

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, FEBRUARY 10, 2011
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:20 P.M.

Committee members in attendance: P. Suess, C. Janc, J. Pruy, and D. Russo

Committee members absent: J. Zay (*ex officio*)

Also in attendance: T. McGhee, R. Skiba, and J. Nesbitt.

FINANCIAL SERVICES INTERVIEWS

Financial Services interviews were conducted at the beginning of the meeting. Vicki Hellenbrand and Nick Cavaliere from Baker Tilly were interviewed from 6:20 P.M. - 7:00 P.M. Then Bert Nuehring, Christine Torres, and Bob Grapenthien were interviewed from 7:00 P.M. - 7:25 P.M.

Louis Karrison from Sikich stepped into the meeting.

2010 AUDIT REPORT

Acting General Manager McGhee informed the committee members that the audit report has been completed, is ready to be printed and sent to our customers.

Former Financial Administrator Skiba discussed the following item regarding the audit report:

- There were a number of audit adjustments but they were needed to properly reflect the Commission's financial position. Staff Attorney Crowley is reviewing the transmittal letter, which may or not be included in the audit report.

Louis Karrison commented that Sikich views the audit as unqualified. He stated that the adjusted entries were agreed to by management.

Former Financial Administrator Skiba stated that the depreciation adjustment is done at fiscal yearend for current acquisitions. He stated that the other adjustment is the end of the year sales tax accrual. He stated that if there are more than these two adjustments, then something not done correctly.

Chairman Suess asked if the report needs to be accepted tonight and if the Commission had sent a transmittal letter in the past. Former Financial Administrator Skiba stated that a formal motion does not need to be made to direct release of the audit report that the

Commission has not done a transmittal letter in the past. He stated that if the transmittal letter is done it will be included as the introduction to the audit report.

Chairman Suess asked if the revenue bond reserve requirements were met by June 30, 2010. Former Financial Administrator Skiba and Louis Karrison responded in the affirmative.

Louis Karrison left the meeting.

EXTENSION/REFINANCING OF \$40MM CERTIFICATE OF DEBT ISSUED TO NORHTERN TRUST BANK

Acting General Manager McGhee informed the committee members about Wheaton Bank's position regarding the \$40MM certificate of debt. Wheaton Bank stated that the \$40MM is too large of a note for them to take on but they would like to do business with us.

BUDGET

Acting General Manager McGhee stated that the budget will be handed out to only to the Commissioners at the Commission meeting. He also stated that he recommended a 10% increase in the water rate. He noted that the budget needs to be sent out to the customers by March 2nd and the final budget needs to be in place by April.

Commissioner Russo stated that the 10% water rate increase should not be in the budget since the Commission isn't positive how much the increase will be needed in the future. He stated that a reason needs to be in place before there should be a rate increase.

Commissioner Pruyne asked if the rates could be raised at any time. Acting General Manager McGhee stated that the fixed cost rate can be raised at any time, but before the operation and maintenance rate can be raised there needs to be notice to our customers and a public hearing. He also stated that there will be a public hearing in April when the Commission's budget is ready to be adopted.

Chairman Suess stated that there might need to be a special finance meeting possibly on Monday, February 21st because the Commission could benefit from the finance committee's input on the budget. He stated that then the Commission could hold a special meeting on Monday, February 28th or Thursday, March 3rd to focus on the budget.

ADJOURNMENT

The meeting was adjourned at 7:50 P.M.