

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, SEPTEMBER 21, 2017
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:46 P.M.

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

Committee members absent: D. Russo

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 August 17, 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 August 2017.

Request for Board Action

General Manager Spatz described the proposal from Sikich to provide auditing services for fiscal years ending April 30, 2018 and 2019, with an option for the year ending April 30, 2020. The costs quoted were below current prices for all 3 years. Chairman Suess asked about current costs versus the proposed. General Manager Spatz noted that Sikich was the lowest bidder last time a request for proposal was done and they have experience with water districts. In addition, staff has been very satisfied with Sikich's professionalism and assistance during the audit and all year long.

Commissioner Pruyn moved to recommend the authorization for the General Manager to engage in a two (2) year agreement with Sikich LLC for audit services at the DuPage Water Commission for a not to exceed amount of \$30,000 per year. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Discussion on Reserve Policy

General Manager Spatz noted the changes to Reserve Fund Policy would be to eliminate references to Bond Ordinances, specific bank references and increase the minimum days in the Operating Reserve to 180 days. In addition, the following language would be included: Commission staff has permission to transfer additional funds from the General Account to the Long-Term Water Capital Reserve Fund without requesting Board approval, if the funds are not planned or designated to be used for other purposes.

A discussion was then had describing the activity in each account, how funds could move between accounts and the balances currently in each reserve. The decision was made to bring the changes to the Board meeting for a vote next month.

General Manager Spatz left the meeting at 6:09 P.M.

Treasurer's Report – August 2017

Treasurer Fates reviewed the written summary of the August Treasurer's Report. Cash and Investments totaled \$167.4M. He detailed the various account activities in the Commission's cash and investments over the past four months.

Market yield on the portfolio was at 1.39 basis points, an increase from the prior month. The portfolio was showing unrealized losses of \$166,700 compared to unrealized losses at the prior year end of approximately \$541,000.

Treasurer Fates reviewed the \$5.5M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets.

Financial Statements – August 2017

Financial Administrator Peterson noted that for the four months ended August 31, 2017, revenues exceeded expenses by approximately \$3.9M, primarily due to higher than budgeted water sales, sales tax collections, investment earnings and timing of expenditures.

Water sales were above seasonal budgeted amounts by 2.7%. Water purchases were up 1.6% versus seasonal budgeted amounts.

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

It was noted that cash balances were up compared to prior year by approximately \$15M. Receivables were flat as rate increases were offset by lower water sales compared to the prior year. She also noted that Account 01-60-771100 – Meter Replacement is expected to go over management budget if certain resolutions were passed in the Board meeting convening later that evening. The project was originally scheduled as a 3-year project and these resolutions accelerate some of spending required to obtain the new meters.

Accounts Payable

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

August 9, 2017 to September 12, 2017	\$10,615,644.24
<u>Estimated</u>	<u>\$ 737,375.00</u>
Total	\$11,353,019.24

Other

None

Adjournment

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

All voted aye. Motion carried.