

**Minutes of a Meeting
of the**

COMMITTEE OF THE WHOLE

DuPage Water Commission
600 E. Butterfield Road, Elmhurst, Illinois

February 15, 2024

The meeting was called to order by Chairman Zay at 6:00 P.M.

Commissioners in attendance: D. Bouckaert, N. Cuzzone, J. Fennell, J. Healy, D. Novotny, J. Pruyn, K. Rush, D. Russo, F. Saverino, P. Suess, J. Zay

Commissioners Absent: K. Romano, D. Van Vooren

Also in attendance: P. May, C. Bostick, C. Peterson, M. Weed, J. Haney, D. Cuvalo, D. Mundall, P. Luetkehans of Luetkehans, Brady, Garner and Armstrong, LLC. Mara Georges, Georges & Synowiecki Ltd.

TENTATIVE DRAFT BUDGET FOR FISCAL YEAR 2024-2025

General Manager Paul May provided a presentation of the draft proposed FYE 2025 Budget. Mr. May noted that the Commission holds no outstanding debt. Adequate unrestricted funds currently exist to provide the required allocations to meet all reserve requirements pursuant to the DWC Reserve Policy for the proposed budget year.

The water commodity cost from the City of Chicago will be based upon the 2023 CPI, expected to be 3.4%; equivalent to \$0.16 per thousand gallons for a change from \$4.54 to \$4.70 per thousand gallons. This will, of course impact the DWC wholesale rate. Mr. May noted that DWC margins have decreased since 2015-2016 from \$1.03 to the current rate of \$0.85. The current budget proposal is to increase the \$0.85 margin, and to pass along the 3.4% increase. Therefore, the current customer rate of \$5.39 per T-gallons is proposed to rise to \$5.58 per T-gallons.

Mr. May reviewed the budgeted revenues and expenses, noting budgeted revenues of \$143,657,754, and budgeted expenses of \$153,137,977, therefore contemplating a net operating loss of \$9.48M. FY 2024-2025 strategic objectives were introduced.

General Manager May then provided an overview of all accounts with particular attention to new items of items for which a significant change is expected. Of particular note are the following: \$4M reduction in subsequent customer revenue do to full reconciliation of all payments at the end of the previous Water Purchase and Sales Contract; 12% increase in pension, medical, and insurance costs, a \$5M increase in water commodity cost, and an increase in costs for Lexington maintenance costs from \$250K to \$450K, and anticipated wage increases of 4% for qualified employees. The capital program is funded in the amount of \$14.7M, including cost components for the WaterLink pipeline extension and the Source Water Project.

General Manager May thanked staff for their work during the budget process, and then opened the floor to questions.

Commissioner Sues requested clarification on the WaterLink Project costs. General Manager May replied that the CIP includes specific costs related to increasing the pipe size beyond the size hydraulically necessary to serve the MOY communities to present the opportunity to serve an expanded service area in the future. Future subsequent customers would eventually bear the cost of the increase.

General Manager May summarized the Budget Process and Schedule.

Commissioner Sues requested status on the Lexington Pumping Station. General Manager May informed the Board that the condition assessment indicated \$16M of repairs to be done. A shared lease agreement draft has been received from the City of Chicago, but is still being negotiated.

With no further discussion, Commissioner Russo moved to adjourn the meeting at 6:29 P.M. Seconded by Commissioner Cuzzone and unanimously approved by a Voice Vote.

All voted aye. Motion carried.