

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, JUNE 16, 2022
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

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

Committee members absent: P. Suess, J. Pruyne

Non-Committee members in attendance: None

Also in attendance: Treasurer B. Fates, P. May, and C. Peterson

Minutes

Commissioner Russo moved to approve the Minutes of the Committee Meeting of April 21, 2022, of the Finance Committee. Seconded by Commissioner Gans 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 May 2022.

Discussion of City of Chicago Cost of Service Model

General Manager May lead a discussion regarding the review of the City of Chicago cost of service model. This is a deviation from the standard rate that is charged currently to all customers. The Commission is currently in the process of hiring a consultant to review and validate the study. The Commission will be looking for approval to hire Raftelis Consultants in the General Meeting. General Manager May reviewed the reasons to hire the consultants, their background, the general process, and possible timeline. Chairman Zay agreed that moving forward and doing our due diligence now makes the most sense.

General Manager May then left the meeting at 6:00 P.M.

Request for Board Action: Purchase of Cyber Insurance

Chairman Zay noted the need for this type of insurance and how common the need for two-step verification is for all logins. Financial Administrator Peterson noted that this option from Travelers remained the best option. A discussion was had regarding what this cyber insurance would cover.

Commissioner Russo moved to recommend the purchase of Cyber Insurance for a total premium of approximately \$40,000 as proposed by Arthur J Gallagher Risk Management.

Seconded by Commissioner Gans and unanimously approved by a Voice Vote. Motion carried.

Discussion of Montgomery, Oswego, and Yorkville Financing Options

Financial Administrator Peterson lead a discussion regarding the possible use of WIFIA and state programs loans to assist in the financing of the construction costs related to bringing on Montgomery, Oswego, and Yorkville as customers. The Finance Committee then brought up the Commission's need to meet with the three towns to discuss the project and timelines.

Discussion of Proposed Amendments to the Investment Policy

Financial Administrator Peterson talked about the changes as presented by PFM. The recommended changes to the policy are in line with state regulations. The recommendation was to formally propose the changes at the next meeting.

Treasurer's Report – May 2022

Treasurer Fates reviewed his written summary of the May Treasurer's Report. Cash and Investments totaled \$218.9M. 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 1.11%, up slightly from the prior month. The portfolio was showing unrealized losses of \$5.4M compared to unrealized losses at the prior year end of approximately \$6.1M.

Treasurer Fates reviewed the \$2.0M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets.

Financial Statements – May 2022

Financial Administrator Peterson discussed the one month ended May 31, 2022, revenues exceeded expenses by approximately \$0.8M, primarily due to higher than budgeted water sales, investment earnings and timing of expenditures. Water sales exceeded budgeted amounts by 5.0% for the month.

Financial Administrator Peterson stated that total cash and investment balances at the end of May exceeded total liabilities and targets. It was noted that cash balances were up compared to prior year by approximately \$9.4M.

Accounts Payable

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

May 12, 2022 to June 7, 2022

\$ 9,693,492.63

<u>Estimated</u>	<u>\$ 1,630,005.00</u>
Total	\$11,323,497.63

Other

Financial Administrator Peterson informed the Committee that audit is on schedule and that a draft will be available for review in July. She also noted that the Commission had sent out an RFP to a few firms regarding Human Resource consulting services.

Adjournment

Commissioner Russo moved to adjourn the meeting at 6:26 P.M. Seconded by Commissioner Gans and unanimously approved by a Voice Vote. Motion carried.