



DUPAGE COUNTY
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DuPage Water Commission Presents Stable, Viable Financial Plan for Future

Wheaton, IL – During today's DuPage County Board meeting, the DuPage Water Commission briefed the members on the agency's reforms that have corrected past financial problems, as well as outlined plans to remain financially viable in years to come.

The DuPage Water Commission, which delivers Lake Michigan drinking water to 25 communities, outlined the steps taken to overhaul the agency after its \$69 million reserve fund was misspent due to poor accounting practices and lack of financial oversight.

In order to make the agency more accountable to taxpayers, DuPage County Chairman Dan Cronin appointed Jim Zay as Water Commission chairman in January 2011. Under Zay's leadership, the Commission has reduced its outstanding debt from \$142 million to \$54 million, with an additional \$14 million expected to be paid by the end of this fiscal year. In addition, the Commission has reduced its operating budget by \$6 million since 2011, which equates to approximately 28 percent.

"Chairman Zay's leadership has helped this crucial agency make a remarkable turn-around from the crisis it was in three years ago," said Cronin. "Today, the Water Commission is not only a premiere example of government reformation in a brief amount of time, but it is also positioned well for the future."

In addition to overcoming past financial issues, the DuPage Water Commission adopted a four-year rate model to address increases from the City of Chicago for the purchase of water; the elimination of the sales tax in 2016; repayment of \$70 million in short-term debt certificates; and a projected decrease of two percent per year in water consumption and sales.

Zay attributes some of the financial improvement to the overhaul of existing leadership.

“It was important that we brought people onto the Board who have financial backgrounds. This change in leadership, both at the board and staff level, allowed us to become very proactive in developing strategic plans to make the Commission financially stable,” said Zay. “These plans provide aggressive debt reconciliation, as well as long-term viability, to ensure DuPage County has a reliable water utility in place.”

Cronin played a significant role in calling for these reforms when he was still a senator in the Illinois General Assembly. In response to the Commission’s dire financial situation, he passed a state law imposing new financial requirements and terminated the terms of all commissioners and the chairperson. Cronin’s measure also eliminated the quarter-cent sales tax by 2016 that helps fund the agency in order to make it a sustainable water utility.

“Lowering the sales tax rate in the County will force greater financial independence and accountability at the Commission, as well as help our residents and businesses,” said Cronin. “With the Commission’s recent accomplishments, I have no doubt that it will operate as a successful public water utility.”

In preparation for the elimination of the sales tax revenue, the Commission has implemented measures to improve efficiency and reduce costs by reevaluating contracts for services and supplies. For example, the Commission has saved \$275,000 annually with a new electrical supply contract, and is currently negotiating a new contract to save an additional \$140,000 annually over the next two years.

Other significant Water Commission reforms include:

- Hired a new general manager, treasurer and financial administrator;
- Strengthened accounting practices and internal controls;
- Reduced the workforce by four positions;
- Implemented job performance metrics and benchmarks;
- Eliminated built-in overtime and automatic raises for staff;
- Adopted rigorous procurement and bidding processes;
- Utilized computerized maintenance management system;
- Incorporated a GPS system on all vehicles, which has increased efficiency of field crews and decreased the use of fuel due to better routing and tracking;
- Reduced the cost of healthcare, commissioners’ insurance, phone services, contractual services and commodities; and
- Improved transparency and accountability through an upgraded website.

“The Water Commission has come a long way in a short amount of time, but we are still in the process of ensuring a successful future. We will continue to make sure the Commission is a responsible, accountable and transparent agency serving in the best interest of DuPage County residents and businesses,” said Zay.