

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, APRIL 20, 2017
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

Committee members in attendance: P. Suess, R. Gans, and J. Pruyn

Committee members absent: D. Russo and J. Zay

Non-Committee members in attendance: None

Also in attendance: Treasurer W. Fates, J. Spatz, and C. Peterson

Minutes

Commissioner Pruyn moved to approve the Minutes of the Regular Committee Meeting of March 16, 2017 of the Finance Committee. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Approval of Reconciliations

Treasurer Fates reported that he had reviewed and approved the journal entries and bank reconciliations for the month of March 2017.

Discussion of Ordinances O-4-17, O-5-17, and O-6-17

General Manager Spatz stated that he had not received any additional questions from the Commissioners or made any changes to the draft budgets presented to the Commissioners in the prior months' meetings. The fixed cost ordinance remains at zero for the fiscal 2017-2018 budget year. It was explained that this ordinance was still required under the charter customer agreement and how the number would be allocated by customer if the amount increases in future years.

Discussion of the Request for Board Action: Accounting Services

General Manager Spatz detailed that the Commission had the option to exercise one more year under the current contract with Baker, Tilly, Virchow and Krause. The Commission has been satisfied with the work being done and the savings from not having a full-time accountant on staff. The amount budgeted allows for the current average monthly usage and allows for additional time for special projects.

Treasurer's Report – March 2017

Treasurer Fates reviewed the written summary of the March Treasurer's Report. Cash and Investments totaled \$162.0M. He detailed the various account activities in the Commission's cash and investments over the past eleven months.

Market yield on the portfolio was at 1.21 basis points, a slight increase from the prior month. The portfolio was showing unrealized losses of \$705,000 compared to unrealized gains at the prior year end of approximately \$537,500.

Treasurer Fates reviewed the \$25.7M increase year-to-date on the Statement of Cash Flows. He added that this increase is due to the receipt of slightly over \$13M in deferred revenue related to the Village of Bartlett's cost recovery charges, it was offset by a \$13M cash outflow related to the loan to the Village of Bartlett to help finance the cost recovery charges. He stated that all targeted reserve levels were met or exceeded targets.

General Manager Spatz noted that Commission staff had started reviewing the Reserve Policy and will bring in drafts for review in the next meeting. He also informed the Committee that expenses related to Bartlett have been received and will be sent to them in the beginning of May, which will initiate the loan related to the Connection Facilities.

General Manager Spatz left the meeting at 6:01 P.M.

Financial Statements – March 2017

Financial Administrator Peterson noted that for the first eleven months of the fiscal year, revenues exceeded expenses by approximately \$19.5M, primarily due to higher than anticipated water sales, sales tax collections and timing of expenditures.

Water sales increased versus seasonal budgeted amounts by 2.5%. Water purchases increased 1.4% versus seasonal budgeted amounts.

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

It was noted that cash balances were up compared to prior year by approximately \$27M. Receivables were slightly lower due to the timing of the collections.

Accounts Payable

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

| | |
|--------------------------------|----------------------|
| March 8, 2017 to April 7, 2017 | \$7,608,669.06 |
| <u>Revised Estimated</u> | <u>\$ 792,330.00</u> |
| Total | \$8,400,999.06 |

Other

Financial Administrator Peterson asked that the Committee be aware that questionnaires from the Auditors have been sent and to please respond. Chairman Sues requested that representatives from PFM are at the next meeting and that staff work with them on presenting twice a year, preferably in May and November.

Adjournment

Commissioner Gans moved to adjourn the meeting at 6:08 P.M. Seconded by Commissioner Pruyne and unanimously approved by a Voice Vote.

All voted aye. Motion carried.