

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, AUGUST 16, 2018
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:49 P.M.

Committee members in attendance: J. Pruyne, D. Russo, P. Suess and J. Zay

Committee members absent: R. Gans

Non-Committee members in attendance: M. Scheck

Also in attendance: J. Spatz, C. Peterson, Treasurer W. Fates, J. Savio from Sikich LLP

Minutes

Commissioner Russo moved to approve the Minutes of the Regular Committee Meeting of May 17, 2018 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 month of July 2018.

Request for Board Action

General Manager Spatz described how we have used the same consultant and broker for the past few years. Therefore, the Commission issued a request for proposal and received three replies. General Manager Spatz noted that all three were strong candidates. The decision was made to recommend Alliant/Mesirow for a two year agreement. A discussion was had discussing past processes and the submittals in more detail.

Commissioner Pruyne moved to recommend the authorization for the General Manager to engage in a two (2) year agreement with Alliant/Mesirow for insurance brokerage services at the DuPage Water Commission for a not to exceed amount of \$35,000 per year. Seconded by Commissioner Russo and unanimously approved by a Voice Vote. Motion carried.

Commissioner Scheck left the meeting at 5:56 P.M., and Chairman Zay and General Manager Spatz left the meeting at 6:00 P.M.

2018 Annual Audit Report

Jim Savio of Sikich presented an overview of the audit results and the process to the Committee. The opinion from Sikich is unmodified. Mr. Savio's discussed certain items of interest or differences within the reports.

Mr. Savio then noted that the Commission had no audit adjustments, no material weaknesses, and no significant deficiencies.

Treasurer's Report – July 2018

Treasurer Fates reviewed the written summary of the July Treasurer's Report. Cash and Investments totaled \$173.0M. He detailed the various account activities in the Commission's cash and investments over the past three months.

Market yield on the portfolio was at 1.76 basis points, an increase from the prior month. The portfolio was showing unrealized losses of \$2.7M compared to unrealized losses at the prior year end of approximately \$2.8M.

Treasurer Fates reviewed the \$1.6M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets, except for the Operating Reserve. The Commission continues to adjust reserves targeted and transfer funds as the Bartlett project proceeds.

Financial Statements – July 2018

Financial Administrator Peterson noted that for the three months ended July 31, 2018, revenues exceeded expenses by approximately \$2.5M, primarily due to higher than seasonal budgeted water sales, investment earnings and timing of expenditures.

Water sales exceeded budgeted amounts by 3.0% for the month and 2.4% year-to-date.

Financial Administrator Peterson stated that total cash and investment balances at the end of July exceeded total liabilities and targets.

It was noted that cash balances were up compared to prior year by approximately \$7M.

Accounts Payable

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

July 11, 2018 to August 7, 2018	\$11,359,291.27
<u>Estimated</u>	<u>\$ 3,303,330.00</u>
Total	\$ 14,662,621.27

Other

None

Adjournment

Commissioner Pruyn moved to adjourn the meeting at 6:20 P.M. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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