

**MINUTES OF A MEETING OF THE  
FINANCE COMMITTEE  
OF THE DUPAGE WATER COMMISSION  
HELD ON THURSDAY, JUNE 15, 2017  
600 EAST BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

The meeting was called to order at 5:51 P.M.

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

Committee members absent: D. Russo and P. Sues

Non-Committee members in attendance: None

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

**Minutes**

Chairman Zay moved to approve the Minutes of the Regular Committee Meeting of April 20, 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 months of April and May 2017.

**Discussion of the Request for Board Action: Transfer of Funds**

General Manager Spatz noted that this transfer is to move money from the General Account to the Capital Reserve Account to cover the increase in the targeted amount due to the costs related to the Bartlett facilities.

Chairman Zay moved to recommend the transfer of funds from the General Account to the Capital Reserve Fund. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**Discussion on Reserve Policy**

General Manager Spatz discussed some proposed changes to the Reserve Policy including changing minimum days required in one reserve and deleting references to revenue bonds that are no longer outstanding. The Committee chose to review the proposed changes and bring the item up for discussion again in later meetings.

**Other**

General Manager Spatz noted that the Commission is still collecting sales tax revenues and discussed reviewing the ongoing collections with the Secretary of State's office. The Finance Committee agreed that discussions with the State should be initiated to verify collections. He also mentioned that the Commission's current auditors submitted a proposal for consideration to continuing serving as the Commission's auditors.

Chairman Zay and General Manager Spatz left the meeting at 6:04 P.M.

**Treasurer's Report – April and May 2017**

Treasurer Fates reviewed the written summary of the April Treasurer's Report. Cash and Investments totaled \$161.9M. He detailed the various account activities in the Commission's cash and investments over the past year months.

Market yield on the portfolio was at 1.23 basis points, a slight increase from the prior month. The portfolio was showing unrealized losses of \$537,000 compared to unrealized gains at the prior year end of approximately \$537,500.

Treasurer Fates reviewed the \$25.6M 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.

Treasurer Fates reviewed the written summary of the May Treasurer's Report. Cash and Investments totaled \$163.1M. He detailed the various account activities in the Commission's cash and investments over the first month of the fiscal year.

Market yield on the portfolio was at 1.24 basis points, a slight increase from the prior month. The portfolio was showing unrealized losses of \$389,566 compared to unrealized losses at the prior year end of approximately \$537,000.

Treasurer Fates reviewed the \$1.2M 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 Capital Reserve. The Capital Reserve is expected to be fully funded within the next month upon approval from the Board to transfer the funds from the General Account.

**Financial Statements – April and May 2017**

Financial Administrator Peterson noted that for the year ended April 30, 2017, revenues exceeded expenses by approximately \$10.4M. Water sales and water purchases ended the year 2.6% and 1.5% above budgeted amounts, respectively.

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

It was noted that cash balances were up compared to prior year by approximately \$26M. Receivables were flat versus the prior year. Year-end audit entries were discussed, including pension and OPEB accruals.

Financial Administrator Peterson noted that for the one month ended May 31, 2017, revenues exceeded expenses by approximately \$0.9M, primarily due to higher than budgeted investment income and timing of expenditures.

Water sales were above seasonal budgeted amounts by 0.1%. Water purchases were down 1.3% versus seasonal budgeted amounts.

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

It was noted that cash balances were up compared to prior year by approximately \$22M. Receivables were slightly higher due to the increase in rates as of May 1, 2017, to \$4.88 per thousand gallons from \$4.80 per thousand gallons.

### **Audit Update**

Financial Administrator Peterson stated that the audit is progressing on schedule and a draft version will be ready for the next Board meeting and the auditors, Sikich, will present at the August 2017 Board meeting.

### **Accounts Payable**

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

April 12, 2017 to May 9, 2017	\$7,639,201.18
<u>Estimated</u>	<u>\$ 798,625.00</u>
Total	\$8,437,826.18
May 10, 2017 to June 6, 2017	\$8,567,785.73
<u>Estimated</u>	<u>\$1,267,315.00</u>
Total	\$9,835,100.73

### **Adjournment**

Commissioner Gans moved to adjourn the meeting at 6:16 P.M. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.