

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, NOVEMBER 21, 2019
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:48 P.M.

Committee members in attendance: P. Suess, J. Pruyn, D. Russo (arrived at 5:52 P.M.), and J. Zay

Committee members absent: R. Gans

Non-Committee members in attendance: None

Also in attendance: Treasurer B. Fates, J. Spatz, C. Peterson, J. Schroeder and Danny Nelson of PFM Asset Management

Minutes

Commissioner Pruyn moved to approve the Minutes of the Committee Meeting of October 17, 2019 of the Finance Committee. Seconded by Chairman Zay and unanimously approved by a Voice Vote. Motion carried.

Approval of Reconciliations

Treasurer Fates reported that he had reviewed and approved the journal entries and bank reconciliations for the months of October 2019.

Treasurer's Report – October 2019

Treasurer Fates reviewed the written summary of the September Treasurer's Report. Cash and Investments totaled \$177.7M. He detailed the various account activities in the Commission's cash and investments over the six months of the current fiscal year.

Market yield on the portfolio was at 2.07%, a decrease from the prior month (2.10%). The portfolio was showing unrealized gains of \$1.6M compared to unrealized losses at the prior year end of approximately \$0.4M.

Treasurer Fates reviewed the \$6.6M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets.

Financial Statements – October 2019

Financial Administrator Peterson discussed the six months ended October 31, 2019. She stated that revenues exceeded expenses by approximately \$5.8M, primarily due to higher than budgeted investment earnings and timing of expenditures. Water sales were below seasonal budgeted amounts by 1.5% for the month, and down 4.1% year-to-date.

Financial Administrator Peterson stated that total cash and investment balances at the end of October exceeded total liabilities and targets. It was noted that cash balances were up slightly compared to prior year, and receivables were up down to timing of receivables and lower water sales. It was also noted that account 01-60-649100 Self Insurance had exceeded its budgeted amount in October.

Accounts Payable

Financial Administrator Peterson presented the Accounts Payable to the committee members. The numbers below were to be presented in the General Meeting.

October 8, 2019 to November 12, 2019	\$8,388,956.76
<u>Additional Accrued and Estimated Payments</u>	<u>\$1,523,675.00</u>
Total	\$9,912,631.76

Other

General Manager Spatz discussed the Commission was starting its budgeting process for next fiscal year and some of the activity he was reviewing. He discussed the possible impact from work on the tollway to the Commission's pipes. An initial engineering study was done and outlined potential improvements or changes that could occur, and the costs related based upon the study. The Commission continues to have discussions with the Illinois Tollway Authority regarding costs and timing construction.

General Manager Spatz and Chairman Zay left the meeting at 6:03 P.M.

Investment Review

Jeff Schroeder from PFM gave the Committee a brief overview of the markets current economic conditions and projected interest rate activity. Danny Nelson from PFM then reviewed the activity in the Commission's investments including rate of returns, investment types and durations. The Finance Committee requested that PFM review the current Investment Policy of the Commission and submit suggested changes in the near term.

Adjournment

Commissioner Russo moved to adjourn the meeting at 6:29 P.M. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote. Motion carried.