



DuPage Water Commission PRESS RELEASE

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DuPage Water Commission reduces water rates for second straight year

Elmhurst, IL On Thursday, the DuPage Water Commission Board approved its proposed Fiscal Year 2016-2017 budget which included a total water rate reduction of slightly over 1% for its customers. This reduction follows last year's reduction of slightly over 2%. The reduction will be effective May 1st for the Commission's customers, which include most cities and municipalities in DuPage County.

"For the second consecutive year we've reduced water rates," said Commission Chairman Jim Zay. "In light of the financial position the Commission was in five years ago, as well as, the loss of sales taxes revenue, is a true testament to the hard work and commitment of all Board members and staff. The effort to control costs has put the Commission on a solid financial footing as we transition to a self-sustaining utility. This is truly a government reform success story that will benefit the citizens of DuPage County for many years to come."

DuPage County Board Chairman Dan Cronin remarked, "I commend Jim Zay, the Board and staff of the Water Commission for this marvelous transformation. I consider this a wonderful example of what dedicated leaders can accomplish when they put efficiency, effectiveness and service to taxpayers first."

Mayor Gayle Smolinski of the Village of Roselle and President of the DuPage Mayors & Managers Conference stated, "The Commission's progress in recent years on behalf of water customers throughout DuPage is highly commendable. The rate decrease approved with next year's budget is yet another significant benefit to our residents and businesses. Well done!"

Mayor Jeff Pruyn of the Village of Itasca and Municipal Representative of District 1 of the DuPage Water Commission stated, "Today the Commission is a thriving utility, paying for itself while providing safe clean potable water to over three-quarters of a million people every day."

Mayor Joe Broda of the Village of Lisle and Municipal Representative of District 2 of the DuPage Water Commission stated, "In addition to the Commission's high service levels, this budget demonstrates an equally high level of financial stewardship. I'm proud to have been part of the process and I commend staff and the board for this achievement."

During the last five years, the Commission has significantly strengthened its current financial status, as well as its future outlook. The Commission has:

- **Reduced the total operating budget for the last five years** – This year's tentative budget will be the fifth straight year that the Commission will reduce the total operating expenses, which excludes cost of water purchased and depreciation.
- **Completely paid off all debt and will be debt-free for the first time** - The Commission has aggressively paid down outstanding debt and renegotiated better terms and lower interest rates. The Commission has paid off the \$70 million debt certificates approximately 18 months earlier than projected and has also completely paid off all revenue bonds. These actions saved millions in interest charges.
- **Planned for a tax-free revenue stream** – After June 1, 2016 when the Commission's quarter-cent portion of the sales tax sunsets, the Commission will no longer be collecting any of the estimated \$36 million of annual sales tax revenue.
- **Fully-funded its pension obligations** – The Commission has made additional pension contributions to fully-fund its pension obligation. This will reduce pension costs in the future and enhance the Commission's long-term sustainability.
- **Restored the Commission's reserves** – The Commission was able to restore its reserves including establishing a capital reserve and long-term capital reserve. The capital reserve will fund the Commission's future planned capital improvement projects. The long-term capital reserve will help fund replacement of the system's infrastructure when it comes to the end of its useful life.