responsible. Acting General Manager McGhee responded that the first two changes were not design errors; the first being due to the fuel pump manufacturer having discontinued the specified 480V fuel pumps and the second being due to ComEd having changed its mind as to the extent of the work that it wanted to provide with its own forces. With respect to the third change, Acting General Manager McGhee explained that additional labor and materials were needed to accommodate the generators provided to the Commission under a separate contract.

Commissioner Furstenau requested staff provide a report explaining, in laymen's terms, the monthly water quality laboratory data provided to the Commissioners and providing guidelines for interpretation.

After Commissioner Loper suggested and Acting General Manager McGhee confirmed that the new Board will be invited to an orientation to welcome new Board members and will be provided with a detailed presentation on all current Commission projects and procedures, Commissioner Furstenau moved to adjourn the meeting at 7:13 P.M. Seconded by Commissioner Loper and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**MINUTES OF A MEETING OF THE  
DuPAGE WATER COMMISSION  
HELD ON THURSDAY DECEMBER 9, 2010  
600 E. BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman S. Louis Rathje at 7:20 P.M.

Commissioners in attendance: T. Bennington (arrived at 7:25 PM), T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Commissioners Absent: W. Maio and W. Mueller

Also in attendance: T. McGhee, R. Skiba, M. Crowley, C. Johnson, J. Nesbitt, R. C. Bostick, J. Schori, M. Weed, E. Kazmierczak, and F. Frelka

Commissioner Pruyn took his Oath of Office.

**PUBLIC HEARING**

Commissioner Elliott moved to open the Public Hearing regarding Amendments to the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011. Seconded by Commissioner Loper and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Acting General Manager McGhee explained that Ordinance No. O-15-10 would appropriate an additional \$3,163,300 of the estimated \$36.3 million May 1, 2010 unappropriated Commission funds to ensure that no line item actual expenditure through November 30, 2010 exceeded 58.33% (7/12 of the lapsed fiscal year at November 30, 2010) of the amended appropriation, in addition to appropriating an additional \$2,587,700 in contingency against possible emergency pipeline expenses. Acting General Manager McGhee added that adoption of Ordinance No. O-15-10 was optional and mostly intended to restore the Contingency appropriation to its initial amount. Commissioner Suess asked where the previously unappropriated funds were to come from. Former Financial Administrator Skiba responded that the previously unappropriated funds would come from reserves that were mostly derived from certificate of debt proceeds.

Commissioner Bennington arrived at 7:25 P.M.

Treasurer/Commissioner Zeilenga added that the previously unappropriated funds would come from the \$25,344,166 general cash balance shown on Line A of Report B of the Treasurer's Report.

After Commissioner Suess confirmed with Former Financial Administrator Skiba that any expenditure of the Contingency appropriation would require Board approval, Chairman Rathje opened up the floor for public questions and comments. Hearing

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none, Commissioner Elliott moved to close the Public Hearing regarding Amendments to the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011. Seconded by Commission Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

### **PUBLIC COMMENTS**

Stan Zegel, Winfield, Illinois, expressed concerns with the Commission's meeting Agenda, noting that most of the items should be deferred to the regular January meeting for the new Board to decide.

### **APPROVAL OF MINUTES**

Commissioner Furstenau moved to approve the Minutes of the November 11, 2010 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

### **TREASURER'S REPORT**

Treasurer/Commissioner Zeilenga presented the November 2010 Treasurer's Report, which consisted of three pages designated Reports A, B, and C. With respect to Report B, Treasurer/Commissioner Zeilenga noted that the current construction obligations have dropped because the projects are nearing completion and that the total summary cash plus reserve analysis shows a balance for the month of November that was higher than October's month end. Treasurer/Commissioner Zeilenga also noted that Reports A and C are reconciled with each other.

Commissioner Furstenau moved to accept the November 2010 Treasurer's Report. Seconded by Commissioner Elliott and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

### **COMMITTEE REPORTS**

#### **Administration Committee**

Meeting Canceled

#### **Engineering & Construction Committee**

Meeting Canceled

**Finance Committee**

Meeting Canceled

**CHAIRMAN'S REPORT**

Chairman Rathje deferred his report to the end of the meeting.

**MAJORITY OMNIBUS VOTE AGENDA**

Chairman Rathje requested that each item be removed from the Majority Omnibus Vote Agenda for separate consideration.

Treasurer/Commissioner Zeilenga moved to adopt Ordinance No. O-13-10: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2010 and Ending April 30, 2011. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

Commissioner Zay moved to adopt Resolution No. R-53-10: A Resolution Awarding a Contract for High Lift Pump Motor Re-Build at the DuPage Pumping Station. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

**SUPER/SPECIAL MAJORITY OMNIBUS VOTE AGENDA**

Due to unsettled issues with the Contract PSD-7/08 Contractor, Acting General Manager McGhee requested that Resolution No. R-55-10: A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the December 9, 2010, DuPage Water Commission Meeting not be acted upon.

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Commissioner Murphy moved to adopt Resolution No. R-54-10: A Resolution Approving and Ratifying Certain Contract PSC-4/08 Change Orders at the December 9, 2010, DuPage Water Commission Meeting. Seconded by Commissioner Furstenau and approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, D. Zeilenga, and L. Rathje

Nays: T. Bennington and J. Zay

Absent: W. Maio and W. Mueller

### **OLD BUSINESS**

#### **Recommendations From Ad Hoc Committee**

None

#### **Downers Grove Contaminated Well Loan**

Commissioner Elliott requested that the discussion be deferred to Executive Session.

#### **Treasurer Compensation**

Treasurer/Commissioner Zeilenga moved to change the compensation of the Treasurer, effective as of January 1, 2011, from a stipend of \$50 per meeting to an annual fee of \$10,000.00, payable in substantially equal monthly installments, to any Treasurer who is not a member of a governing board or an officer or employee of a unit of local government within DuPage County. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

#### **Ordinance No. O-15-10**

Failed for lack of an approving motion

#### **Retain Financial Services Provider**

Commissioner Murphy asked Acting General Manager McGhee to provide staff's overview of the proposals received. Acting General Manager McGhee reminded the Board that, in October, staff was directed to formally solicit outsourcing proposals from reputable accounting firms.

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Acting General Manager McGhee noted that of the seven firms solicited, only four submitted proposals. Acting General Manager McGhee advised that copies of the proposals received had been provided to Chairman Rathje, Treasurer/Commissioner Zeilenga, Finance Committee Chairman Zay, and Commissioner Murphy for review. Acting General Manager McGhee also noted that based upon staff's review of the various firm qualifications, together with the separately sealed cost information that had been provided to the full Board as requested at the November meeting, Crowe Horwath remained the staff's most favored firm in terms of both cost (\$19,500/month) and qualifications, with Baker Tilly (\$23,872/month) next in line. Acting General Manager McGhee concluded his remarks by noting that based upon the Commission's current cost to retain three independent financial consultants in addition to the employment one full time account clerk, it would be more cost efficient to outsource the financial department.

After several Commissioners complained that they had never received the cost data, Commissioner Elliott move to table to the January meeting retaining the services of a financial service provider. Seconded by Commissioner Furstenu and unanimously approved by a Voice Vote:

All voted aye. Motion carried.

### **NEW BUSINESS**

#### **Westchester Pavement Failure**

Acting General Manager McGhee gave a brief summary and video presentation regarding the Village of Westchester's request for Commission assistance in repairing a street that had settled over the Commission's 72" Transmission Main. After the Board viewed the video, the Village of Westchester's Village President, Sam Pulia, distributed a handout highlighting the pavement area in question and the Village's historical street repairs.

During the discussion, Acting General Manager McGhee noted that the transmission main had been installed by the Commission approximately 15 years ago under Intergovernmental Agreement with the Village. Acting General Manager McGhee added that the Intergovernmental Agreement specifically included a two-year warranty—one year from the contractor and an additional year from the Commission. Acting General Manager McGhee additionally noted that the Intergovernmental Agreement also limited the Commission's obligation to make repairs due to subsidence for a period of two years following installation. Staff Attorney Crowley agreed with Acting General Manager McGhee's summary of the Intergovernmental Agreement provisions, as well as noting that the statute of limitations had also run.

With respect to Mr. Pulia's statement that the Village's engineering consultant believed that the 72" Transmission Main was incorrectly compacted when it was initially installed, Acting General Manager McGhee stated that the Commission had received compaction

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test reports from the Commission's independent materials testing service verifying that, as the installation of the 72" Transmission Main progressed, the trench was backfilled and compacted in accordance with the requirements of the Intergovernmental Agreement. Acting General Manager McGhee added that, at project completion, the Commission also obtained "Final Acceptance" certifications from the Village and the Village engineer stating that the entire installation within the Village complied with Village requirements.

Based solely on a possible risk to the 72" Transmission Main, it was the consensus of the Board to reconsider the matter once the Village of Westchester's engineer had conducted a further evaluation and reported back to the Board.

### **Ordinance No. O-14-10**

Commissioner Bennington left the meeting at 8:34 P.M. to avoid a possible or perceived conflict of interest because his firm represents West Suburban Bank as a client.

Commissioner Zay moved to adopt Ordinance No. O-14-10: An Ordinance of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Amending and Extending 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. Seconded by Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington, W. Maio, and W. Mueller

### **ACCOUNTS PAYABLE**

Commissioner Zay moved to approve both Accounts Payable in the combined amount of \$6,347,853.81, 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 Treasurer/Commissioner Zeilenga and unanimously approved by a Roll Call Vote:

Ayes: T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: T. Bennington, W. Maio and W. Mueller

Commissioner Bennington returned to the meeting at 8:35 P.M.

**GENERAL MANAGER APPOINTMENT**

None

**TREASURER APPOINTMENT**

None

**EXECUTIVE SESSION**

Commissioner Murphy moved to go into Executive Session, after a five minute recess, to discuss matters related to pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11) and personnel pursuant to 5 ILCS 120/2(c)(1) and (2). Seconded by Commissioner Bennington and unanimously approved by a Roll Call Vote:

Ayes: T. Bennington, T. Elliott, R. Furstenau, J. Loper, W. Murphy, J. Pruyn, F. Saverino, P. Suess, J. Zay, D. Zeilenga, and L. Rathje

Nays: None

Absent: W. Maio and W. Mueller

The Board went into Executive Session at 8:40 P.M.

Commissioner Furstenau moved to come out of Executive Session at 9:15 P.M. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Chairman Rathje presented each Commissioner with a plaque thanking them for their loyal and dedicated service.

Commissioner Elliott moved to adjourn the meeting at 9:25 P.M. Seconded by Commissioner Bennington and unanimously approved by a Voice Vote.

All voted aye. Motion carried.



DATE: January 6, 2011

# REQUEST FOR BOARD ACTION

<b>AGENDA SECTION</b>	Chairman's Report— Committee Appointments	<b>ORIGINATING DEPARTMENT</b>	Acting General Manager's Office
<b>ITEM</b>	Committee Appointments	<b>APPROVAL</b>	
<p>Pursuant to the Commission's By-Laws, the Chairman appoints all committees and committee chairs with the advice and consent of the other Commissioners (By-Laws, Article VII, Section 2).</p> <p>The Chairman's appointments are as indicated in the attached memorandum.</p>			
<p><b>MOTION:</b> To confirm Chairman Zay's appointments of Commissioners to serve on the Committees, as Chair or otherwise, as set forth in Chairman Zay's memorandum dated January 6, 2011.</p>			



# DuPage Water Commission

## MEMORANDUM

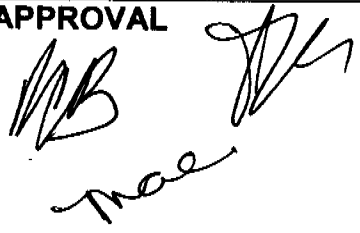
TO: Commissioners  
FROM: Chairman Zay  
DATE: January 6, 2011  
SUBJECT: Committee Appointments

I have appointed the following persons to serve on the Committees, as chair or otherwise, as set forth below opposite their respective names:

<u>Name</u>	<u>Committee</u>
Laura Crawford	Administration Committee, Chair
J. Bradley Webb	Administration Committee
William Murphy	Administration Committee
Thomas Cullerton	Administration Committee
Daniel J. Loftus	Engineering Committee, Chair
Michael R. Scheck	Engineering Committee
Richard Furstenau	Engineering Committee
Frank Saverino	Engineering Committee
Philip J. Suess	Finance Committee, Chair
Jeffrey J. Pruyn	Finance Committee

DATE: January 6, 2011

## REQUEST FOR BOARD ACTION

<b>AGENDA SECTION</b>	Omnibus Vote Requiring Super-Majority or Special Majority Vote	<b>ORIGINATING DEPARTMENT</b>	Facilities Construction/Safety Coordinator
<b>ITEM</b>	A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the January 13, 2011, DuPage Water Commission Meeting  Resolution No. R-1-11	<b>APPROVAL</b>	

Account Number(s): 01-60-7213.01

Resolution No. R-1-11 would approve the following Contract PSD-7/08 Change Orders:

**Change Order No. 13 to Contract PSD-7/08 (Electric Generation Facility and Office/Garage Expansion for the DuPage Pumping Station).** Change Order No. 13 would authorize, at a net increase in the Contract Price of \$17,048.00, the following changes to the Contract: 1) Consolidation of HVAC control cabinets including engineering, I/O boards, conduit and wire (\$7,871.00); 2) Installation of addressable smoke detectors in air handlers AHU-1 and AHU-2 and in supply fan SF-1 (\$6,118.00); and 3) Installation of additional data cabling to connect electric power analyzers to the DWC SCADA control cabinet (\$3,059.00). The Contract Completion Date remains December 31, 2010.

With regard to item 1, after the Contract was awarded and construction commenced on this portion of the work, staff determined that panel placement and the quantity of panels to be placed was non-conducive to operation and maintenance of the generator facility. The Contractor agreed to remove all overhead and profit from their proposal. This work has been performed.

With regard to item 2, after the Contract was awarded, staff determined that, for the purposes of commonality and ease of maintenance, the duct smoke detectors should be of the same make and model as all other duct smoke detectors in the DuPage Pump Station facilities. This work has not been performed.

With regard to item 3, staff has determined that insufficient real-time electrical data is being sent to the Commission's Supervisory Control And Data Acquisition system (SCADA). This data is critical to monitoring the incoming ComEd power, the electrical usages of the pumping station, and the output of the generators. Staff has requested that the Contractor provide the electrical cabling and connections to the data source and Staff will perform the SCADA interface and programming necessary. This work has not been performed.

Approval of this Change Order would increase the Contract Price in the net amount of \$17,048.00, which is within the cost range estimated by the Engineer, but does not authorize or necessitate an increase in the Contract Price that is 50% or more of the original Contract Price nor, based upon the Contractor's sworn certification, authorize or necessitate an increase in the price of any subcontract under the Contract that is 50% or more of the original subcontract price.

**MOTION:** To adopt Resolution No. R-1-11.

DUPAGE WATER COMMISSION

RESOLUTION NO. R-1-11

A RESOLUTION APPROVING AND RATIFYING  
CERTAIN CONTRACT PSD-7/08 CHANGE ORDERS AT THE  
JANUARY 13, 2011, DUPAGE WATER COMMISSION MEETING

BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The Contract PSD-7/08 Change Orders set forth on Exhibit 1, attached hereto and by this reference incorporated herein and made a part hereof, shall be and hereby are approved and, if already issued, ratified because the Board of Commissioners of the DuPage Water Commission has determined, based upon the representations of staff and the Contractor, that the circumstances said to necessitate the changes were not reasonably foreseeable at the time Contract PSD-7/08 was signed, the Contract PSD-7/08 Change Orders are germane to Contract PSD-7/08 as signed and/or the Contract PSD-7/08 Change Orders are in the best interest of the DuPage Water Commission and authorized by law.

SECTION TWO: This Resolution shall constitute the written determination required by Section 33E-9 of Article 33E of the Criminal Code of 1961 and shall be in full force and effect from and after its adoption.

AYES:

NAYS:

ABSENT:

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

ATTEST:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Clerk

Exhibit 1

Resolution No. R-1-11

1. Change Order No. 13 to Contract PSD-7/08 (Electric Generation Facility and Office/Garage Expansion for the DuPage Pumping Station) in the net amount of \$17,048.00.

DUPAGE WATER COMMISSION  
CHANGE ORDER

SHEET 1 OF 3

PROJECT NAME: Electric Generation Facility and  
Office/Garage Expansion for the  
DuPage Pumping Station

CHANGE ORDER NO. 13

LOCATION: Elmhurst, Illinois

CONTRACT NO. PSD-7/08

CONTRACTOR: Williams Brothers Construction, Inc.

DATE: January 13, 2011

I. A. DESCRIPTION OF CHANGES INVOLVED:

1. Consolidation of HVAC control cabinets including engineering, I/O boards, conduit and wire in accordance with the Engineer's Proposed Change Order Memorandum No. 053.
2. Furnish and install addressable smoke detectors in AHU-1, AHU-2 and SF-1 in accordance with the Engineer's Proposed Change Order Memorandum No. 059.
3. Furnish and install additional data cabling to connect electric power analyzers to DWC SCADA control cabinet in accordance with the Engineer's Proposed Change Order Memorandum No. 063.

B. REASON FOR CHANGE:

1. After the Contract was awarded and construction commenced on this portion of the work, Owner determined that panel placement and the quantity of panels to be placed was non-conducive to operation and maintenance of the generator facility. The Contractor has removed all overhead and profit from their proposal.
2. After the Contract was awarded, Owner determined that, for the purposes of commonality and ease of maintenance, the duct smoke detectors should be of the same make and model as all other duct smoke detectors in the DuPage Pump Station facilities.
3. Owner has determined that insufficient real-time electrical data is being sent to the Commission's Supervisory Control And Data Acquisition system (SCADA). This data is critical to monitoring the incoming ComEd power, the electrical usages of the pumping station and the output of the generators. The Owner has requested that the Contractor provide the electrical cabling and connections to the data source and Owner's Staff will perform the SCADA interface and programming necessary.

C. REVISION IN CONTRACT PRICE:

1. \$7,871.00 (Negotiated)
2. \$6,118.00 (Negotiated)
3. \$3,059.00 (Negotiated)

Total Net Increase of \$17,048.00

II. CHANGE ORDER CONDITIONS:

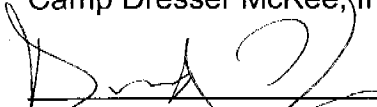
1. The Completion Date established in the Contract, as signed or as modified by previous Change Orders, is hereby extended by 0 Days, making the final Completion Date December 31, 2010.
2. Any Increased Work to be performed under this Change Order shall be provided, performed, and completed in full compliance with, and as required by or pursuant to, the Contract, including any Specifications and Contract Drawings for the Increased Work and for Work of the same type as the Increased Work, and as specified in the preceding "Description of Changes Involved."
3. Unless otherwise provided herein, all Work included in this Change Order shall be guaranteed and warranted as set forth in, and Contractor shall not be relieved from strict compliance with, the guaranty and warranty provisions of the Contract.
4. All Work included in this Change Order shall be covered under the Bonds and the Required Coverages specified in the Contract. If the Contract Price, including this Change Order, exceeds the Contract Price set forth in the Contract, as signed, by twenty percent (20%), Contractor shall submit to Owner satisfactory evidence of such increased coverage under the Bonds if requested by Owner.

III. ADJUSTMENTS IN CONTRACT PRICE:

1.	Original Contract Price	\$	<u>16,970,000.00</u>
2.	Net <del>(addition)</del> <del>(reduction)</del> due to all previous Change Orders Nos. <u>1</u> to <u>12</u>	\$	<u>634,310.00</u>
3.	Contract Price, not including this Change Order	\$	<u>17,604,310.00</u>
4.	<del>(Addition)</del> <del>(Reduction)</del> to Contract Price due to this Change Order	\$	<u>17,048.00</u>
5.	Contract Price including this Change Order	\$	<u>17,621,358.00</u>


RECOMMENDED FOR ACCEPTANCE:

CONSULTING ENGINEERS: Camp Dresser McKee, Inc.

By:  (12/29/10)  
 Signature of Authorized Representative Date

ACCEPTED: By my authorized signature below, being first duly sworn on oath, I certify on behalf of Contractor that this Change Order does not authorize or necessitate an increase in the price of any Subcontract under the Contract that is 50% or more of the original Subcontract price.

CONTRACTOR: Williams Brothers Construction, Inc.

By:  (12-28-10)  
 Signature of Authorized Representative Date

DUPAGE WATER COMMISSION:

By: \_\_\_\_\_ ( )  
 Signature of Authorized Representative Date





# DuPage Water Commission

## MEMORANDUM

TO: Chairman and Commissioners

FROM: Terry McGhee  
Acting General Manager

DATE: January 6, 2011

SUBJECT: Ratings Downgrade

On January 3, 2011, Moody's Investors Service, Inc. issued a release lowering its rating on the Commission's general obligation and revenue bonds (copy attached). As a result, the interest rate on the Commission's \$40,000,000 Taxable Debt Certificate increased to 4%. In addition, in order to satisfy the Commission's continuing disclosure obligations with respect to the outstanding bonds, the Commission is required to file Material Event Notices for both the Commission's revenue and general obligation bonds (drafts attached). If approved, the Notices need to be filed with the Municipal Securities Rulemaking Board within ten business days of the downgrade.

# MOODY'S

INVESTORS SERVICE

## Rating Update: MOODY'S DOWNGRADES THE RATINGS ON DU PAGE WATER COMMISSION'S OUTSTANDING GO AND REVENUE DEBT TO A1 AND A2 FROM Aa1 AND Aa2, RESPECTIVELY

Global Credit Research - 03 Jan 2011

### OUTLOOK IS NEGATIVE

Water/Sewer  
IL

### Opinion

NEW YORK, Jan 3, 2011 -- Moody's Investors Service has downgraded the ratings to A1 from Aa1 on Du Page Water Commissions' \$12 million of outstanding general obligation debt and to A2 from Aa2 on \$71.9 million of outstanding water revenue debt. The outlook on both ratings remains negative.

### RATING RATIONALE

The downward rating actions are primarily due to the depletion of reserves, failure to keep rates in-line with expenditures, the need to borrow for operations and weak governance not congruent with the previously high rating categories. The A1 and A2 ratings reflect the commission's broad, diverse and affluent tax base/service area, and manageable debt profile as well as the essentiality of the service provided.

### STRENGTHS:

- Strong economic base
- Diverse economy with affluent wealth levels
- Less economic / revenue volatility than most counties
- Low debt with rapid amortization

### CHALLENGES:

- Revenue shortfalls/spending pressures leading to narrow operating fund liquidity
- Need to short term borrow to meet this year's expenses
- Uneven management

### DIVERSE LOCAL ECONOMY EXPECTED TO WEATHER DOWNTURN

Located 20 miles west of Chicago (GO rated Aa3), DuPage County benefits from its proximity to Chicago, but over time has developed a significant and distinct economy of its own. The economic strength of the area is reflected in unemployment rates which have historically tracked below the state and nation, with major employers and taxpayers well diversified - telecommunications and electronics, health care, research, retail and food service all well represented. Spurred by large amounts of land available for development and the presence of a number of major transportation arteries, strong residential, commercial and industrial development patterns emerged over the past two decades- contributing strong population growth during the 1980's, and slowing into the 1990's. With a maturing tax base, population growth is expected to continue, albeit at a more modest pace, with a final build out population of around 1 million. The inherent strength of the region is the diversity of its tax base: middle class through estate level residential, a large amount of office space, particularly along the I-88 corridor, and notable amount of complementary retail.

Several large governmental research facilities (Argonne National Laboratory and the Fermi Lab) are nearby, creating a hub affect to attract a highly educated workforce to the area. Lucent Technologies (senior unsecured B1 with negative outlook) remains one of the County's largest employers, though employment levels are considerably reduced from the peak of 12,000 only a few years ago. Additional layoffs occurred in previous years at Tellabs as well, though the company's global headquarters remains in Naperville (general obligation rated Aaa). BP, previously one of the county's top employees recently moved roughly 1,000 of its 3,200 employees to downtown Chicago. Favorably, Edward Hospital (rated A2 with a positive outlook), the county's largest employer at 4,100, continues to perform well. In general, the poor national economic condition is being felt locally. Housing activity is down, and the county's traditionally sturdy employment levels are showing a decided softening, but its unemployment rate remain below both state and national averages. The county's October rate of 7.2% was well above its 5.1% experienced during the same time two years ago, but down from 8.7% October 2009. Unemployment compared favorably to the state and national October 2010 rates of 9.2% and 9.0% respectively.

### LOW RATES, REBATES AND INCREASING COSTS DEplete HIGH RESERVE LEVELS

While the general obligation bonds are secured by the commission's unlimited ad valorem pledge, the commission has chosen to abate the property taxes since 1986, in favor of using sales tax to cover debt service. Additionally, sales tax revenues have been utilized to support a portion of debt service on the water revenue bonds as a conscious decision by the commission to keep water rates low. The sales tax rate is set at 0.25% by state statute. Before a 21% rate increase in May 2010, the commission was buying water from the City of Chicago at a rate of \$2.01 per 1,000 gallons and sells it to its customers for \$1.48 per 1,000 gallons. Compounding the problem at the time the recession hit leading to steep sales tax declines (9.3% in fiscal 2009), the commission was required to pay Du Page County \$75 million over a five year period (\$15 million annually) which ended in July 2007. The commission also paid underlying member utilities a total of \$40 million in rebates on May 1, 2007. This give-back, unfortunately, coincided with the City of Chicago raising its rates by 15% in 2008 and 2009 with another 14% hike in 2010,

which were not immediately passed along by the commission to its users. The commission represents \$38.8 million in sales to Chicago making it its largest customer at 8.7% of total revenues and has 40 year contract that expires in 2023. Sizable rate increases are being discussed currently to stabilize the commission's financial picture.

Up until the last few years, the commission enjoyed robust balances, which brought upon pressure from the county and cities for the commission to redistribute \$75 million and \$40 million to each, respectively. In recent years, governance practices appear lax as fund balance monitoring seems to have been neglected. The commission's target emergency balance of \$20 million was not met in fiscal 2009. The actual balance was \$2.4 million on April 30, 2008 (fiscal year-end). That reserve had been completely depleted. The line item Designated for Rate Stabilization Fund declined from \$42.8 million in fiscal 2005 to zero in fiscal 2008. Unrestricted reserves experienced a reduction of \$51.2 million in fiscal 2008 and another \$21.2 million in fiscal 2009.

In order to meet operational expenses the Commission borrowed \$30 million and additional \$40 million medium-term five year notes. The \$30 million Certificate of Debt is with West Suburban bank and the \$40 million Certificate of Debt is with Northern Trust. The final maturities are December 21, 2015 and May 1, 2011, respectively. Management hopes to extend the May 1, 2011 maturity with Northern Trust to May 1, 2015.

In terms of debt service coverage, after three strong years at over two times coverage, 2.4 times in fiscal 2006 and 2007, for the senior lien bonds, the coverage dropped down to 1.6 times in fiscal 2008 and to 0.89 times in fiscal 2009. Total debt service coverage had been more than adequate at 1.24 times in fiscal 2006 and 2007, yet declined to 0.83 times in fiscal 2008 and down to 0.46 times in fiscal 2009. The April 30, 2010 audit field work is nearly complete and audited results are expected to be released before the end of February 2011. Projected coverage for fiscal 2010 is improved yet below sum sufficient. Unaudited preliminary figures dated November 2010 show year-to-date water sales only 0.7% higher than the first seven months of fiscal 2009, however sales taxes are up 9.4% over same period. At this point, officials are conservatively projecting a \$900,000 operating surplus by the end of the fiscal year.

Favorably, the commission's pension liability is 80.6% funded as of December 31, 2009 and while OPEB is not funded, it only amounts to \$99,000. An additional strength to the credit profile is the limited amount of debt which will mature shortly; general obligation bonds in March 2011 and revenue in March 2016.

#### ADEQUATE LEGAL PROVISIONS

The water revenue bonds are payable from net revenues of the system; revenues to be derived from payments of charter customers pursuant to water purchase and sale contract. The obligation to pay the commission is a take-or-pay obligation of customers' respective water and sewer systems. However, customers are not prohibited from using other funds to make contract payments.

The flow of funds is a closed loop; first to Water Fund, then (1) O&M (2) interest; (3) principal; (4) debt service reserve; (5) O&M reserve equal to one-sixth of operating costs, with deposits to begin the second month after operations start; (6) depreciation account; (7) general account, to be used for any lawful system purpose, including reducing charges to, or payments from, customers.

The rate covenant is adequate as the commission must maintain "reasonable" fees, charges, and rates sufficient to pay O&M debt service, to fund depreciation account, and meet all other bond covenants. In establishing fees and charges, the commission (pursuant to its budget covenant) may take into account funds on hand in the general account to meet its revenue requirements.

The reserve requirement provisions for making up debt service reserve deficiency are relatively weak as the reserve can be built up over five-year period. However, presently, the debt service reserved is fully insured by AMBAC. Adequate additional indebtedness specifications require the commission to receive counsel opinion indicating that valid and binding water supply contract obligating contract customers to make payments on same basis as those for existing bonds and in amounts sufficient to make all required payments to Water Fund.

Authorized investments vary according to fund, with interest, principal, and debt service reserve accounts requiring more conservative investments. The range of permitted investments includes direct and guaranteed obligations of the U.S., those of certain federal agencies, time deposits, short-term corporate obligations, and state treasurer's pool, among others.

Other security provisions include payments due from charter customers are calculated according to a formula; payments generally based on each customer's pro rata share of water allocation prior to system operation or when there is no water delivery, and on customer's relative usage when water delivery is occurring. If a customer defaults in payment, other customers would provide for the defaulting customer's payment; the amount of "step-up" is unlimited.

A Board of Commissioners governs the commission, which consists of 12 commissioners and a Chairman. The DuPage County Board Chairman with the approval of the DuPage County Board appoints the Chairman and six of the Commissioners. Six Commissioners are elected by the mayors/presidents of the municipalities within a County Board District. The new board is expected to be seated by mid-January in time for the next Commission meeting. A few of the current Commissioners will be re-appointed, but the vast majority will be serving their initial terms.

#### Outlook

The assignment of the negative outlooks reflects the commission's declining reserve levels and the strong need to increase rates. The commission's governance poor oversight further pressures the rating. We will continue to monitor the commission's ability and willingness to raise rates in a timely manner.

#### WHAT COULD MOVE THE RATING UP (OR REMOVAL OF NEGATIVE OUTLOOK):

- \* Restoration of unrestricted reserves to adequate levels
- \* Retaining the debt service coverage levels of the system

#### WHAT COULD MOVE THE RATING DOWN:

- \* Continued weakening of the systems unrestricted reserves position
- \* Further decline in debt service coverage

**Key Statistics:**

Number of accounts: 27 city/village customers; serving over 9000,000 people

Average Daily Pumpage: 87.1 MGD

Highest Daily Pumpage: 145.1 MGD

Lowest Daily Pumpage: 65.4 MGD

Debt service coverage (senior lien), 2009: 0.89 times

Payout (principal and interest), 6 years: 100%

Fiscal 2009 balance (April 30): \$2.2 million

The principal methodology used in this rating was Analytical Framework for Water and Sewer System Ratings published in August 1999.

**REGULATORY DISCLOSURES**

Information sources used to prepare the credit rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service information, and confidential and proprietary Moody's Analytics information.

Moody's Investors Service considers the quality of information available on the credit satisfactory for the purposes of maintaining a credit rating.

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Please see the Credit Policy page on Moodys.com for the methodologies used in determining ratings, further information on the meaning of each rating category and the definition of default and recovery.

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This credit rating is an opinion as to the creditworthiness or a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

## Material Events Notice

To Whom It May Concern:

Please be advised that the following is submitted pursuant to the obligations of the DuPage Water Commission (the "Commission") under its Continuing Disclosure Agreement ("Agreement") regarding continuing disclosure of information entered into in connection with the issuance of its Water Revenue Refunding Bonds, Series 2003 ("Series 2003 Bonds") under Securities and Exchange Commission Rule 15c2-12(b)(5). The following provides notice of rating changes on the Series 2003 Bonds.

The maturities, principal amounts, interest rates and CUSIP numbers of the Series 2003 Bonds are as follows:

<u>Due May 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2011	10,565,000	5.00%	263520 BU1
2012	11,090,000	5.00%	263520 BV9
2013	11,645,000	5.25%	263520 BW7
2014	12,225,000	5.25%	263520 BX5
2015	12,900,000	5.25%	263520 BY3
2016	13,575,000	5.25%	263520 BZ0

Pursuant to the Agreement, the Commission is required to provide to the MSRB notice of rating changes on the Series 2003 Bonds.

On January 3, 2011, Moody's Investors Service, Inc. lowered its rating on the Series 2003 Bonds from Aa2 to A2, as set forth in its release. Moody's assigned its rating a negative outlook. Previously, and contemporaneously with the events described in the Commission's June 2010 Continuing Disclosure filings with the MSRB, Moody's Investors Service, Inc. and Standard & Poor's Ratings Service had each lowered its rating on the Series 2003 Bonds, as set forth in their respective releases. Please refer to such releases for additional information regarding the ratings downgrades and the reasons therefor.

Any downward revision in or withdrawal of any rating may have an adverse effect on the market price of the Series 2003 Bonds. In addition, the downgrade caused the interest rate on the Commission's \$40,000,000 Taxable Debt Certificate to increase to 4.00% (being one and one-half (1½) percent greater than the normal rate).

For a description of the ratings, their meanings, and the basis for the ratings on the Series 2003 Bonds, the respective rating agency should be contacted.

## Material Events Notice

To Whom It May Concern:

Please be advised that the following is submitted pursuant to the obligations of the DuPage Water Commission (the "Commission") under its Continuing Disclosure Agreement ("Agreement") regarding continuing disclosure of information entered into in connection with the issuance of its General Obligation Water Refunding Bonds, Series 2001 (the "Series 2001 Bonds") under Securities and Exchange Commission Rule 15c2-12(b)(5). The following provides notice of rating changes on the Series 2001 Bonds.

The maturities, principal amounts, interest rates and CUSIP numbers of the Series 2001 Bonds are as follows:

<u>Due March 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2011	12,465,000	5.25%	263515 BR8

Pursuant to the Agreement, the Commission is required to provide to the MSRB notice of rating changes on the Series 2001 Bonds.

On January 3, 2011, Moody's Investors Service, Inc. lowered its rating on the Series 2001 Bonds from Aa1 to A1, as set forth in its release. Moody's assigned its rating a negative outlook. Previously, and contemporaneously with the events described in the Commission's June 2010 Continuing Disclosure filings with the MSRB, Moody's Investors Service, Inc. and Standard & Poor's Ratings Service had each lowered its rating on the Series 2001 Bonds, as set forth in their respective releases. Please refer to such releases for additional information regarding the ratings downgrades and the reasons therefor.

Any downward revision in or withdrawal of any rating may have an adverse effect on the market price of the Series 2001 Bonds.

For a description of the ratings, their meanings, and the basis for the ratings on the Series 2001 Bonds, the respective rating agency should be contacted.



# DuPage Water Commission

## MEMORANDUM

TO: Chairman and Commissioners

FROM: Terry McGhee  
Acting General Manager

Ed Kazmierczak	Pipeline Supervisor
Chris Bostick	Facilities Construction Supervisor
John Schori	Instrumentation Supervisor
Frank Frelka	GIS Coordinator
Mike Weed	Operations Supervisor

DATE: January 6, 2011

SUBJECT: Status of Operations

### Operations Overview

The Commission's sales for the month of December were a total of 2.179 billion gallons. This represents an average day demand of 70.3 million gallons per day (MGD), which is higher than the December 2009 average day demand of 68.7 MGD. The maximum day demand was 75.7 MGD on December 18, 2010, which is higher than the December 2009 maximum day demand of 73.1 MGD. The minimum day flow was 64.9 MGD. The Commission's recorded total precipitation for the month of December was 2.35 inches compared to 2.73 inches for December 2009. The level of Lake Michigan for December 2010 is 576.98 (Feet IGLD 1985) compared to 578.14 (Feet IGLD 1985) for December of 2009.

### Water Conservation

The Commission has distributed 24 rain barrels to date and our customers are using them as displays for the public as well as promoting the sale of rain barrels to their residents. The Commission has also received 15 completed Utility Pledges and 12 status updates on the Utility Pledges.

The Commission sponsored a high school and college video contest on water conservation. Winning film(s) will be featured on dpwc.org and preserveverydrop.org. Winner(s) will also receive a trophy and be eligible for prizes from participating partners. There were no videos submitted for this contest. Staff is looking into pushing back the submission date.



The Commission participated in the Eight Annual DuPage Environmental Summit. This year's title of the summit is Until the Last Drop: Water Conservation in DuPage County. The summit was January 5, 2011 at Benedictine University. There is a memo regarding the event on [preservingeverydrop.org](http://preservingeverydrop.org).

### **Document Management**

Staff has started the process of moving documents into the new databases.

Work continues to complete the document inventory that will be sent to the Secretary of State for their destruction authorization.

### **Facilities Construction Overview**

#### **Contract PSD-6 Reservoir Addition - Division A – Equipment Storage Building and Material Storage**

The Engineer has submitted final draft of record drawings which are currently under review by staff.

#### **Contract PSD-7 DPPS Electrical Generation**

Final finish applications are ongoing. A report has been provided by the engineer for review. Change Order No. 13 appears on the agenda as R-1-11. A table of change orders approved, pending or in development has been prepared for review. The project completion date remains December 31, 2010.

#### **Generator Supply Contract**

We are reviewing a proposal from Patter. Industries to modify the portable generator from a manual fuel system fill to an automatic fuel system fill.

#### **Contract PSC-4 Lexington Pump Station Electrical Generation / Variable Frequency Drives**

All work is complete with the exception second season commissioning and training. Money will be held back from the final payment to facilitate the completion of the work.

#### **Contract PSC-5 Lexington Photovoltaic Cells**

The photovoltaic system continues producing power for on-site consumption at the Lexington Pumping Station. All work is complete with the exception of displaying the PV System output on the DWC website. The project completion date remains October 21, 2010.

### Winfield Additional Connection – Contract MS-17/10

Electrical and instrumentation work is ongoing. The Contract Completion date remains November 20, 2010.

### DuPage County Service Areas

We are performing preliminary work with DuPage County Public Works regarding the Steeple Run service area.

### Instrumentation / Remote Facilities Overview

#### Annual Customer Meter Calibration Program

The customer meter calibration program began on October 5<sup>th</sup>; it is now 50.5% complete.

#### Remote Facilities Maintenance

The annual inspection and calibration at all Meter Stations begin this month.

Routine monthly inspections and maintenance is ongoing.

#### New Meter Station for Winfield

Work has begun to install the Remote Terminal Unit (RTU) at MS27B

### GIS

Google Earth, a free program that works directly with the Commission's GIS data, is being installed on Pipeline Department laptops for use in the field. This is an experiment to test the feasibility of Google Earth as a replacement for the Commission's existing ArcIMS web site and so far the application seems to be well received as an easy way to determine pipeline locations and to link directly to as-built pipeline drawings. An advantage of Google Earth over ArcGIS is that it works with or without Internet access, which can sometimes be problematical out in the field.

The new generator building furniture will be delivered soon and GIS and Pipeline personnel should be moved into the building by the end of the month.

### Pipeline Construction Overview

Preliminary design drawings and specifications for the Outer Belt Transmission Main Corrosion Mitigation Contract (EN Engineering Task Order #13) is expected by January 7<sup>th</sup>.

Work is in progress under EN Engineering Task Order Nos. 17 and 18. (Test Point Survey and Close Interval Survey work)

Annual exercising of distribution system valves has been completed. Blow off valve inspections have begun.

Staff is in receipt of a geotechnical engineering firm's proposal to the Village of Westchester for soil borings and subsurface analysis of Kitchener Street. The Village of Westchester has provided this information to the Commission as a courtesy and otherwise there has been no further change in status since the December 2010 Commission meeting.

#### **JANUARY 2011 COMMISSION AGENDA ITEMS:**

**R-1-11----A Resolution Approving and Ratifying Certain Contract PSD-7/08 Change Orders at the January 13, 2011, DuPage Water Commission Meeting**

#### **Attachments:**

1. DuPage Laboratory Bench Sheets for December, 2010
2. Water Sales Analysis 01-April-06 to 31-December- 2010
3. Chart showing Commission sales versus allocations
4. Chart showing Commission sales versus historical averages

DUPAGE WATER COMMISSION LABORATORY BENCH SHEET  
 MONTHLY REPORT FOR DECEMBER 2010

## LEXINGTON SUPPLY

## DUPAGE DISCHARGE

DAY	FREE CL <sub>2</sub> mg/l	TURBIDITY NTU	PO <sub>4</sub> mg/l	FREE CL <sub>2</sub> mg/l	TURBIDITY NTU	TEMP °F	pH	Fluoride	PO <sub>4</sub> mg/l	P.A.C. LBS/MG	ANALYST INT
1	0.91	0.10	0.51	0.90	0.08	48	7.6	1.0	0.48	0	JG
2	0.90	0.10	0.50	0.91	0.10	48	7.6	1.2	0.48	0	JG
3	0.85	0.10	0.46	0.85	0.10	47	7.7	1.1	0.47	0	JG
4	0.82	0.11	0.48	0.84	0.09	46	7.7	1.1	0.49	0	JG
5	0.86	0.11	0.50	0.84	0.08	46	7.7	0.9	0.45	0	MR
6	0.89	0.10	0.47	0.88	0.08	46	7.6	1.2	0.48	0	MR
7	0.89	0.09	0.49	0.88	0.09	46	7.6	1.1	0.45	0	MR
8	0.91	0.09	0.48	0.87	0.08	46	7.6	1.0	0.45	0	MR
9	0.85	0.10	0.45	0.84	0.09	46	7.6	1.0	0.47	0	JG
10	0.91	0.11	0.50	0.89	0.09	46	7.6	0.9	0.47	0	JG
11	0.90	0.11	0.46	0.91	0.08	47	7.6	1.0	0.47	0	JG
12	0.86	0.10	0.49	0.90	0.08	45	7.6	1.1	0.47	0	JG
13	0.91	0.10	0.52	0.86	0.08	45	7.6	1.1	0.48	0	MR
14	0.90	0.10	0.49	0.89	0.08	45	7.6	1.0	0.48	0	MR
15	0.89	0.09	0.47	0.88	0.10	42	7.6	0.9	0.48	0	MR
16	0.91	0.09	0.49	0.86	0.10	42	7.6	1.2	0.49	0	MR
17	0.89	0.09	0.48	0.90	0.10	42	7.6	1.0	0.47	0	JG
18	0.89	0.10	0.46	0.89	0.09	42	7.6	1.2	0.44	0	JG
19	0.89	0.10	0.51	0.86	0.08	42	7.6	1.2	0.48	0	JG
20	0.91	0.10	0.46	0.85	0.08	42	7.6	1.1	0.45	0	JG
21	0.90	0.10	0.49	0.85	0.09	42	7.6	1.2	0.49	0	MR
22	0.87	0.10	0.43	0.85	0.09	40	7.7	1.0	0.45	0	MR
23	0.90	0.10	0.51	0.85	0.09	41	7.6	1.2	0.49	0	MR
24	0.86	0.10	0.51	0.86	0.08	41	7.7	0.9	0.47	0	MR
25	0.89	0.11	0.49	0.87	0.10	40	7.6	1.1	0.48	0	JG
26	0.90	0.11	0.45	0.85	0.09	41	7.7	1.1	0.48	0	JG
27	0.91	0.12	0.48	0.88	0.09	40	7.6	1.2	0.45	0	JG
28	0.91	0.11	0.46	0.87	0.09	38	7.6	1.1	0.47	0	JG
29	0.86	0.00	0.47	0.90	0.09	38	7.7	1.1	0.45	0	MR
30	0.90	0.09	0.46	0.87	0.09	38	7.6	0.9	0.50	0	MR
31	0.87	0.10	0.49	0.87	0.08	37	7.7	1.1	0.52	0	AM
AVG	0.89	0.10	0.48	0.87	0.09	43	7.6	1.1	0.47	0	
MAX	0.91	0.12	0.52	0.91	0.10	48	7.7	1.2	0.52	0	
MIN	0.82	0.00	0.43	0.84	0.08	37	7.6	0.9	0.44	0	



 Terrance McGhee  
 Acting General Manager

DU PAGE WATER COMMISSION  
WATER SALES ANALYSIS

01-May-92 TO 31-Dec-10

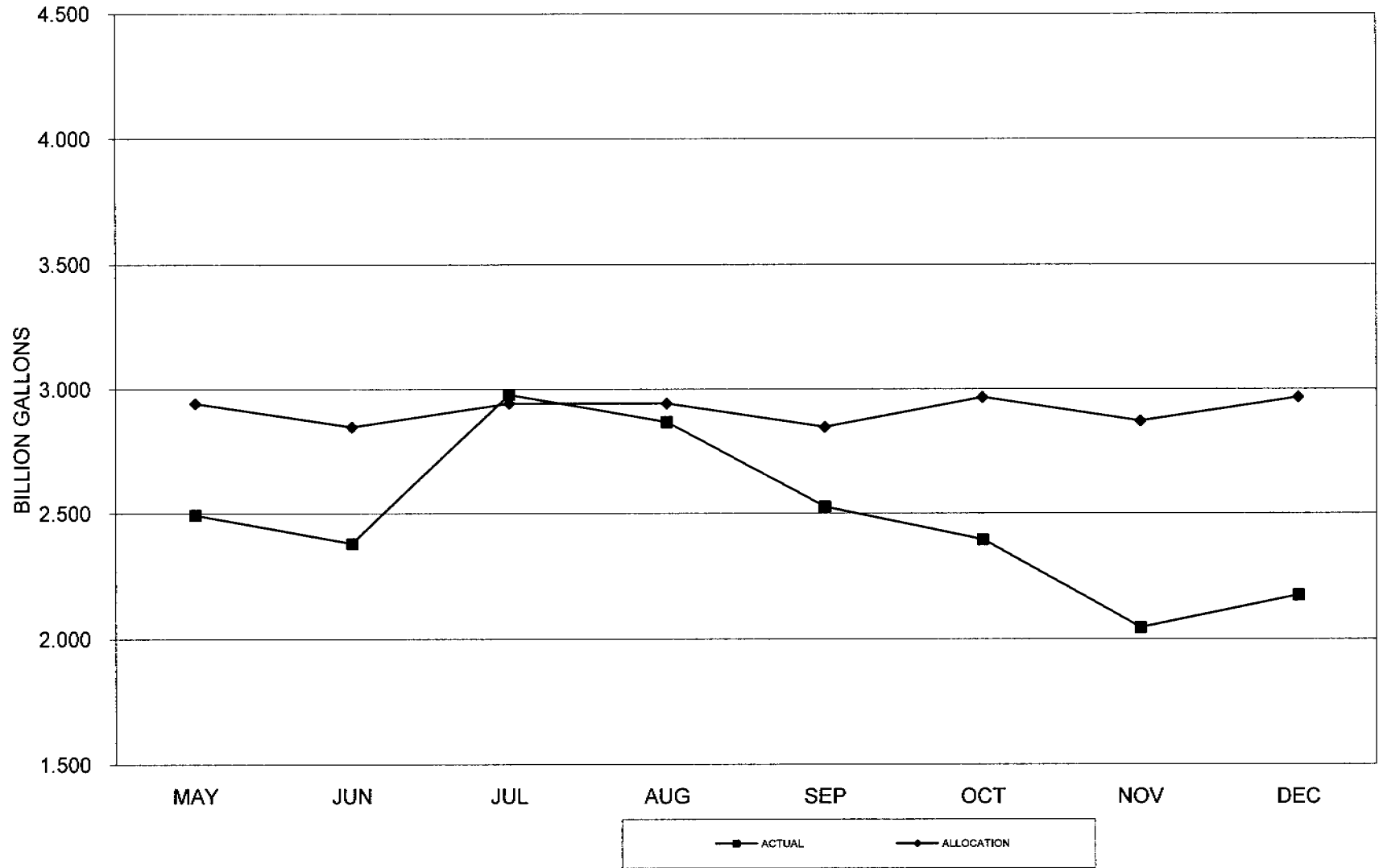
PER DAY AVERAGE 81,440,379

MONTH	SALES TO CUSTOMERS (GALLONS)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS	BILLINGS FROM CHICAGO	DOCUMENTED COMMISSION WATER USE (2)	DOCUMENTED	TOTAL	DWC RATE	CHGO RATE
							COMMISSION WATER USE %	ACCOUNTED FOR %		
May-07	2,863,644,000	2,951,900,000	97.01%	\$2,978,988.48	\$3,926,001.00	4,012,875	0.14%	97.15%	\$1.04	\$1.330
Jun-07	3,292,831,000	3,396,024,774	96.96%	\$3,424,545.52	\$4,516,712.95	4,468,064	0.13%	97.09%	\$1.04	\$1.330
Jul-07	3,314,840,000	3,412,423,571	97.14%	\$3,447,433.60	\$4,538,523.35	4,456,650	0.13%	97.27%	\$1.04	\$1.330
Aug-07	2,883,008,000	2,966,379,286	97.19%	\$2,998,328.32	\$3,945,284.45	4,172,900	0.14%	97.33%	\$1.04	\$1.330
Sep-07	2,951,692,000	3,051,590,188	96.73%	\$3,070,294.72	\$4,058,614.95	3,977,217	0.13%	96.86%	\$1.04	\$1.330
Oct-07	2,512,609,400	2,578,045,000	97.46%	\$2,614,883.38	\$3,428,799.85	9,585,389	0.37%	97.83%	\$1.04	\$1.330
Nov-07	2,143,753,000	2,205,810,263	97.19%	\$2,230,952.72	\$2,933,727.65	10,390,297	0.47%	97.66%	\$1.04	\$1.330
Dec-07	2,228,281,000	2,292,016,165	97.22%	\$2,317,412.24	\$3,048,381.50	2,174,944	0.09%	97.31%	\$1.04	\$1.330
Jan-08	2,262,968,000	2,324,208,591	97.37%	\$2,353,486.72	\$3,554,877.04	2,134,597	0.09%	97.46%	\$1.04	\$1.530
Feb-08	2,145,137,000	2,197,527,140	97.62%	\$2,232,195.60	\$3,361,117.76	2,074,217	0.09%	97.71%	\$1.04	\$1.529
Mar-08	2,239,073,000	2,295,015,835	97.56%	\$2,328,635.92	\$3,510,226.72	2,041,001	0.09%	97.65%	\$1.04	\$1.530
Apr-08	2,177,771,000	2,244,319,320	97.03%	\$2,266,101.68	\$3,432,686.40	8,144,629	0.36%	97.40%	\$1.04	\$1.530
May-08	2,474,831,000	2,566,584,008	96.43%	\$2,573,824.24	\$3,925,590.24	4,884,294	0.19%	96.62%	\$1.04	\$1.529
Jun-08	2,604,318,000	2,677,371,376	97.27%	\$2,709,084.64	\$4,095,039.52	1,964,000	0.07%	97.34%	\$1.04	\$1.530
Jul-08	3,152,495,000	3,254,898,777	96.85%	\$3,278,594.80	\$4,978,367.68	2,131,900	0.07%	96.92%	\$1.04	\$1.530
Aug-08	3,184,859,000	3,279,095,181	97.13%	\$3,312,253.36	\$5,015,376.08	2,353,100	0.07%	97.92%	\$1.04	\$1.530
Sep-08	2,552,623,000	2,619,576,751	97.44%	\$2,655,066.48	\$4,006,642.64	2,109,972	0.08%	97.52%	\$1.04	\$1.529
Oct-08	2,302,750,000	2,362,503,982	97.47%	\$2,855,410.00	\$3,613,449.84	7,923,498	0.34%	97.81%	\$1.24	\$1.529
Nov-08	2,096,015,000	2,165,230,363	96.80%	\$2,599,238.12	\$3,311,719.84	2,220,353	0.10%	96.91%	\$1.24	\$1.529
Dec-08	2,266,850,000	2,320,311,736	97.26%	\$2,798,494.00	\$3,548,916.80	2,283,006	0.10%	97.36%	\$1.24	\$1.529
Jan-09	2,293,548,000	2,349,026,333	97.64%	\$2,843,999.52	\$4,131,937.32	2,163,839	0.09%	97.73%	\$1.24	\$1.759
Feb-09	2,048,827,000	2,102,586,263	97.44%	\$2,540,545.48	\$3,696,346.65	1,967,373	0.09%	97.54%	\$1.24	\$1.758
Mar-09	2,141,079,000	2,198,279,067	97.40%	\$2,655,454.08	\$3,864,574.60	5,652,898	0.26%	97.66%	\$1.24	\$1.758
Apr-09	2,090,046,000	2,146,681,399	97.36%	\$2,591,657.04	\$3,773,865.90	2,265,801	0.11%	97.47%	\$1.24	\$1.758
May-09	2,446,586,000	2,522,765,415	96.98%	\$3,620,947.28	\$4,435,021.60	2,189,800	0.09%	97.07%	\$1.48	\$1.758
Jun-09	2,517,674,000	2,587,363,481	97.31%	\$3,726,157.52	\$4,548,585.00	2,202,450	0.09%	97.39%	\$1.48	\$1.758
Jul-09	2,888,499,000	2,971,742,918	97.20%	\$4,274,978.52	\$5,224,324.05	2,030,397	0.07%	97.27%	\$1.48	\$1.758
Aug-09	2,931,183,000	3,010,833,874	97.35%	\$4,338,150.84	\$5,293,045.95	7,554,834	0.25%	97.61%	\$1.48	\$1.758
Sep-09	2,614,552,000	2,691,957,594	97.12%	\$3,869,536.96	\$4,732,461.45	1,994,945	0.07%	97.20%	\$1.48	\$1.758
Oct-09	2,155,177,000	2,204,779,266	97.75%	\$3,189,661.96	\$3,876,001.95	2,141,324	0.10%	97.85%	\$1.48	\$1.758
Nov-09	2,003,572,000	2,054,392,036	97.53%	\$2,965,286.56	\$3,611,621.20	2,224,921	0.11%	97.63%	\$1.48	\$1.758
Dec-09	2,124,149,000	2,174,881,342	97.67%	\$3,143,740.52	\$3,823,441.40	2,335,534	0.11%	97.77%	\$1.48	\$1.758
Jan-10	2,152,708,000	2,207,536,160	97.52%	\$3,186,007.84	\$4,426,110.00	2,148,128	0.10%	97.61%	\$1.48	\$2.005
Feb-10	1,920,433,000	1,956,112,219	98.18%	\$2,842,240.84	\$3,922,005.00	1,920,979	0.10%	98.27%	\$1.48	\$2.005
Mar-10	2,088,030,000	2,142,426,434	97.46%	\$3,090,284.40	\$4,295,565.00	3,367,754	0.16%	97.62%	\$1.48	\$2.005
Apr-10	2,117,657,000	2,160,538,653	98.02%	\$3,134,132.36	\$4,331,880.00	2,162,448	0.10%	98.12%	\$1.48	\$2.005
May-10	2,493,442,000	2,546,177,057	97.93%	\$4,587,933.28	\$5,105,085.00	1,951,633	0.08%	98.01%	\$1.84	\$2.005
Jun-10	2,379,251,000	2,435,768,080	97.68%	\$4,377,821.84	\$4,883,715.00	1,052,920	0.04%	97.72%	\$1.84	\$2.005
Jul-10	2,977,683,000	3,048,231,920	97.69%	\$5,478,936.72	\$6,111,705.00	1,342,710	0.04%	97.73%	\$1.84	\$2.005
Aug-10	2,867,253,000	2,924,004,988	98.06%	\$5,275,745.52	\$5,862,630.00	930,281	0.03%	98.09%	\$1.84	\$2.005
Sep-10	2,525,751,000	2,588,259,352	97.58%	\$4,647,381.84	\$5,189,460.00	1,085,300	0.00%	97.58%	\$1.84	\$2.005
Oct-10	2,394,743,000	2,449,952,618	97.75%	\$4,406,327.12	\$4,912,155.00	1,143,788	0.05%	97.79%	\$1.84	\$2.005
Nov-10	2,044,476,000	2,079,920,200	98.30%	\$3,761,835.84	\$4,170,240.00	955,414	0.05%	98.34%	\$1.84	\$2.005
Dec-10	2,173,930,000	2,196,014,963	98.99%	\$4,000,031.20	\$4,403,010.00	943,234	0.04%	99.04%	\$1.84	\$2.005
TOTALS (1)	555,341,943,400	571,411,512,260	97.19%	\$738,128,701.83	\$699,310,671.53	575,631,119	0.10%	97.29%	\$1.33	\$1.224

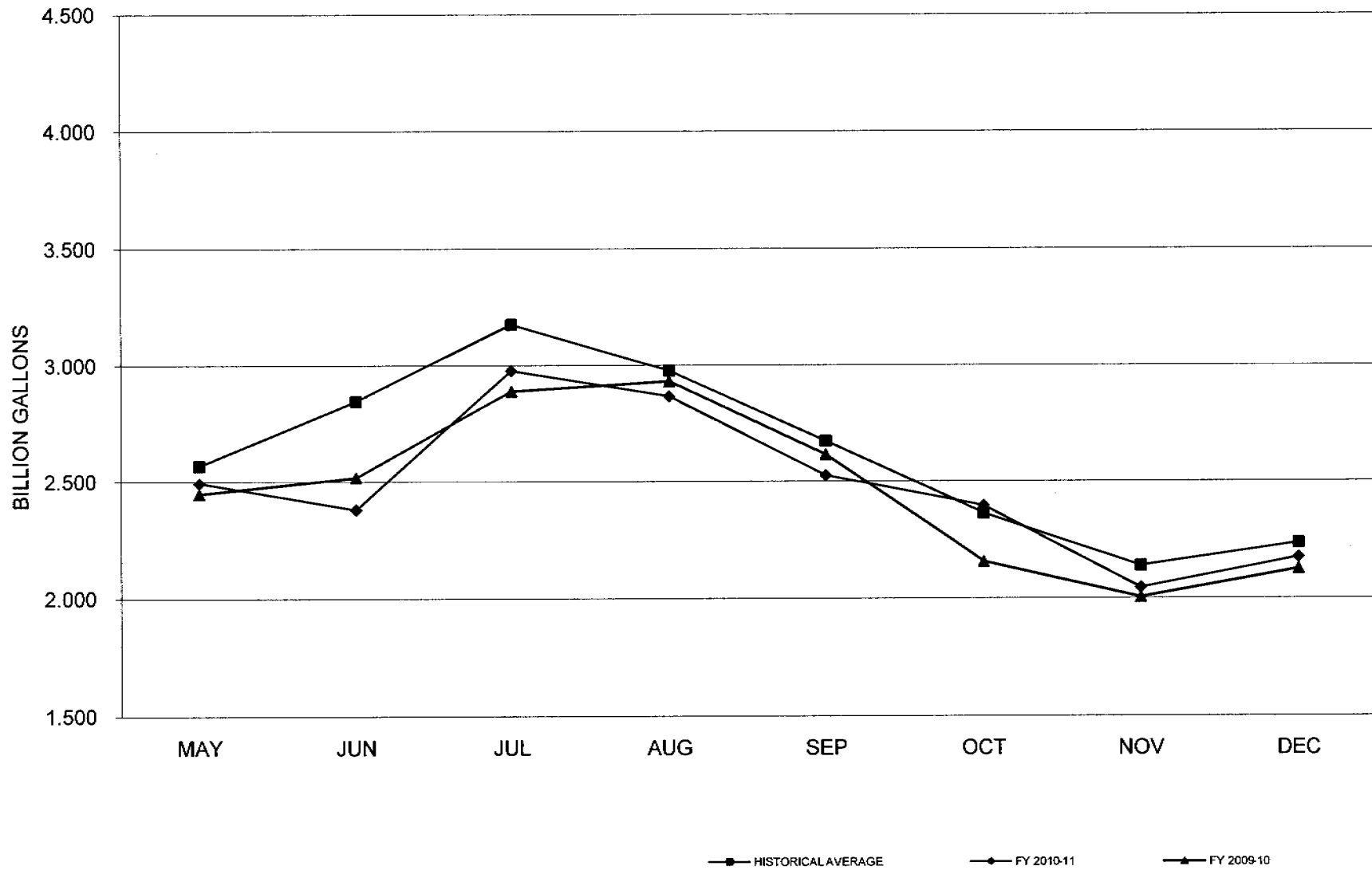
(1) - SINCE MAY 1, 1992

(2) - REPRESENTS DU PAGE PUMP STATION, METER TESTING AND CONSTRUCTION PROJECT USAGE

DU PAGE WATER COMMISSION SALES  
FY 2010-11 VS. ALLOCATION



**DU PAGE WATER COMMISSION SALES  
FY 2010-11 & FY 2009-10 VS. HISTORICAL AVERAGE**



# **Electric Generation Facility & Office/Garage Expansion**



## **DuPage Water Commission**

**600 E. Butterfield Road**

**Elmhurst IL 60126**

**PSD 7/08**

Monthly Progress Report #24

December 2010







January 1, 2011

Mr. Chris Bostick  
Facilities Construction Supervisor/Safety Coordinator  
DuPage Water Commission  
600 East Butterfield Rd.  
Elmhurst, IL 60126

*Subject:* DuPage Water Commission  
Electrical Generation Facility and Office/Garage Expansion  
Monthly Construction Progress Report No. 24

Dear Mr. Bostick:

We herewith submit our Progress Report No. 24 for the construction of the Electrical Generation Facility and Office/Garage Expansion for the DuPage Pumping Station covering the one month period from December 1, 2010 through January 1, 2011.

**1. *Overview and Status of the Work***

The Electrical Generation Facility and Office/Garage Expansion for the DuPage Pumping Station project consist of the renovation and expansion of the Existing Service Building in both the North and South directions. The North expansion is to create office space, the South expansion is to house four Standby 2500 kW Diesel Engine-Generators and the existing portion is to be the Electrical Room. Due to the conversion of the Existing Service Building a new Garage is to be built. Also, the existing Upper Parking Lot is to be relocated to the Northwest area of the site to allow for the installation of a covered parking structure. The project includes site piping, grading and pavement to accommodate the changes.

In the past month, Williams Brothers Construction, Inc. (WBCI) has continued cleaning and installing the final finishes in the buildings. WBCI continued painting the walls, doors, ceilings, conduit, piping and structural steel throughout the buildings. Additionally, they continued pulling and terminating wire for the site security system, as well as, installed light fixtures, outlets and switches. They installed new addressable fire alarm devices in the Existing Administration Building. Finally, they completed the

startup, testing and training for the alarm panel, SCADA rack and communication racks 1 & 2 in the new buildings.

**2. *Scheduled Upcoming Work/January, 2011***

In the next month, Williams Brothers Construction, Inc. plans to continue painting the structural steel, doors, conduit, piping, ceilings and walls throughout the buildings. Electrical work will continue with the installation of miscellaneous electrical equipment. They will complete the installation of the new fire alarm panel. Also, WBCI will continue cleaning and completing punchlist items. They plan to continue testing, starting and give training on HVAC and mechanical equipment. They plan to finish, test and give training on the perimeter security system and gate operators. Finally, they plan to begin training on the new systems such as the switchgear, engine-generators, automated fuel supply and lighting controls.

**3. *Project Schedule***

The December 2010 Construction Schedule update indicates the project's final completion date remains on schedule.

*Contract No. PSD-7/08*

▪ Contract Execution Date	November 25, 2008
▪ Contract Duration (final Completion)	730 calendar days
▪ Time Expended	767 days
▪ Percent Time Complete	100.00%
▪ Approved Time Extensions	37 days
▪ Final Completion Date	December 31, 2010

**4. *Construction Costs and Progress Payments***

Applications for Progress Payments have been submitted each month by Williams Brothers Construction, Inc. to commensurate with the work performed. The following is a summary of progress payments.

*Contract No. PSD-7/08*

▪ Original Contract Price	\$16,970,000.00
▪ Approved Change Orders	\$ 634,310.00

Mr. C. Bostick  
January 1, 2010  
Page 3

▪ Approved Change Order Percentage	3.73%
▪ Revised Contract Price	\$17,604,310.00
▪ Total Completed To Date	\$ 17,454,525.83
▪ Percent Completed To Date	99.149%

5. *Pending Action Items and Issues*

- A change order is pending.

Should you have any questions, please do not hesitate to call.

Very truly yours,

Robert J. Reid  
Resident Engineer  
Camp Dresser & McKee Inc.

cc: David D. Tucker, Jacquelyne Sanders

Mr. C. Bostick  
January 1, 2010  
Page 4



Covered Parking Structure



West Face of New Generator Building

Mr. C. Bostick  
January 1, 2010  
Page 5



Engine-Generator



Office Building

<b>PSC-4 LEXINGTON GENERATORS AND VFD'S</b>			<b>ORIGINAL CONTRACT</b>	<b>\$17,209,000.00</b>	
CHANGE ORDER	DATE APPROVED	CONTENT	COST	REVISED CONTRACT COST	
1	4/9/09	South Road Modifications	\$28,331.37	\$17,237,331.37	
2	9/10/09	Building Permit Related Work	\$204,866.51	\$17,442,217.88	
3	10/9/09	South Road Manhole Adjustment	\$3,270.43	\$17,445,468.31	
4	2/12/10	IDOT Permit Required Work	\$67,025.47	\$17,512,493.78	
5	4/15/10	Underground Fuel Storage Tank Permit Requirements and Roof Curb Additions	\$71,636.68	\$17,584,130.46	
6	6/10/10	City of Chicago Water Main Modifications	\$36,727.64	\$17,620,858.10	
7	10/14/10	Penthouse roofing credit	-\$7,779.56	\$17,613,078.54	
8	12/09/10	Fuel Oil Pump Electric ComEd Building LV Electric Generator Exhaust Stacks	\$88,870.66	17,701,949.20	CUMULATIVE CHANGE ORDER PERCENTAGE THROUGH CO#8 <b>2.86%</b>
<b>PSC-5 LEXINGTON PHOTOVOLTAIC</b>			<b>ORIGINAL CONTRACT</b>	<b>\$7,996,000.00</b>	
CHANGE ORDER	DATE APPROVED	CONTENT	COST	REVISED CONTRACT COST	
1	8/14/09	Expansion of 24 KW from ILDCEO Grant received	\$250,000.00	\$8,246,000.00	CUMULATIVE CHANGE ORDER PERCENTAGE 3.13%
2	10/14/10	Contract Time extension of 92 Calendar Days	N/A	N/A	
<b>PSD-7 DUPAGE GENERATORS/OFFICE/GARAGE EXPANSION</b>			<b>ORIGINAL CONTRACT</b>	<b>\$16,970,000.00</b>	
CHANGE ORDER	DATE APPROVED	CONTENT	COST	REVISED CONTRACT COST	
1	2/6/09	Building Permit Required Work - Garage	\$78,175.00	\$17,048,175.00	
2	5/15/09	Sanitary Casing/Demolition and Storm water Work	\$36,131.00	\$17,084,306.00	
3	7/10/09	Structural/Architectural Modifications	\$14,279.00	\$17,098,585.00	
4	8/14/09	ComEd Work, IDOT Permit Required Work, Add Gypsum and Knee Wall	\$33,179.00	\$17,131,764.00	
5	10/9/09	Roof and Underground Piping Modifications, Water Stop Addition	\$29,861.00	\$17,161,625.00	
6	2/12/10	15 Items; Electrical, Data, Natural Gas Piping, Fall Protection, Water Main Work and Credit, Mechanical Work, Permit Required Sanitary Vents	\$74,959.00	\$17,236,584.00	
7	3/11/10	Combination Motor Starters, Fuel/Oil Piping Modifications	\$18,576.00	\$17,255,160.00	
8	5/13/10	2 Items; Relocation of Fire Suppression System Piping and Meter Vault adjustment	\$3,947.00	\$17,259,107.00	
9	7/13/10	HVAC Modifications, Access Ladder, Concrete Sidewalks & Stairs, Lighting Modifications and Security System Enhancements	\$302,241.00	17,561,348.00	

DuPage Water Commission  
 Facilities Construction Change Order Log

January 5, 2011

PSD-7 DUPAGE GENERATORS/OFFICE/GARAGE EXPANSION (Continued)			ORIGINAL CONTRACT	\$16,970,000.00	
CHANGE ORDER	DATE APPROVED	CONTENT	COST	REVISED CONTRACT COST	
10	8/12/10	Demolition Credit, Electrical Wiring, Eliminate Data Racks, Balancing a Previous CO Item, Power Relays, Conduit Install and Flow Switches	\$18,493.00	\$17,579,841.00	CUMULATIVE CHANGE ORDER PERCENTAGE THROUGH CO#12 3.74%
11	10/14/10	Plumbing Demolition Credit Security Conduit Extension Fire Detection/Alarm System Additional Light Fixture	\$28,284.00	\$17,603,125.00	
12	11/11/10	Conduit and Cabling for Exterior Lighting Control and Contract Time Extension	\$1,185.00	17,604,310.00	
13	Appears on 01/13/11 Agenda	HVAC Panel Consolidation, Addressable Smoke Detectors in AHU's, SCADA Data Cabling/Connections	\$17,048.00	17,621,358.00	<b>PROPOSED CHANGE ORDER PERCENTAGE 3.84%</b>

**Open Contracts Summary  
Ending December 31, 2010**

Contractor	Project	Contract Amount	Approved Change Orders	Current Contract Amount	Contract Commencement Date	Contract Completion Date	Percent Complete (1)	Percent Change from Previous Month (1)
<b>Construction</b>								
DIVANE BROS ELECTRIC CO.	PHOTOVOLTAIC SYSTEM AT THE LEXINGTON PUMPING STATION	\$ 7,996,000.00	\$ 250,000.00	\$ 8,246,000.00	July 21, 2008	October 21, 2010	90%	0%
PATTEN INDUSTRIES, INC.	SUPPLY OF ENGINE GENERATORS	\$ 6,417,608.00	\$ -	\$ 6,417,608.00	September 13, 2007		90%	0%
JOSEPH J HENDERSON AND SON	ELECTRIC GENERATION FACILITY AND VARIABLE FREQUENCY DRIVES AT THE LEXINGTON PUMPING STATION	\$ 17,209,000.00	\$ 404,078.54	\$ 17,613,078.54	July 21, 2008	October 21, 2010	100%	0%
WILLIAMS BROTHERS CONSTRUCTION CO.	ELECTRIC GENERATION FACILITIES, GARAGE AND OFFICE EXPANSION AT THE DUPAGE PUMPING STATION	\$ 16,970,000.00	\$ 633,125.00	\$ 17,603,125.00	November 25, 2008	December 31, 2010	99.2%	0.0%
MARTAM CONSTRUCTION, INC.	WINFIELD METER/PRESSURE ADJUSTING STATIONS 17B	\$ 209,760.00	\$ 810.00	\$ 210,570.00	March 25, 2010	November 20, 2010	99%	0%
<b>Services</b>								
GREELEY AND HANSEN LLC	LEXINGTON PUMP STATION PHOTOVOLTAIC ENGINEERING	\$ 1,178,236.00	\$ -	\$ 1,178,236.00	January 12, 2007		100%	0%
GREELEY AND HANSEN LLC	LEXINGTON PUMP STATION GENERATOR/VFD ENGINEERING	\$ 2,670,676.00	\$ -	\$ 2,670,676.00	January 12, 2007		100%	0%
CAMP DRESSER MCKEE	DUPAGE PUMP STATION GENERATION ENGINEERING	\$ 2,004,688.00	\$ -	\$ 2,004,688.00	November 10, 2003		68%	9%
CAMP DRESSER MCKEE	SUPPLY OF ENGINE GENERATORS ENGINEERING	\$ 146,227.00	\$ -	\$ 146,227.00	January 11, 2007		90%	0%
AECOM	WINFIELD METER/PRESSURE ADJUSTING STATIONS 17B	\$ 71,700.00	\$ -	\$ 71,700.00	June 9, 2006		75%	10%

(1) Completion based on approved contractor invoices





# DuPage Water Commission

## MEMORANDUM

TO: Chairman Zay and Commissioners

FROM: Terry McGhee  
Acting General Manager

DATE: January 6, 2011

SUBJECT: Laboratory Bench Sheet

A request was made at the December 9, 2010 Commission meeting to prepare a brief memo explaining the Laboratory Bench sheet that is included the monthly Board package.

The Commission purchases fully treated water from the City of Chicago that exceeds all Illinois Environmental Protection Agency (IEPA) regulations. Commission staff performs a series of quality control checks twice a day to verify the quality of the water entering and leaving the pump station has not been compromised.

The attached sheet explains each test performed and the limits for each parameter tested.

**(Chlorine, Free CL2 Lower limit 0.2 ppm Upper limit 4.0 ppm)**

Chlorine has been used as a disinfectant by municipal water treatment for the past 100 years. Approximately 98% of municipal water treatment facilities use chlorine to inactivate disease causing organisms in their drinking water. The Commission receives water from Chicago with a chlorine residual between 0.7 parts per million (ppm) and 1.2 ppm. The Commission adds additional chlorine during the months of May through October to supplement the chlorine residual. The Commission goal chlorine residual leaving the pump station is 0.8 ppm.

**(Turbidity Lower limit 0 ppm Upper limit 0.5 ppm)**

Turbidity is a measure of cloudiness in water. The more turbid the water, the murkier it is. Turbidity can be caused by very small particles in the water such as sand, silt, or residuals water treatment chemicals. The Commission has no control over the turbidity levels in the water. The normal turbidity level is > 1.3 Nephelometric Turbidity Units (ntu)

**(Phosphate PO4 non-regulated)**

Phosphate is added during the treatment process by the City of Chicago as a corrosion inhibitor. The addition of a corrosion inhibitor is required by the Lead and Copper Rule. The Commission has no control over the phosphate levels in the water. The normal phosphate level is between 0.4 ppm and 0.6 ppm.

**(Temperature non-regulated)**

The temperature of our drinking water follows the temperature of Lake Michigan. The normal temperature is between 33°C and 70°C.

**(Ph Lower limit 6.5 Upper limit 8.5)**

Ph is measured on a scale of 0 to 14. Water that is neutral has a Ph of 7. Acidic water has Ph values less than 7, with 0 being the most acidic. Likewise, basic water has values greater than 7, with 14 being the most basic. The Commission has no control over the Ph levels in the water. The normal Ph level is between 7.3 and 7.8.

**(Fluoride Lower limit N/A Upper limit 4 ppm)**

Fluoride addition is required by the Department of Public Health. Fluoride addition provides protection against tooth decay. The Commission has no control over the fluoride levels in the water. The normal fluoride level is between 0.9 ppm and 1.2 ppm.

**(Powdered Activated Carbon PAC non-regulated)**

PAC is added during the treatment process by the City of Chicago as a taste and odor inhibitor. The addition of a PAC is seasonal to control taste and odor problems and occasionally occur during the summer months when water temperatures are elevated.