

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DuPAGE WATER COMMISSION
HELD ON THURSDAY, JULY 21, 2011
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:45 P.M.

Committee members in attendance: J. Prunyn, D. Russo, and J. Zay (*ex officio*)

Committee members absent: P. Suess and C. Janc

Also in attendance: J. Spatz, T. McGhee, J. Nesbitt, N. Narducci, and N. Cavaliere.

Minutes

The Regular Committee Meetings of June 23, 2011 were not approved since not enough committee members were present.

Chairman Zay asked why the present committee members could not vote on these minutes. Manager of Operations McGhee replied that in the Commission By-Laws state that the Chairman cannot vote on committee matters. Chairman Zay stated that this needs to be changed. Manager of Operations McGhee stated that the By-Laws are in the process of being reviewed and amended.

Approval of Reconciliations

Treasurer Narducci noted that the reconciliations were approved.

Ordinance No. O-14-11

General Manager Spatz reviewed the Request for Board Action for Ordinance No. O-14-11 for which appropriations were being amended.

The committee members were all in agreement with the ordinance.

Resolution No. R-32-11

General Manager Spatz stated that the Village of Downers Grove has paid the Commission \$3.8M for extending Lake Michigan water service to new residential retail customers in a DuPage County service area affected by contaminated well water. He added that the Village still owes the Commission \$566,000 by July 30, 2011. He further stated that if the Village does not pay the agreed upon amount by July 30, 2011, the Commission would revert back to the original agreement of \$4.788M.

Chairman Zay stated that it is in the best interest of the Commission to settle with the Village as the Commission could use the additional monies to pay down its loan with West Suburban Bank.

General Manager Spatz stated that the three month Libor term with Northern Trust Bank was ending and recommended that the Commission elect another three month Libor term. He added that the current three month Libor rate would be somewhere between .25%-.27% and added that the Commission should pay down the \$5M of principal due to Northern Trust and hold the \$4.363M received from Downers Grove settlement for future principal payments.

The committee members were all in agreement with the resolution.

Treasurer's Report – June 2011

Mr. Cavaliere provided the Committee with a synopsis of the June Treasurer's report. Commissioner Russo suggested adding 'Principal Payment' to the Northern Trust line item so all others reading the report would have a clear understanding of the item.

Manager of Operations McGhee stated that it is important that the Commissioners are comfortable with the reports and if there is something that they would like to see on a report to inform Mr. Cavaliere.

Financial Statements – June 2011

Mr. Cavaliere provided the Committee with a synopsis of the June Financial Statements.

There was a brief discussion on how the billing/budget is represented.

Accounts Payable

Manager of Operations McGhee informed the committee members that a revised Accounts Payable was at the Commissioner's seats in the board room.

June 15 - July 13, 2011	\$ 4,841,490.02
<u>Estimated</u>	<u>\$ 6,137,959.44</u>
Total	\$ 10,979,449.46

There was discussion on the codes of the last page of the Accounts Payable and Mr. Cavaliere stated that he would look into its source and how it is generated.

Other

At this time, Treasurer Narducci reviewed his Project List. After Treasurer Narducci discussed examining bulk purchasing of heat and gas, General Manager Spatz stated that staff was to meet with their consultant the following week to discuss prices and possibly establish a two year contract instead of one year in the interest of saving money.

Chairman Zay stated that the Commission could ratify this at the next meeting if staff was able to get locked in at a lower price.

The last item on Treasurer Narducci's Project List was to review bidding on audit services. There was some discussion on retaining the Commission's current audit firm, Sikich LLC.

Adjournment

The meeting was adjourned at 7:30 P.M.

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