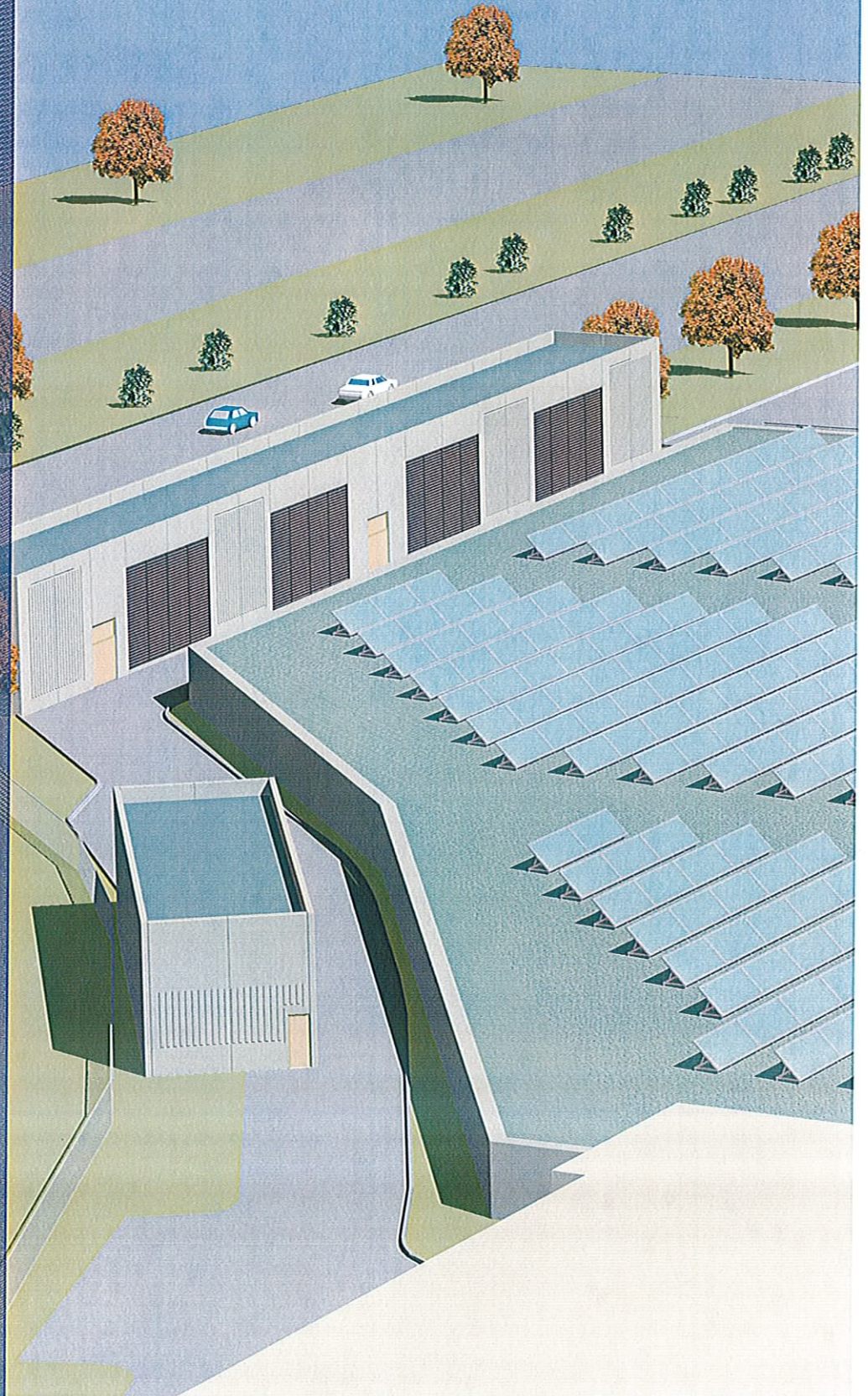
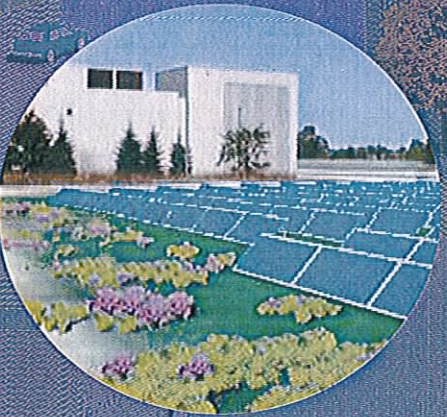
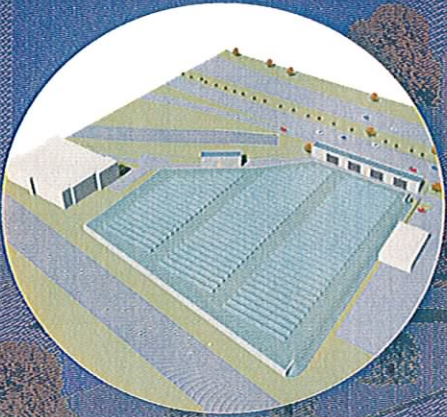
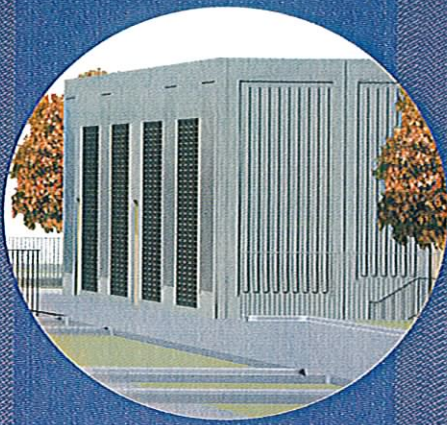




2007 -2008 ANNUAL REPORT



FISCAL YEAR 2007 – 2008
ANNUAL REPORT
OF THE
DuPAGE WATER COMMISSION
COOK, DuPAGE AND WILL COUNTIES, ILLINOIS
BOARD OF COMMISSIONERS

S. Louis Rathje, Chairman

DISTRICT 1

Larry Hartwig, Municipal

William J. Maio, Jr., County

DISTRICT 3

William F. Murphy, Jr., Municipal

John K. Vrdolyak, County¹
Thomas F. Bennington, Jr., County

DISTRICT 5

Allan L. Poole, Municipal

Donald G. Zeilenga, County

Richard P. Thorn

Robert L. Martin, P.E.

Maureen A. Crowley, Esq.

Terrance McGhee

R. Max Richter

R. Christopher Bostick

Frank J. Frelka

Edward J. Kazmierczak

John W. Schori

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William J. Mueller, Municipal
Vice Chairman

Elizabeth M. Chaplin, County

DISTRICT 4

Gregory S. Mathews, Municipal

Timothy J. Feltes, County²
Timothy D. Elliott, County

DISTRICT 6

Frank Saverino, Sr., Municipal

Gregory W. Wilcox, County¹
James F. Zay, Jr., County

- Treasurer
- General Manager
- Staff Attorney, Clerk
- Manager of Water Operations
- Financial Administrator
- Facilities Construction Supervisor/Safety Coordinator
- Geographic Information Systems Coordinator
- Pipeline Supervisor
- Instrumentation/Remote Facilities Supervisor

¹ Served until June 30, 2008

² Served until January 1, 2008

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Cover picture is a rendering of the on-site generation facilities and photovoltaic system at Lexington Pumping Station.

September 11, 2008

Chairman S. Louis Rathje and Commissioners
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Chairman Rathje and Commissioners:

In fiscal year 2007-2008 the Commission was involved in the design of the backup electrical generation for both the DuPage and Lexington Pumping Stations. As part of the first phase of this project, the Commission awarded a contract for the generators for both projects.

The Commission's Staff Attorney was involved in the development of the construction documents for the backup generation projects. The Staff Attorney also negotiated the DuPage County/Darien "wheeling" agreement and assisted in the preparation of a new employee handbook.

The Operations Department continues with the development of the Enterprise Asset Management (EAM) to improve maintenance information. The participation in a Water Environment Research Foundation project and an AWWA Research Foundation project was continued by the Operations Department. These projects include the Impact of Phosphate Corrosion Inhibitors on Cement-Based Pipes and Linings and the Asset Management Strategies. The Phosphate Corrosion Inhibitors project includes the operation of the Pipe Loop Pilot Plant to evaluate the aluminum phosphate deposits in Commission pipelines.

In addition to the maintenance of the information systems and remote facilities, the Instrumentation and Remote Facilities Department is also using the EAM for the remote facilities. The annual testing of all water meters was completed.

The implementation of the Geographical Information System (GIS) continues with the upgrade to ArcGIS software version 9.2 and SQL Server 2005, reconfiguration of the GIS hardware to ensure optimum performance, and a prototype mobile computing application to put GIS and maintenance data out in the field. GIS is adding corrosion control data including rectifiers and foreign pipeline crossings, isolation flanges, casings, past leak locations, cathodic protection equipment is being added to the GIS system. Modifications of the GIS

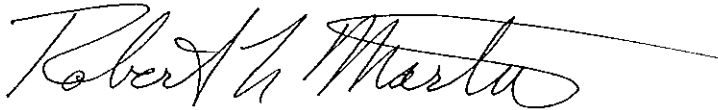
to allow it to work in parallel with the Asset Management System are also ongoing.

The Facilities Construction Supervisor/Safety Coordinator is coordinating the effort to construct backup generation facilities at both the DuPage and Lexington Pumping Stations. In addition to the generation facilities, the Commission is also sharing in the cost of photovoltaic system on the reservoir at the Lexington Pumping Station. The Commission's safety program continues to evolve into a true safety management system.

The Pipeline Department is preserving the integrity and reliability of the distribution system with the engagement of a corrosion engineering firm. The Commission's corrosion engineer has been engaged in numerous tasks related to the identification and conceptual design of corrosion mitigation alternates for certain sections of the distribution system. This is also an important part of the EAM System.

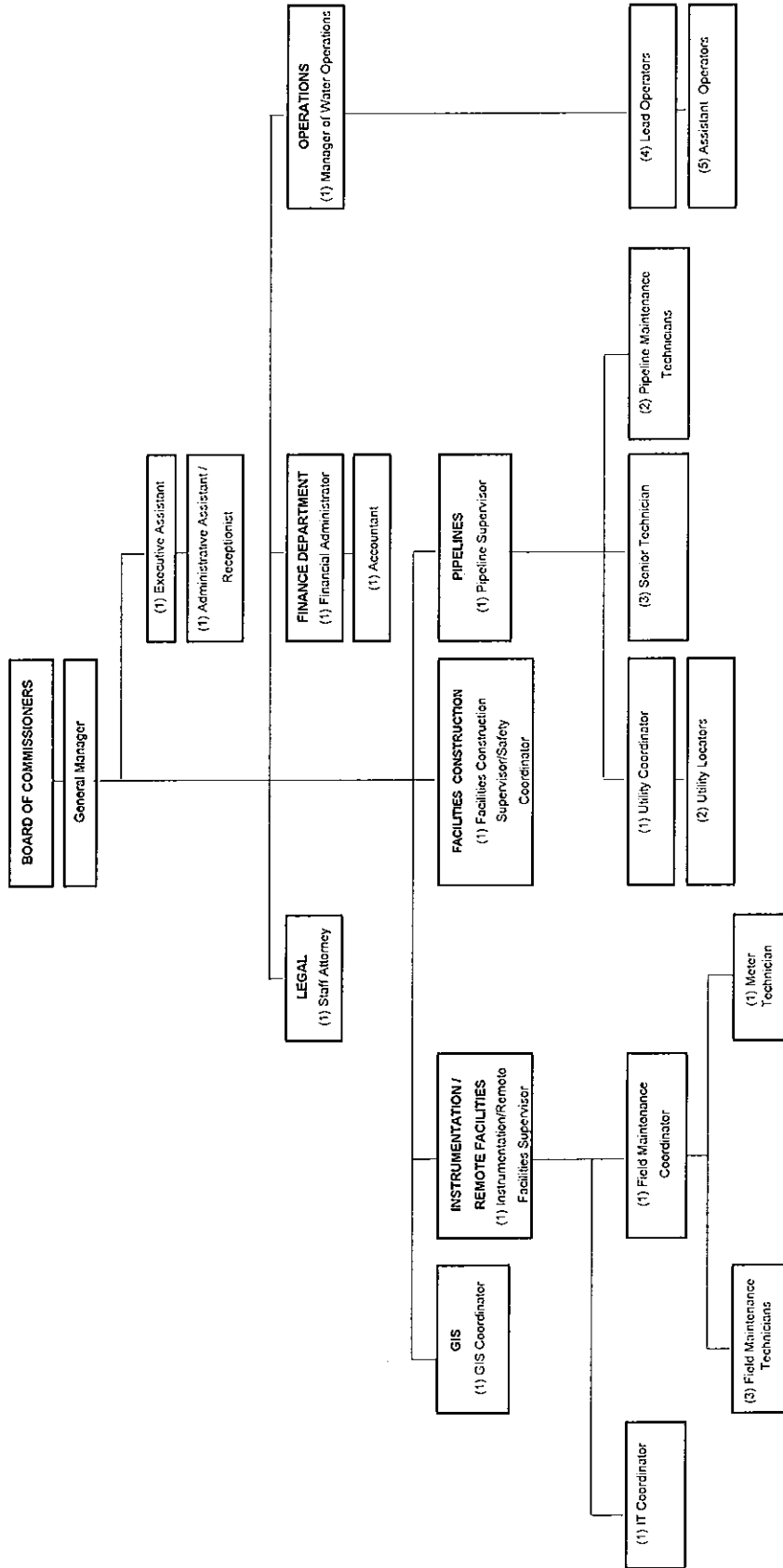
For fiscal year 2007-2008, total revenues were 5.5% less than budget and total operating expenditures were 4.4% below budget. The Commission continued with a Charter Customer water rate was reduced to \$1.25 per 1,000 gallons for the fiscal year 2007-2008.

Very truly yours,

A handwritten signature in cursive script, reading "Robert L. Martin". The signature is written in black ink and is positioned above the typed name and title.

Robert L. Martin, P.E.
General Manager

**DUPAGE WATER COMMISSION
ORGANIZATIONAL CHART
FISCAL YEAR 2007-2008**



September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Mr. Martin:

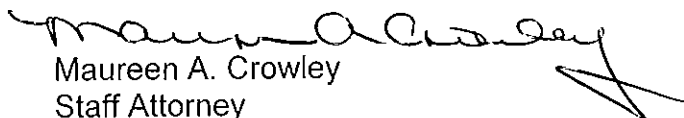
For the period May 1, 2007, through April 30, 2008, the Commission incurred \$41,640.50 in General Counsel fees and \$0.00 in Special Counsel fees. General Counsel fees related almost solely to labor and employment work—a decrease from the immediately preceding fiscal year due to the completion of several non-routine personnel projects.

	<u>General Counsel Fees</u>	<u>Special Counsel Fees</u>
FY 03/04	\$267,208.50	\$125,296.00
FY 04/05	\$64,018.50	\$21,300.00
FY 05/06	\$13,898.50	\$0.00
FY 06/07	\$57,441.50	\$0.00
FY 07/08	\$41,640.50	\$0.00

With respect to specific projects, the Legal Department created unique bidding and contract documents for the purchase of uniforms, for the purchase of generators, and for the installation of the pre-purchased generators, in addition to creating new job descriptions for all positions and creating new standardized personnel forms and procedures. The Legal Department also negotiated the DuPage County/Darien wheeling agreement, prepared a Material Event Disclosure Notice, and assisted in the preparation of a new employee handbook and in the first near miss incident investigation under newly adopted procedures.

On the more mundane side, the Legal Department was responsible for the 72 ordinances and resolutions considered by the Board, including negotiating and drafting more than 26 engineering agreements and amendments, 8 intergovernmental and miscellaneous agreements and amendments, and bidding and contract documents for 10 separate projects.

Very truly yours,


Maureen A. Crowley
Staff Attorney

September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Mr. Martin:

The Operations Department continues to maintain and operate the DuPage Pump Station at the required level to provide the highest level of service to our customers.

During the past year, all the equipment at the Pump Station was inspected, cleaned, and maintained on a weekly, monthly, quarterly, and annual basis. The annual pump and motor rehabilitation program continued this year with the replacement of three pump seals and internal inspections of all high-lift motors.

Design of a dedicated cooling system for the Computer Equipment Room was completed and bids were received in March. The system will be installed and commissioned in August.

The Operations Department continues its monthly joint maintenance inspections of the Lexington Pump Station with the Chicago Department of Water Management.

The Operations Department worked with the Pipeline Department to coordinate customer shutdowns during annual valve maintenance.

As required by the Illinois Environmental Protection Agency, the Commission collected monthly and quarterly samples for water quality and filed all required paperwork with no violations.

The Commission continues its mission to develop the Infor 7i Enterprise Asset Management (EAM) while initiating a mobile pilot to investigate the use of vehicle laptops and wireless handheld devices. The Commission continues to incorporate information from the Commission Geographical Information System into the EAM. This project is scheduled for completion during the third quarter of 2008.

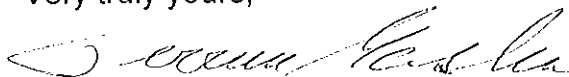
The Operations Department had two members on the Safety Committee including the Chairman who have played an essential role in helping to develop the Safety Management Program.

The Operations Department continues working to develop a Water Conservation Program for DuPage County.

Lastly, the Operations Department continues to monitor the Pipe Loop Pilot Plant to evaluate the aluminum phosphate deposits in Commission pipelines and has expanded its capabilities to include C-factor testing and copper services. The Commission continues its partnership with Camp Dresser and McKee on an American Water Works Association Research Foundation (AWWARF) project to evaluate the Impact of Phosphate Corrosion Inhibitors on Cement-based Pipes and Linings.

The Commission participated in a Water Environment Research Foundation (WERF) project that studied Strategic Asset Management and the current gaps that exist.

Very truly yours,



Terrance McGhee
Manager of Water Operations

CUSTOMER USAGE

	FY 2008 TOTAL (1,000 GAL) (1)	% OF TOTAL	ALLOCATION (1,000 GAL)	% OF ALLOCATION	2008 (3) ALLOCATION (MGD)	2007 ALLOCATION (MGD)
ADDISON	1,350,454	4.36%	1,662,836	81.21%	4.432	4.644
ARGONNE NAT'L LAB (2)	168,906	0.54%	276,670	61.05%	0.758	0.758
BENSENVILLE	846,736	2.73%	982,252	86.20%	2.645	2.724
BLOOMINGDALE	898,459	2.90%	1,043,663	86.09%	2.815	2.891
CAROL STREAM	1,403,643	4.53%	1,666,671	84.22%	4.425	4.667
CLARENDON HILLS	298,984	0.96%	272,590	109.68%	0.776	0.726
DARIEN	829,202	2.67%	1,042,042	79.57%	2.873	2.842
DOWNERS GROVE	2,141,223	6.91%	2,502,701	85.56%	6.733	6.945
DUPAGE COUNTY (SERWF)	34,694	0.11%	359,027	9.66%	0.637	1.231
ELMHURST	1,567,001	5.05%	1,718,512	91.18%	4.703	4.712
GLEN ELLYN	988,636	3.19%	1,114,874	88.68%	2.971	3.114
GLENDALE HEIGHTS	1,002,408	3.23%	1,085,204	92.37%	2.986	2.964
HINSDALE	1,027,357	3.31%	979,383	104.90%	2.706	2.667
IAWC-ARROWHEAD	59,092	0.19%	71,084	83.13%	0.193	0.196
IAWC-COUNTRY CLUB	33,827	0.11%	41,793	80.94%	0.111	0.117
IAWC-DU PAGE/LISLE	188,097	0.61%	216,660	86.82%	0.579	0.604
IAWC-LIBERTY RIDGE EAST	11,621	0.04%	21,777	53.36%	0.069	0.053
IAWC-LIBERTY RIDGE WEST	100,986	0.33%	85,528	118.07%	0.047	0.368
IAWC-LOMBARD HEIGHTS	20,553	0.07%	66,104	31.09%	0.334	0.072
IAWC-VALLEY VIEW	265,980	0.86%	255,500	104.10%	0.700	0.700
ITASCA	558,800	1.80%	645,298	86.60%	1.709	1.810
LISLE	1,003,229	3.24%	1,183,221	84.79%	3.153	3.305
LOMBARD	1,596,325	5.15%	1,798,730	88.75%	4.858	4.978
NAPERVILLE	6,537,685	21.09%	7,414,583	88.17%	19.651	20.787
OAK BROOK	1,350,102	4.35%	1,529,077	88.30%	4.184	4.193
OAKBROOK TERRACE	58,816	0.19%	93,715	62.76%	0.248	0.263
ROSELLE	688,438	2.22%	831,931	82.75%	2.246	2.303
VILLA PARK	691,999	2.23%	777,419	89.01%	2.134	2.127
WESTMONT	937,081	3.02%	1,063,396	88.12%	2.921	2.908
WHEATON	1,904,747	6.14%	2,163,392	88.04%	5.881	5.960
WILLOWBROOK	421,969	1.36%	489,196	86.26%	1.307	1.364
WINFIELD	332,059	1.07%	409,263	81.14%	1.074	1.155
WOOD DALE	525,209	1.69%	609,462	86.18%	1.647	1.686
WOODRIDGE	1,160,309	3.74%	1,259,687	92.11%	3.586	3.355
TOTAL	31,004,627	100.00%	35,733,241	86.77%	96.092	99.189

(1) Includes meter adjustment billings.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

(3) 2008 Allocations are calculations based on the proposed April 28, 2008 Allocations.

CUSTOMER WATER STORAGE

CUSTOMER	EXISTING STORAGE (MG)	2008 (5) ALLOCATION (IN MGD)	% OF SYSTEM	REQUIRED STORAGE	SHALLOW WELL ALLOWANCE	% OF DWC STORAGE (MG)	STORAGE ABOVE OR (BELOW) REQ
ADDISON	6.75	4.432	4.61%	8.86	0.89	2.88	1.66
ARGONNE NAT'L LAB	1.02	0.758	0.79%	1.52	0.15	0.49	0.14
BENSENVILLE	3.55	2.645	2.75%	5.29	0.00	1.72	(0.02)
BLOOMINGDALE	4.80	2.815	2.93%	5.63	0.56	1.83	1.56
CAROL STREAM	6.50	4.425	4.60%	8.85	0.89	2.88	1.41
CLARENDON HILLS	1.25	0.776	0.81%	1.55	0.16	0.50	0.36
DARIEN	4.00	2.873	2.99%	5.75	0.57	1.87	0.70
DOWNERS GROVE	8.00	6.733	7.01%	13.47	1.35	4.38	0.26
DUPAGE COUNTY (SERWF)	0.88	0.637	0.66%	1.27	0.13	0.41	0.15
ELMHURST	15.00	4.703	4.89%	9.41	0.94	3.06	9.59
GLENDALE HEIGHTS	4.70	2.986	3.11%	5.97	0.60	1.94	1.27
GLEN ELLYN (4)	3.20	2.971	3.09%	5.94	0.59	1.93	(0.22)
HINSDALE	4.50	2.706	2.82%	5.41	0.54	1.76	1.39
IAWC-ARROWHEAD	0.40	0.193	0.20%	0.39	0.04	0.13	0.18
IAWC-COUNTRY CLUB	0.20	0.111	0.12%	0.22	0.02	0.07	0.07
IAWC-DUPAGE/LISLE (1)	0.91	0.579	0.60%	1.16	0.12	0.38	0.24
IAWC-LOMBARD HEIGHTS (2)	0.08	0.069	0.07%	0.14	0.01	0.04	0.00
IAWC-LIBERTY RIDGE EAST (4)	0.07	0.047	0.05%	0.09	0.01	0.03	0.02
IAWC-LIBERTY RIDGE WEST (3)	0.43	0.334	0.35%	0.67	0.07	0.22	0.05
IAWC-VALLEY VIEW	0.88	0.700	0.73%	1.40	0.14	0.46	0.08
ITASCA	3.50	1.709	1.78%	3.42	0.34	1.11	1.54
LISLE (1)	4.79	3.153	3.28%	6.31	0.63	2.05	1.17
LOMBARD (2)	6.15	4.858	5.06%	9.72	0.97	3.16	0.56
NAPERVILLE	43.90	19.651	20.45%	39.30	3.93	12.78	21.31
OAK BROOK	8.00	4.184	4.35%	8.37	0.84	2.72	3.19
OAKBROOK TERRACE	0.50	0.248	0.26%	0.50	0.00	0.16	0.17
ROSELLE	1.75	2.246	2.34%	4.49	0.00	1.46	(1.28)
VILLA PARK	3.80	2.134	2.22%	4.27	0.43	1.39	1.35
WESTMONT	4.50	2.921	3.04%	5.84	0.58	1.90	1.14
WHEATON	7.26	5.881	6.12%	11.76	1.18	3.83	0.50
WILLOWBROOK	4.00	1.307	1.36%	2.61	0.00	0.85	2.24
WINFIELD (3)	1.57	1.074	1.12%	2.15	0.21	0.70	0.34
WOOD DALE	3.35	1.647	1.71%	3.29	0.33	1.07	1.46
WOODRIDGE	6.15	3.586	3.73%	7.17	0.72	2.33	2.03
CUSTOMER TOTAL	186.34	96.092	100.00%	192.18	17.93	62.50	54.58
COMMISSION TOTAL	62.50						
TOTAL	228.84						

(1) LISLE CONTRACTED STORAGE TO IAWC DUPAGE/LISLE
(2) LOMBARD CONTRACTED STORAGE TO IAWC LOMBARD
(3) WINFIELD CONTRACTED STORAGE TO IAWC LIBERTY RIDGE WEST
(4) GLEN ELLYN CONTRACTED STORAGE TO IAWC LIBERTY RIDGE EAST
(5) 2008 ALLOCATIONS ARE CALCULATIONS BASED ON THE PROPOSED IDNR APRIL 28, 2008 ALLOCATIONS

MONTHLY WATER PUMPAGE

MONTH	AVERAGE DAILY FLOW	MAXIMUM DAILY FLOW MGD	MINIMUM DAILY FLOW MGD	AVERAGE AIR TEMPERATURE °F
MAY, 2007	95.1	114.9	77.5	80
JUNE, 2007	113.2	145.1	86.5	87
JULY, 2007	110.1	131.4	89.8	88
AUGUST, 2007	95.8	134.4	79.4	88
SEPTEMBER, 2007	101.5	116.2	90.6	84
OCTOBER, 2007	83.2	99.4	73.6	73
NOVEMBER, 2007	73.5	77.5	68.8	51
DECEMBER, 2007	74.0	78.9	68.0	38
JANUARY, 2008	74.7	79.3	69.2	36
FEBRUARY, 2008	75.8	79.8	69.1	34
MARCH, 2008	74.1	79.2	67.0	47
APRIL, 2008	74.6	85.2	65.4	64
AVERAGE	87.1	101.8	75.4	64
MAXIMUM	113.2	145.1	90.6	88
MINIMUM	73.5	77.5	65.4	34

AVERAGE DAILY PUMPAGE 87.1 MGD
HIGHEST DAILY PUMPAGE 145.1 MGD
LOWEST DAILY PUMPAGE 65.4 MGD

**ILLINOIS DEPARTMENT OF NATURAL RESOURCES
LAKE MICHIGAN WATER ALLOCATIONS
(Million Gallons Per Day) (1)**

	2000	2010 (3)	2020 (3)
ADDISON	4.225	4.230	4.457
ARGONNE NAT'L LAB (2)	0.758	0.758	0.758
BENSENVILLE	2.654	2.571	2.616
BLOOMINGDALE	2.581	2.767	3.048
CAROL STREAM	4.191	4.213	4.600
CLARENDON HILLS	0.691	0.832	0.888
DARIEN	2.627	2.934	3.254
DOWNERS GROVE	6.516	6.589	7.265
DUPAGE COUNTY (SERWF) (4)	0.000	0.643	0.708
ELMHURST	4.610	4.699	4.749
GLENDALE HEIGHTS	2.850	2.869	2.977
GLEN ELLYN	2.887	2.985	3.164
HINSDALE	2.626	2.762	2.923
IAWC-ARROWHEAD	0.196	0.190	0.190
IAWC-COUNTRY CLUB	0.117	0.105	0.105
IAWC-DUPAGE/LISLE	0.598	0.555	0.585
IAWC-LOMBARD HEIGHTS	0.046	0.065	0.065
IAWC-LIBERTY RIDGE EAST	0.072	0.042	0.048
IAWC-LIBERTY RIDGE WEST	0.320	0.305	0.349
IAWC-VALLEY VIEW	0.700	0.700	0.700
ITASCA	1.650	1.666	1.951
LISLE	3.023	3.024	3.261
LOMBARD	4.738	4.777	5.177
NAPERVILLE	16.234	18.803	21.683
OAK BROOK	3.984	4.205	4.508
OAKBROOK TERRACE	0.102	0.281	0.293
ROSELLE	2.072	2.206	2.357
VILLA PARK	2.085	2.146	2.206
WESTMONT	2.823	2.945	3.069
WHEATON	5.656	5.821	6.008
WILLOWBROOK	1.235	1.267	1.452
WINFIELD	1.058	1.011	1.188
WOOD DALE	1.576	1.613	1.680
WOODRIDGE	2.840	3.876	4.479
TOTALS	88.341	94.455	102.761

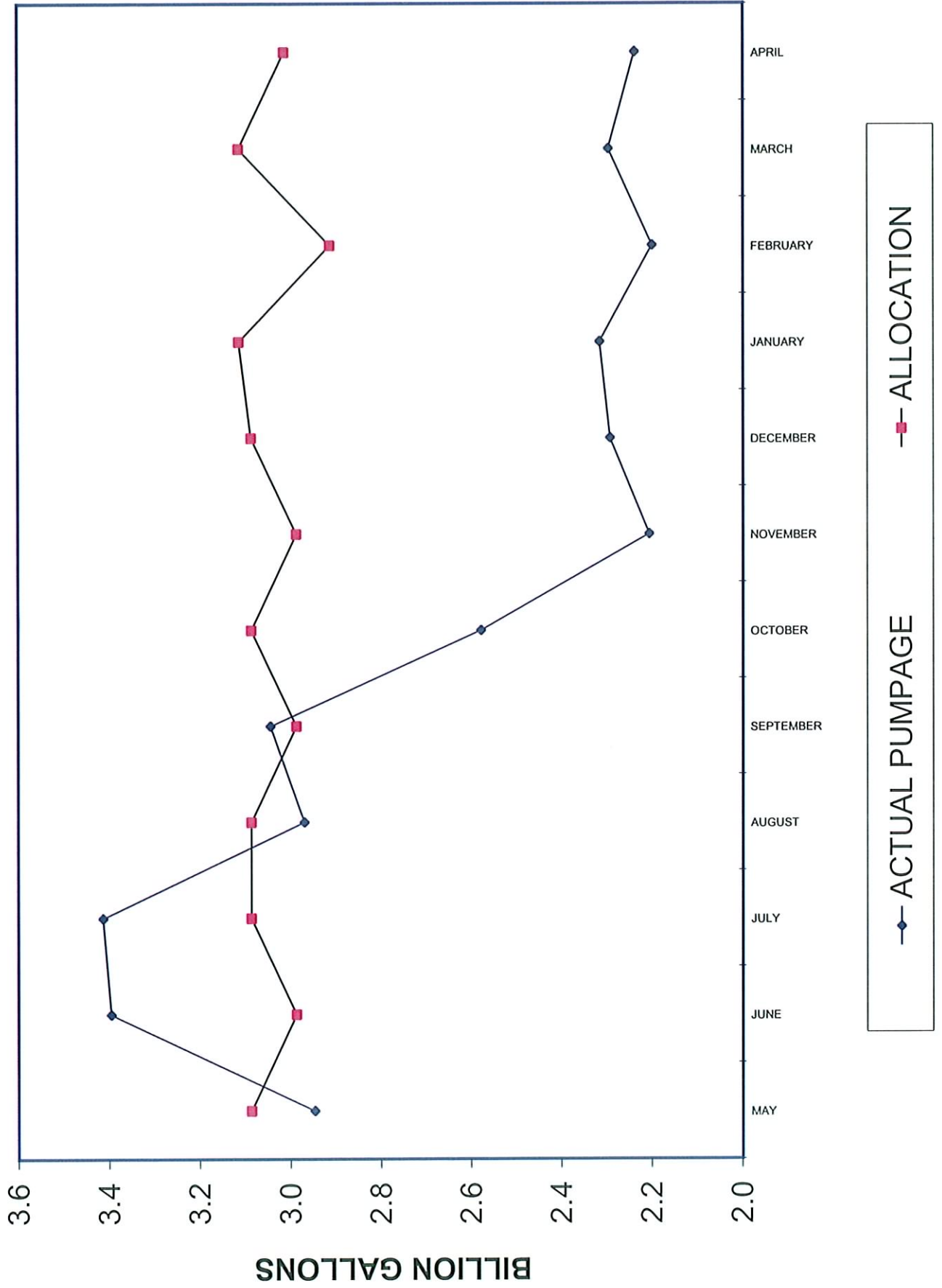
(1) State Water allocations are expressed in terms of average quantity per day. Actual use in a day may exceed average daily use.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

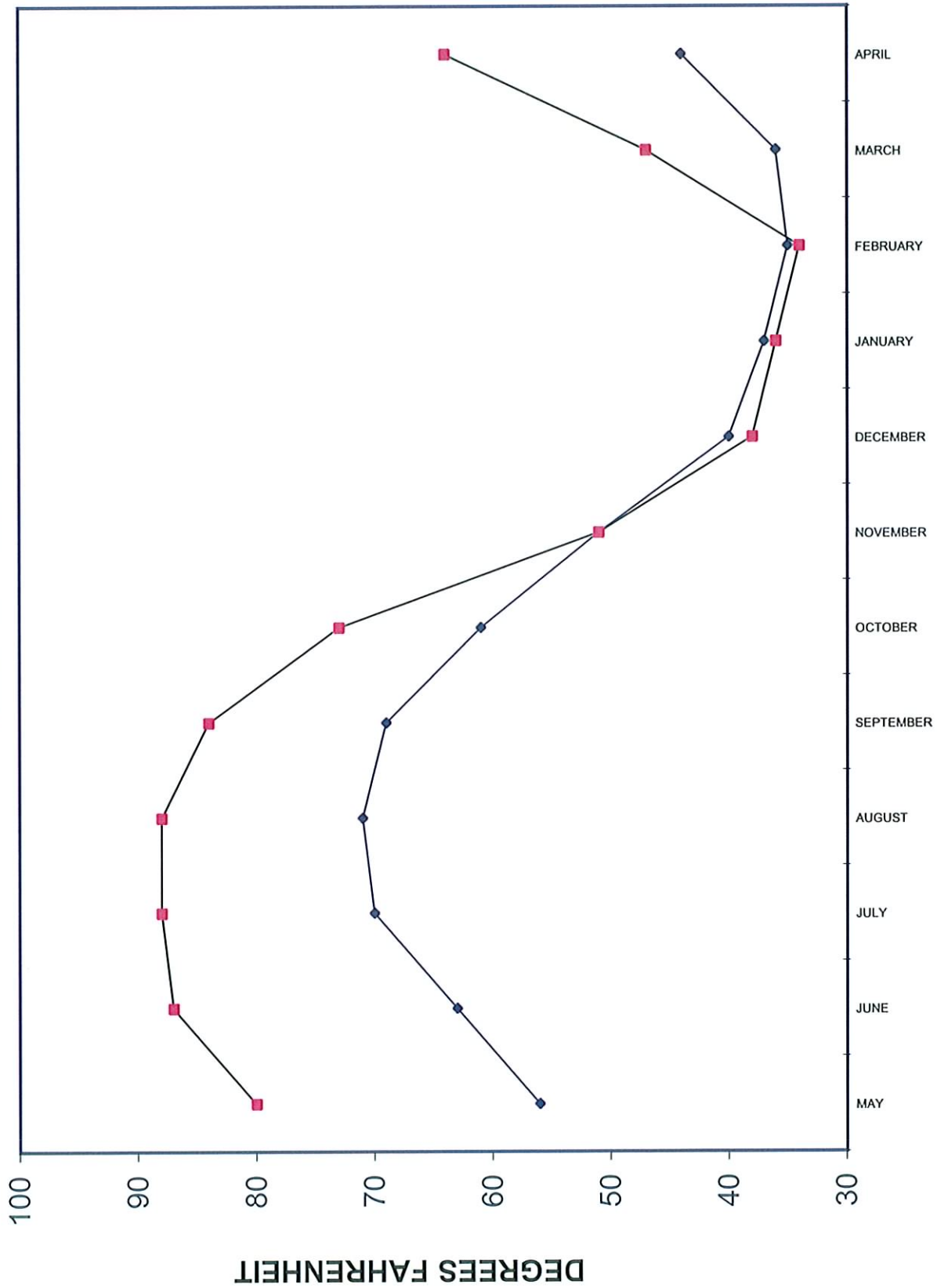
(3) 2010 and 2020 Allocations are based on the proposed April 28, 2008 Allocations.

(4) Service began in January 23, 2008.

WATER PUMPAGE VS. ALLOCATION

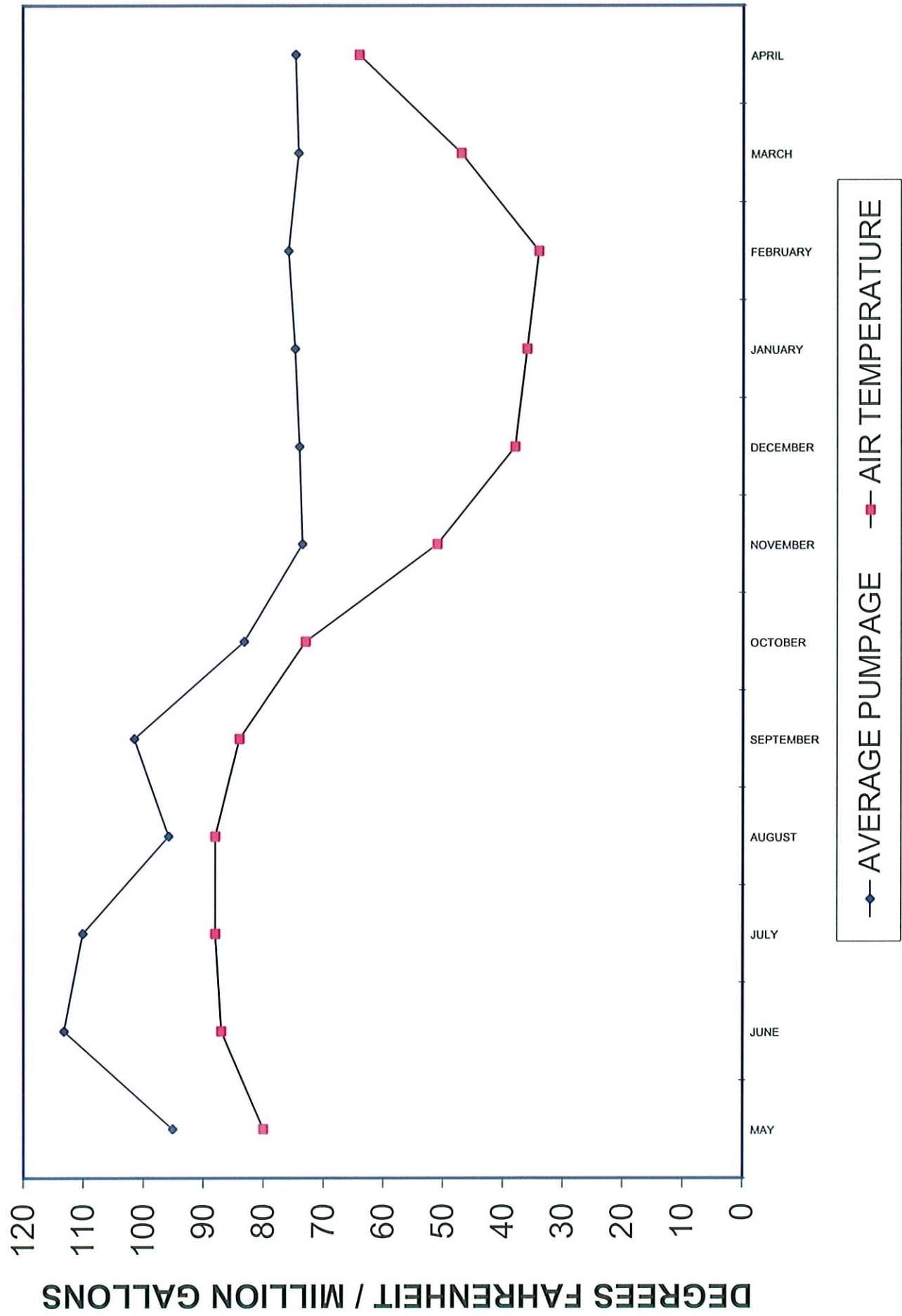


WATER TEMPERATURE VS. AVERAGE AIR TEMPERATURE



—◆— WATER TEMPERATURE —■— AIR TEMPERATURE

WATER PUMPAGE VS. AVERAGE AIR TEMPERATURE



September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Mr. Martin:

This was our first full year using the new Enterprise Asset Management (EAM), Infor's Datastream 7i program. The Instrumentation and Remote Facilities (I/RF) Department has worked diligently with the consultant learning, configuring, and using this program. Each technician logs their own time and enters notes into the system for each work order that is assigned to them. I review all department work orders and provide feedback or question information when appropriate. The system is also used to track and order all parts and services used by the department. The EAM program gives the technician's the ability to access solutions or information to same or similar past problems. As the system assets age the maintenance records and cost information about specific assets can be used to assist in future decisions whether to continue to repair or replace.

The Supervisory Control and Data Acquisition (SCADA) system used for the monitoring and control of the water system by the Operations Department was managed and maintained for 100% uptime. The proper operation and regular calibration was maintained on all instrumentation at remote facilities and within the pump station to allow the Operations Department to operate the system efficiently and with confidence.

The Commission's administrative local area network (LAN) keeps growing with the latest addition of a disaster recovery network server backup system. The IT Coordinator and network consultants have maintained and managed the LAN system with only minor short term issues. In addition, user support for Internet, E-mail, workstation, and program application issues was provided in a timely manner.

The I/RF Department performs a complete check and test of the pump station's security system on a quarterly basis to confirm proper operation. Each door, hatch, skylight, perimeter fence, and all surveillance video cameras are checked and confirmed at the console in the control room.

The annual customer meter calibration program was completed on schedule and there were no meters found under-registering or over-registering during the customer witness test. However, seven meters out of the 249 total meters required some level of repair to allow them back into service. The meter shop underwent some repairs to the control valves and enhanced program functionality which has improved the testing process.

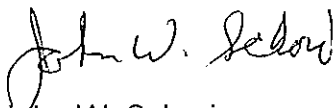
The Lexington Pump Station discharge flow meters used by Chicago Department of Water Management (CDWM) to measure the amount of water purchased by the Commission were calibrated monthly by the instrumentation technicians and witnessed by representatives of the CDWM Maintenance and Operational Methodology (MOM) group. During this fiscal year the north header flow meter always tested better than 0.2% accurate, which means it never needed calibration and only once did the south header flow meter require calibration.

Four of the five standpipes were drained for a thorough inspection of the cathodic protection (CP) system inside the tank. All four standpipes required repairs to the CP system and minor coating problems were noted. The last standpipe is scheduled for an inspection next fall.

The Department was also responsible for managing and overseeing work performed under Quick Response Electrical (QRE) contract. Fortunately, during this fiscal year there were only three Work Authorizations totaling approximately \$25,000 of work that could not be performed within the Department.

Finally, the Instrumentation and Remote Facilities Department continues to embrace the safety initiative of the Commission. The Field Maintenance Technicians are often involved in dangerous or hazardous tasks, like working with live electricity, working in the street setting up lane closures for confined space entries, being flaggers controlling traffic, and working from elevated surfaces. They all understand that safety is paramount to successfully completing any work task.

Very truly yours,



John W. Schori
Instrumentation and Remote Facilities Supervisor

**INSTRUMENTATION AND REMOTE FACILITIES
INFORMATION**

REMOTE FACILITIES:

Location	Meter Stations	Remotely Operated Valves	Standpipes	Cathodic Protection Rectifiers	Pump Station
Addison	5	1			
Argonne	1				
Bensenville	1	1			
Bloomingtondale	2				
Carol Stream	2				
Clarendon Hills	2				
Darien	2	1			
Downers Grove	6	3			
Elmhurst	3	4			
Glen Ellyn	2	1			
Glendale Heights	3	1	1	1	
Hinsdale	1				
Illinois American Water	7				
Itasca	3	1			
Lisle	3		2	2	
Lombard	4	2			
Naperville	8	4	1	1	
Oak Brook	3	1			
Oakbrook Terrace	2	1			
Roselle	3	1	1	1	1
Villa Park	3	1			
Westmont	2				
Wheaton	3	2			
Willowbrook	1	1			
Winfield	1				
Wood Dale	2				
Woodridge	3	1			
Cicero				1	
Bellwood		1			
Broadview		1		1	
Forest Park		1		2	
Hillside				1	
Lexington Pump Station		3			
Maywood				1	
Warrenville		1			
Totals	78	34	5	11	1

TURBINE WATER METERS:

Size	Quantity	Location	Calibration Schedule
6"	40	Meter Stations	Annual
6"	15	Spares	Annual
8"	103	Meter Stations	Annual
8"	13	Spares	Annual
10"	60	Meter Stations	Annual
10"	18	Spares	Annual

PRESSURE TRANSMITTERS:

Location	Quantity	Calibration Schedule
Meter Stations	151	Annual
ROV's	30	Annual
Pump Station	2	Quarterly

LEVEL TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station	2	Quarterly
Standpipes	5	Quarterly
NaOCL Tanks	4	Annual

FLOW TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station 90" Supply	2	Quarterly
Pump Station 72" Supply	2	Quarterly
Pump Station East Discharge	2	Quarterly
Pump Station West Discharge	2	Quarterly
Lexington Discharge	2	Monthly

ON-LINE WATER QUALITY INSTRUMENTATION:

Device	Location	Calibration Schedule
CL2 Analyzer	90" Supply	Quarterly *
CL2 Analyzer	72" Supply	Quarterly *
CL2 Analyzer	Discharge	Quarterly *
CL2 Analyzers	5-Standpipes	Quarterly **
Turbidity	90" Supply	Quarterly
Turbidity	72" Supply	Quarterly
Turbidity	Discharge	Quarterly
pH Analyzer	90" Supply	Quarterly
Temperature	90" Supply	Quarterly
Temperature	Discharge	Quarterly

* Checked Weekly ** Checked Monthly

WORK ORDERS:

Type	Quantity
Scheduled PM or Cal. Completed	1,167
Corrective Completed	425
Emergency Maintenance Completed	67

METER STATION INFORMATION

<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>	<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>	
Village of Addison	1a	2	10	Village of Itasca	25a	2	6	
	1b	2	10		25b	2	6	
	1c	2	6		25c	2	8	
	1d	2	10	Village of Lisle	13a	3	8	
	1e	2	6		13b	3	8	
Argonne Nat'l Laboratory	28a	2	8		13c	2	10	
	Village of Bensenville	2a	5	8	Village of Lombard	14a	3	8
Village of Bloomingdale		3a	3	8		14b	2	8
		3b	3	6		14c	2	6
14d	3	10	Village of Carol Stream	15a		3	10	
4a	3	8		15b	5	10		
4b	3	8		15c	5	8		
Village of Clarendon Hills	6a	2		6	15d	3	6	
	6b	2	6	15e	3	10		
City of Darien	7a	3	8	15f	5	8		
	7b	2	8	15g	3	10		
Village of Downers Grove	8a	3	8	15h	5	10		
	8b	2	8	Village of Oak Brook	16a	3	10	
	8c	2	10		16b	2	8	
	8d	3	10		16c	3	10	
	8e	3	8	City of Oakbrook Terrace	17a	2	6	
	8f	2	8		17b	2	8	
City of Elmhurst	10a	3	8	Village of Roselle	18a	2	8	
	10b	3	8		18b	2	8	
	10c	3	8		18c	2	8	
Village of Glen Ellyn	26a	2	10	Village of Villa Park	19a	2	8	
	26b	5	8		19b	2	6	
	Village of Glendale Heights	11a	2		8	19c	2	8
11b		3	6	Village of Westmont	20a	3	8	
11c		2	6		20b	3	8	
Village of Hinsdale	12a	5	8	City of Wheaton	21a	3	10	
Illinois American Water Co	5a	2	6		21b	3	10	
	5b	2	6		21c	3	8	
	5c	2	6	Village of Willowbrook	22a	3	10	
	5d	2	6		Village of Winfield	27a	2	8
	5e	2	6			City of Wood Dale	23a	2
	5f	1	8	23b	2		10	
	5g	1	6	Village of Woodridge	24a	2	10	
			24b		2	10		
			24c		2	10		
				Total Meter Stations	78			
				Total Meters In Service	203			

September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Mr. Martin:

The Commission's Geographical Information System (GIS) continued to develop over the last year with several new data layers, improved positional accuracy of pipeline and related assets and the start of integration with the maintenance management program and document management system. In addition, other improvements took place including upgrades to ArcGIS software version 9.2 and SQL Server 2005, reconfiguration of the GIS hardware to ensure optimum performance, and a prototype mobile computing application to put GIS and maintenance data out in the field.

A major focus over the past year has been on developing corrosion control data for use by EN Engineering, the Commission's corrosion consultant. GIS is being used to establish a baseline of existing conditions and will provide a link to the database platform into the future. There are now more than eleven corrosion data layers that record the locations of anode ground beds, casings, rectifiers, reference stations, test stations, foreign pipeline crossings, third party damage, electrical discontinuities, isolation flanges, leaks and polarization cell replacements (PCR). Because corrosion data gains significance when tracked longitudinally thereby allowing trends to develop and comparisons to be made, a challenge in the coming year is to determine the most effective way to use GIS and the maintenance management program to record and analyze this data.

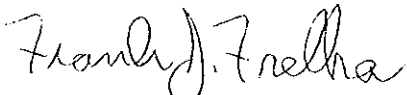
Other GIS work the past year included a new version of the system mapbook to show more detail and additional information, miscellaneous ad hoc map production, an update to the pipeline database design, the addition of over 450 points to the pipeline calibration file used to "snap" GIS features to known actual locations, enhancement of the GIS web site and installation of ArcGIS Server, which is a newer version of Internet mapping software that will eventually replace existing mapping software.

Overall, the Commission's GIS has followed a pattern typical in other organizations. The program started with no software or formatted data and began the first phase

which, in essence, is an inventory of assets followed by conversion of data from paper sources into GIS format, GPS data collection and field verification to ensure accuracy and completeness. After approximately three and one half years the first phase is wrapping up. Virtually all of the GIS data layers and tasks defined in the original GIS Needs Assessment and Implementation Plan conducted for the Commission by Patrick Engineering in 2004 are complete.

The typical second phase of GIS involves adding value through GIS integration with other applications. In our case we are preparing to integrate GIS with the maintenance management program (now known as the Infor Enterprise Asset Management [EAM] system) and a to-be-selected document management system. The goal of these projects is to make essential information easily available where and when it is needed. At this point it is clear that the efforts that have been put forth in phase one to develop accurate and reliable GIS data will facilitate the successful implementation of these applications.

Very truly yours,

A handwritten signature in cursive script that reads "Frank J. Frélka".

Frank J. Frélka
GIS Coordinator

September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Rd.
Elmhurst, IL 60126

Dear Mr. Martin:

The Commission's safety program continues to evolve into a true safety management system with emphasis in the past year on: hazard recognition, evaluation & control; workplace design & engineering; occupational safety programs & policies and health & safety training. During the 2007/2008 fiscal year some of the major safety accomplishments include: use of consultants to perform focused safety studies and suggest methods to: 1) control the hazards associated with falls from elevated surfaces and 2) develop electrical safety requirements for employees working at all Commission facilities and development of Commission safety policies. Also, every new Commission construction project had a thorough design review with safety as the focus. The goal of the ongoing safety effort continues to be the reduction of the worker injuries to zero. In FY-07/08, the Commission had one (1) OSHA recordable injury, for a total lost time of one (1) day.

In facilities construction, the design and Contract for the Supply of Engine Generator Units was developed to supply generator units for both the Lexington and DuPage Pumping Stations as a suggested opportunity from the Value Engineering Studies of August 2006. The Contract was awarded to Patten Industries, Inc., for eight (8) stationary generators and one (1) portable generator with scheduled delivery in spring/summer 2009. With respect to the Electrical Generation Facilities, Photovoltaic System, and Other Improvements at the Lexington Pumping Station (Contract PSC-4/08), 30%, 60%, 90% and 100% designs were completed and the project released for bidding in March 2007. With respect to the Electrical Generation Facility, Office/Garage Expansion and Other Site Work for the DuPage Pumping Station (Contract PSD-7/08), the 30% design report was re-filed and completed and the 60% and 90% design submittals were completed after an extended discussion took place regarding on-site visitor & employee parking, access and security measures being incorporated into the design. Both the PSC-4 and PSD-7 generator project

designs include other suggested opportunities from the Value Engineering Studies of August 2006. Both PSC-4 and PSD-7 projects also incorporate LEED® (Leadership in Energy and Environmental Design) to promote the use of renewable materials and an environmentally sustainable community. Construction completion for both generator projects is anticipated in fall 2010.

Also to accommodate the need to house heavy vehicles, equipment and materials displaced by the PSD-7 DuPage generator project, designs were split out from the future reservoir project (PSD-6) for a Material and Equipment Storage Facility known as PSD-6A. Bidding is anticipated in summer 2008.

The Cadwell Avenue Relocation project, PSD-6B/07, was completed. This project re-aligned what was once a York Township street to the City of Elmhurst roadway to meet the City's construction standards. This project also allows for relocation of existing utilities and abandonment of easements for future security initiatives and the possibility of future reservoir construction.

The Hydrodynamic Mixing System at Tank Site #4E project, SS-5/07, was completed. This system was constructed to improve the mixing and water quality within the standpipe.

The design of the Village of Winfield's second connection point continued to be developed in FY-07/08. Continuing discussions were held with the County of DuPage regarding potential connection of several service areas to the Commission's transmission system or wheeling through an existing Customer.

Very truly yours,



R. Christopher Bostick
Facilities Construction Supervisor/
Safety Coordinator

September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL. 60126

Dear Mr. Martin,

The Pipeline Department continued its distribution system preventative maintenance program by inspecting and exercising 252 system valves. These valves are located throughout the Commission's 162 miles of pipe and range in size from 12 to 90 inches in diameter. In addition, and despite the severity of the weather conditions experienced during the winter of 2007/2008, Department personnel were able to complete, on schedule, an initial inspection of all 670 air release manholes located throughout the distribution system.

The Department has also been responsible for:

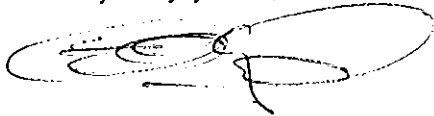
- Contract VSR-1(Valve Stem Replacement). This contract, currently in the design phase, is for the replacement of system valve operating stems and related valve vault improvements. This contract is expected to go out for bid in late 2008.
- 75th and Washington Street Relocation. Currently in the conceptual design phase, this project is for the relocation of approximately 3,000 L.F. of 30" diameter water main that is in conflict with proposed intersection improvements located at 75th and Washington Streets in Naperville. Relocation work is tentatively set to begin in late 2008 or early 2009.
- Contract completion and close out for Contract TW-4 (AC Current Mitigation). This contract was intended to mitigate the influences of stray AC electrical current on certain Commission facilities by placing approximately 200 sacrificial anodes, constructed in 4 separate groundbeds, in the vicinity of Butterfield and Winfield Roads.
- Construction supervision and contract documentation for work performed under Contract QR-7(Quick Response). This past fiscal year, Department personnel have been responsible for construction supervision and contract documentation for work performed under ten separate Work

Authorizations totaling approximately \$160,000.00. The type of work varied in size, scope and complexity, and included routine maintenance and improvement work, in addition to emergency type work requiring immediate repair.

- o Received and screened 52,669 individual J.U.L.I.E. locate requests. Of these, 5,323 required field locating of Commission facilities.

- o Reviewed and responded to 72 sets of plans submitted by outside agencies for the purpose of determining potential conflicts between the proposed improvements and existing Commission facilities.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Edward Kazmierczak', with several loops and a long tail stroke.

Edward Kazmierczak
Pipeline Supervisor

TYPE AND SIZE OF VALVES IN SERVICE

TYPE OF VALVE	SIZE OF VALVE	NUMBER
BUTTERFLY	90"	1
BUTTERFLY	84"	17
BUTTERFLY	72"	20
BUTTERFLY	60"	4
BUTTERFLY	54"	11
BUTTERFLY	48"	10
BUTTERFLY	42"	6
BUTTERFLY	36"	31
BUTTERFLY	30"	30
BUTTERFLY	24"	32
BUTTERFLY	20"	32
BUTTERFLY	16"	38
BUTTERFLY OR GATE	12"	20
BLOW-OFF	6" TO 18"	<u>374</u>
	TOTAL	626

TYPE AND SIZE OF PIPES IN SERVICE

TYPE OF PIPE	SIZE OF PIPE	FEET OF PIPE
PRESTRESSED CONCRETE CYLINDER PIPE	16" THROUGH 90"	473,989
STEEL	16" THROUGH 84"	215,471
DUCTILE IRON	12" THROUGH 42"	166,249

MONTHLY J.U.L.I.E. REPORTS

JOINT UTILITY LOCATING INFORMATION FOR EXCAVATORS

MONTH	06/07 REQUESTS	07/08 REQUESTS	06/07 LOCATES	07/08 LOCATES	06/07 PLAN REVIEWS	07/08 PLAN REVIEWS
MAY	6,958	7,155	354	533	5	7
JUNE	6,648	5,868	366	448	7	7
JULY	5,216	5,285	450	396	6	5
AUGUST	5,550	5,345	395	486	7	8
SEPTEMBER	5,284	4,896	321	478	5	7
OCTOBER	5,363	5,710	423	670	6	4
NOVEMBER	3,886	3,820	374	532	4	4
DECEMBER	1,953	1,942	252	274	5	3
JANUARY	2,330	1,885	286	313	7	5
FEBRUARY	1,716	1,357	239	269	8	6
MARCH	4,414	3,252	418	398	9	8
APRIL	<u>5,807</u>	<u>6,154</u>	<u>447</u>	<u>526</u>	<u>7</u>	<u>8</u>
TOTAL	54,825	52,669	4,325	5,323	76	72

September 11, 2008

Mr. Robert L. Martin, P.E.
General Manager
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Mr. Martin:

The Governmental Accounting Standards Board (GASB) adopted Statement 34, which requires that a "Management Discussion and Analysis" (MD&A) be included in the annual audited financial statements. Items found in the MD&A include analyses of changes in net assets, revenues and expenditures, capital assets and debt administration. This report tries not to duplicate information found in the MD&A and should be read in conjunction with the MD&A to fully understand the financial operations of the Commission.

FINANCIAL OPERATIONS OVERVIEW

In fiscal year 2007-08, the Commission served 25 municipal utilities, 1 county service area, 7 private utility service areas and Argonne National Laboratory. The current state statute requires the Commission's Fiscal Year 2002-03 average Charter Customer water rate of \$1.65 per 1,000 gallons not to be increased until 2008.

With revenues of \$78.5 million and expenses of \$109.9 million, the Commission's net assets decreased by \$31.4 million in fiscal year 2007-08 to \$331.6 million. Restricted net assets and net assets invested in property, plant and equipment were \$34.3 million and \$240.5 million, respectively.

BUDGETARY ANALYSIS

The table below compares actual fiscal year 2007-08 revenues and expenses to budget. Total revenues were 5.5% less than budget. Total operating expenditures were below budget by 4.4%. All significant dollar variances will be discussed.

Water operations and maintenance revenues were \$40.1 million, \$1.4 million (3.5 %) less than budget. Last summer's cool and wet weather is the reason total water sales, 31.0 billion gallons, was under the budgeted water sales.

Sales tax collections decreased over last year. Collections for the fiscal year were \$34.3 million, \$2.1 million (5.7%) under budget. The Commission's general obligation bond payment was fully funded by sales tax receipts. In addition, \$7.1 million of sales tax revenue was used to reduce the customers' water revenue bond fixed cost payment for fiscal year 2007-08 by 50%.

Market fluctuations caused a decrease in investment market values over the course of the fiscal year resulting in investment income being under budget. The budgeted average rate of return was 4.5% for fiscal year 2007-08. At the end of the fiscal year, the portfolio was earning 2.786% based on market yield and 2.707% based on original purchase price, down by 1.992% and down by 2.079% from the previous fiscal year.

Overall direct water supply costs were \$50.2 million, \$2.7 million (5.2%) under budget. The overall water supply costs are directly related to total water sales. Therefore, because last summer's cool and wet weather decreased sales, it also impacted costs.

Depreciation expense was below budget because not as many capital assets were constructed as anticipated.

All Other Expenses, specifically insurance costs, were significantly less than the current fiscal year budget. The Commission has a self-insurance reserve of \$1.0 million, which had no charges incurred.

BUDGET ANALYSIS OF REVENUES AND EXPENSES
For Fiscal Year Ending April 30, 2008

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
REVENUES				
Water Sales - All Categories	\$ 41,639,721	\$ 40,185,989	\$ (1,453,732)	96.5%
Sales Tax	36,390,944	34,308,874	(2,082,070)	94.3%
Investment Income	5,050,378	3,958,431	(1,091,947)	78.4%
All Other Revenues	2,500	47,943	45,443	1917.7%
Total Revenue	83,083,543	78,501,237	(4,582,306)	94.5%
EXPENSES				
Water Supply Costs	52,987,096	50,234,652	2,752,444	94.8%
Depreciation	6,963,224	6,603,779	359,445	94.8%
Personnel Services	5,297,852	3,765,227	1,532,625	71.1%
Bond Interest	7,434,993	7,414,478	20,515	99.7%
All Other Expenses	2,327,747	1,886,996	440,751	81.1%
Customer Rebate	40,000,000	40,000,000	-	100.0%
Total Expense	115,010,912	109,905,132	5,105,780	95.6%
NET FUND TRANSACTIONS	\$ (31,927,369)	\$ (31,403,895)	523,474	N/A

CONTINUING BOND DISCLOSURE

The Commission is in full compliance with all requirements of its general obligation and revenue bond ordinances. By issuing the 2001 general obligation bonds, the Commission is obligated to provide continuing disclosure of updated information provided in the bond prospectus. This resulted in the addition of charts showing the Commission's sales tax revenue and equalized assessed valuation history as well as state water allocations for its customers. Certain updated statistics from DuPage County's financial reports, used in the bond prospectus, also appear in this report. Other required disclosures have been reported in the annual audited financial statements.

The Commission is required to levy property taxes on real property within its territory without limitation as to rate or amount, in amounts sufficient to pay, when due, the principal of and interest on the Commission's general obligation bonds, including the Series 2001 Bonds. However, since sales tax revenues have been sufficient to date, all such levies have been abated through the 2007 levy year.

FUND BALANCE MONITORING

The Commission determined that the target balance available for emergency reserves and other contingencies be equal to \$20.0 million. The balance for Emergency Repairs was \$18.8 million on April 30, 2008.

ANALYSIS OF EQUITY

GASB Statement 34 requires the delineation of net assets (fund balances) as follows:

- Capital Investments
- Restricted Funds
- Unrestricted Funds

"Capital Investments" represent funds that have been used to acquire the pipelines, pump station, storage facilities and meter stations constructed and operated by the DuPage Water Commission. Also included in this category are a pump station and water tunnel constructed by the Commission for the City of Chicago. Netted against these assets are the short-term and long-term general obligation and revenue bond liabilities that will be funded from future revenues of the Commission.

The category "Restricted Funds" includes all of the restricted cash, investments and other assets in accounts required by the revenue bond ordinance as well as amounts held for paying the debt service on the Commission's general obligation bonds. Netted against these assets are items that are appropriately payable under the bond ordinances from these funds. Balances held in revenue bond trust and reserve accounts in excess of revenue bond ordinance requirements are treated as

"unrestricted". Though presently being held in restricted accounts, such assets may be immediately transferred by Commission directive to non-restricted accounts.

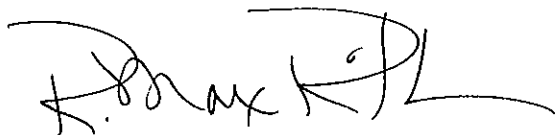
Within "Unrestricted Funds," the Commission expands the GASB Statement 34 reporting requirements to better explain its financial position. Unrestricted funds are reported in several subcategories to identify the purpose of these holdings. These subcategories are:

- Operating Designations
 - for emergency repairs and other contingencies
 - for water rate stabilization
 - for the acquisition of capital assets
- Non-operating Designations
 - for water quality loans

These subcategories include unrestricted Commission assets, other than infrastructure, less both current and long-term liabilities payable from those balances. The amount to be held for emergency repairs and other contingencies is determined using the methodology explained in the *Fund Balance Monitoring* section above. The remaining amounts have been reserved by resolution of the Board of Commissioners as follows:

- Amounts generated by water rates not needed for emergency repairs and other contingencies are reserved for water rate stabilization.
- Sales tax proceeds not required for emergency repairs and other contingencies are reserved for the acquisition of capital assets.
- New additions or retirement of debt on existing facilities including full general obligation bond funding and partial funding of the annual revenue bond requirements.

Very truly yours,



R. Max Richter
Financial Administrator

**DUPAGE WATER COMMISSION
NET ASSET ANALYSIS (1)
Last Ten Fiscal Years Ended April 30,**

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
UNRESTRICTED FUNDS										
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES (2)	\$ 18,854,117	\$ 12,900,000	\$ 12,900,000	\$ 12,300,000	\$ 11,700,000	\$ 28,100,000	\$ 27,300,000	\$ 26,500,000	\$ 25,800,000	\$ 25,100,000
DESIGNATED FOR WATER RATE STABILIZATION (3, 4)	6,061,887	18,961,094	31,128,958	42,862,895	44,223,356	45,005,162	46,471,406	38,960,224	28,853,359	20,670,215
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS (4)	28,725,741	43,927,782	26,479,768	15,879,131	14,282,480	48,512,314	53,471,628	47,687,798	38,768,625	37,408,184
UNDESIGNATED	-	-	-	-	-	-	-	-	290,397	-
TOTAL UNRESTRICTED OPERATING FUNDS	53,641,745	75,789,876	70,508,726	71,042,026	70,205,836	122,617,476	127,243,034	113,148,022	93,692,381	83,178,399
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	3,125,730	9,937,000	9,937,000	9,937,000	9,937,000	10,000,000	-	-	-	-
DESIGNATED TO FUND ILLINOIS MUNICIPAL RETIREMENT FUND PRIOR SERVICE PENSION COSTS	-	-	-	-	2,605,192	3,805,524	-	-	-	-
TOTAL UNRESTRICTED NON-OPERATING FUNDS	3,125,730	9,937,000	9,937,000	9,937,000	12,542,192	13,805,524	-	-	-	-
TOTAL UNRESTRICTED FUNDS	56,767,475	85,725,876	80,445,726	80,979,026	82,748,028	136,423,000	127,243,034	113,148,022	93,692,381	83,178,399
RESTRICTED FUNDS	34,253,246	33,248,017	31,930,658	31,551,651	40,940,010	51,202,190	48,906,283	46,893,951	42,361,844	42,329,739
CAPITAL INVESTMENTS	240,521,994	243,899,717	232,009,827	213,534,114	182,164,171	181,152,491	171,558,854	155,797,266	144,049,731	125,529,944
TOTAL NET ASSETS	\$ 331,542,715	\$ 362,973,610	\$ 344,386,211	\$ 326,064,791	\$ 305,852,209	\$ 368,777,681	\$ 347,708,171	\$ 315,839,239	\$ 280,103,956	\$ 251,038,082

(1) FY 1995 through FY 2001 restated for implementation of GASB Statement #34 during FY 2002.

(2) Established in FY 1994 at 5% of original construction costs as of May 1, 1992; increased annually by Engineering New Record Construction Index. Changed to 2% of original construction costs as of July 31, 2003. Changed to \$20,000,000 as of April 12, 2007.

(3) Established in FY 1996 with sales tax revenues not required for emergency repairs.

(4) In FY 1998, committed sales tax revenues not required for emergency repairs to facilities construction. Rate Stabilization Reserve re-established using water revenues only.

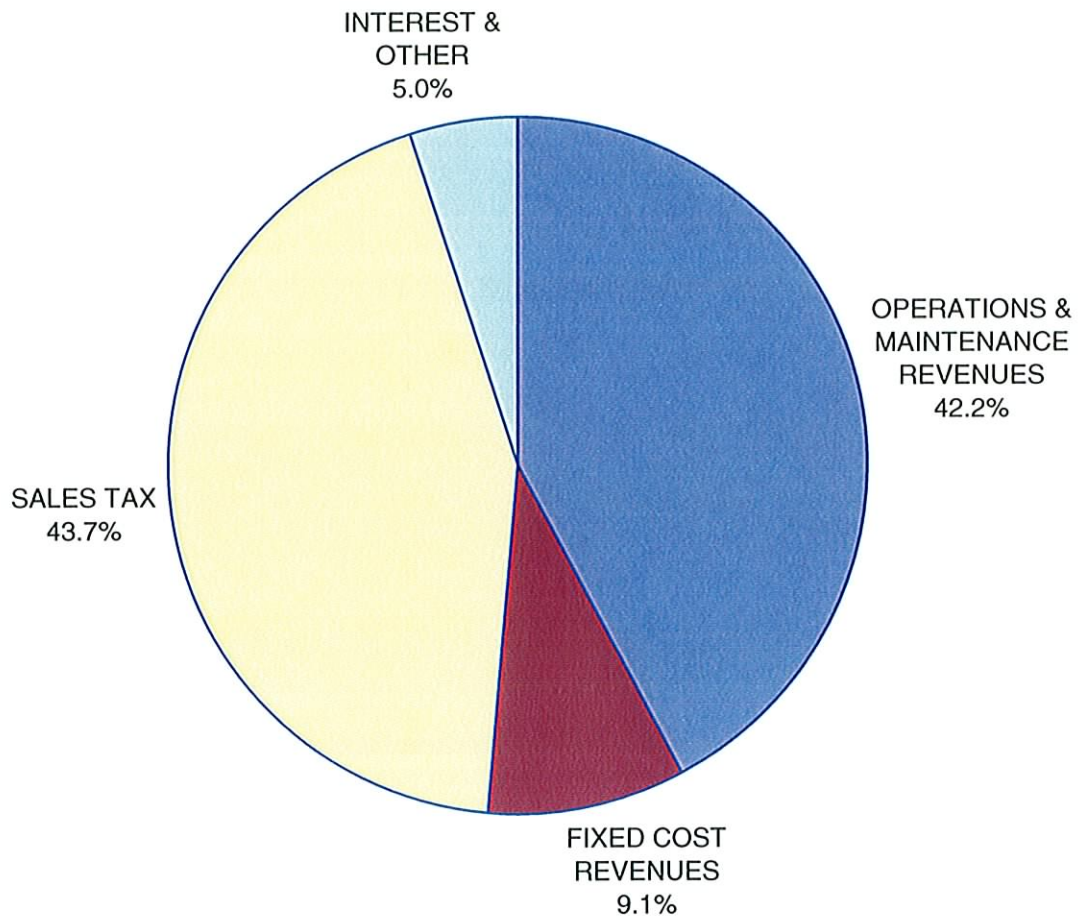
DUPAGE WATER COMMISSION
INCOME STATEMENT BUDGET COMPARISON
For Fiscal Year Ending April 30, 2008

	ACTUAL	BUDGET	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)	% BUDGET VARIANCE
<u>REVENUE</u>				
OPERATIONS & MAINTENANCE REVENUES	\$ 32,244,813	\$ 33,772,796	\$ (1,527,983)	-4.5%
FIXED COST REVENUES	7,145,344	7,145,344	-	0.0%
SUBSEQUENT CUSTOMER DIFFERENTIALS	795,832	731,833	63,999	8.7%
SALES TAXES	34,308,874	36,390,944	(2,082,070)	-5.7%
INVESTMENT INCOME	3,958,431	5,050,378	(1,091,947)	-21.6%
OTHER INCOME	47,943	2,500	45,443	1817.7%
TOTAL REVENUE	\$ 78,501,237	\$ 83,093,795	\$ (4,592,558)	-5.5%
<u>EXPENSES</u>				
DIRECT WATER DISTRIBUTION COSTS	\$ 50,234,652	\$ 52,987,096	\$ 2,752,444	-5.2%
BOND INTEREST	7,414,478	7,434,993	20,515	-0.3%
DEPRECIATION	6,603,779	6,963,224	359,445	-5.2%
PERSONAL SERVICES	3,765,227	5,297,852	1,532,625	-28.9%
INSURANCE	767,333	828,501	61,168	-7.4%
PROFESSIONAL & CONTRACTUAL SERVICES	543,071	779,046	235,975	-30.3%
ADMINISTRATIVE COSTS	573,597	720,200	146,603	-20.4%
LAND AND RIGHT OF WAY	2,995	25,000	22,005	-88.0%
REBATE	40,000,000	40,000,000	-	0.0%
TOTAL OPERATING EXPENSES	109,905,132	115,035,912	5,130,780	-4.5%
NET OPERATING INCOME	\$ (31,403,895)	\$ (31,942,117)	\$ 538,222	-1.7%
BEGINNING NET ASSETS	\$ 362,973,610			
ENDING NET ASSETS	\$ 331,569,715			

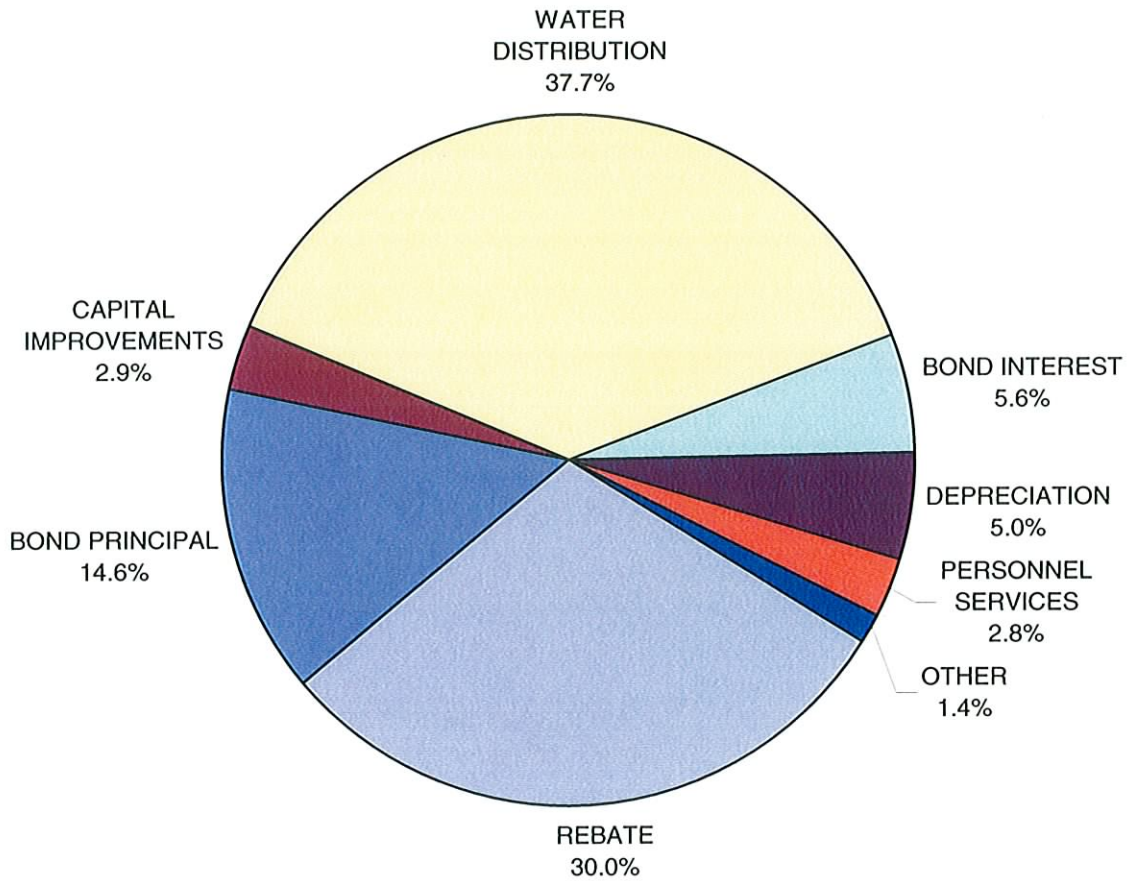
DUPAGE WATER COMMISSION
COMPARATIVE USES OF NET INCOME
For Fiscal Years Ended April 30,

	2008	2007	INCREASE (DECREASE)	% CHANGE
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES	5,954,117	-	\$ 5,954,117	100.0%
DESIGNATED FOR WATER RATE STABILIZATION	(7,651,025)	(12,167,864)	4,516,839	-37.1%
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS	(20,450,222)	17,448,014	(37,898,236)	-217.2%
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	(6,784,270)	-	-	0.0%
RESTRICTED FUNDS	1,005,228	1,317,359	(312,131)	-23.7%
CAPITAL INVESTMENTS	(3,477,723)	11,989,890	(15,467,613)	-129.0%
TOTAL USES	\$ (31,403,895)	\$ 18,587,399	\$ (43,207,024)	-232.5%

DUPAGE WATER COMMISSION
FY 2007-2008 REVENUES
\$78,501,237



**DUPAGE WATER COMMISSION
FY 2007-2008 EXPENDITURES*
\$133,260,777**



* Expenditures include bond principal and capital improvements, which are not considered as expenses on the combining income statement analysis.

CUSTOMER ADDITIONS

	NEW CUSTOMER CONTRACT DATE	FIRST SERVED
ARGONNE NAT'L LAB	July-95	January-97
COUNTY OF DuPAGE	Jul-06	January-08
IAWC-ARROWHEAD	October-92	April-95
IAWC-COUNTRY CLUB	October-92	April-95
IAWC-DuPAGE/LISLE	January-96	May-96
IAWC-LIBERTY RIDGE EAST	April-01	December-01
IAWC-LIBERTY RIDGE WEST	December-98	December-99
IAWC-LOMBARD HEIGHTS	October-92	May-95
IAWC-VALLEY VIEW	October-92	April-95
OAKBROOK TERRACE	December-97	October-99
WINFIELD	July-95	October-96

WATER SALES BY CUSTOMER
Fiscal Year Ended April 30, 2008

	TOTAL O&M COSTS	PERCENTAGE OF TOTAL O & M COSTS	TOTAL FIXED COSTS	PERCENTAGE OF TOTAL FIXED COSTS	TOTAL CUSTOMER FEES	PERCENTAGE OF TOTAL CUSTOMER FEES	TOTAL WATER REVENUE	PERCENTAGE OF TOTAL WATER REVENUE
ADDISON	\$ 1,404,472	4.36%	\$ 313,559	4.39%	\$ -	0.00%	\$ 1,718,031	4.28%
ARGONNIE NAT'L LABORATORY	175,662	0.54%	41,141	0.56%	144,955	18.80%	361,758.00	0.90%
BENSENVILLE	880,605	2.73%	197,675	2.77%	-	0.00%	1,078,280.00	2.68%
BLOOMINGDALE	934,397	2.90%	213,164	2.98%	-	0.00%	1,147,561.00	2.86%
CAROL STREAM	1,459,789	4.53%	320,361	4.48%	-	0.00%	1,780,150.00	4.43%
CLARENDON HILLS	310,943	0.96%	67,039	0.94%	-	0.00%	377,982.00	0.94%
DARIEN	898,452	2.79%	202,132	2.83%	-	0.00%	1,100,584.00	2.74%
DUPAGE COUNTY (1)			11,627	0.16%	64,315	8.34%	75,942.00	0.19%
DOWNERS GROVE	2,226,872	6.91%	513,862	7.19%	-	0.00%	2,740,734.00	6.82%
ELMHURST	1,629,681	5.05%	362,568	5.07%	-	0.00%	1,992,249.00	4.96%
GLEN ELLYN	1,028,181	3.19%	229,146	3.21%	-	0.00%	1,257,327.00	3.13%
GLENDALE HTS	1,042,504	3.23%	217,754	3.05%	-	0.00%	1,260,258.00	3.14%
HINSDALE	1,068,451	3.31%	223,245	3.12%	-	0.00%	1,291,696.00	3.22%
IAWC-ARROWHEAD	61,455	0.19%	13,850	0.19%	42,805	5.55%	118,110.00	0.29%
IAWC-COUNTRY CLUB	35,180	0.11%	7,867	0.11%	32,960	4.27%	76,007.00	0.19%
IAWC-DP/LISLE	195,621	0.61%	38,518	0.54%	103,767	13.45%	337,906.00	0.84%
IAWC-LIBERTY RIDGE EAST	12,085	0.04%	2,622	0.04%	33,602	4.36%	48,309.00	0.12%
IAWC-LIBERTY RIDGE WEST	105,025	0.33%	24,012	0.34%	75,970	9.85%	205,007.00	0.51%
IAWC-LMBRD HIGHTS	21,375	0.07%	5,409	0.08%	29,570	3.83%	56,354.00	0.14%
IAWC-VALLEY VIEW	276,627	0.86%	59,007	0.83%	106,348	13.79%	441,982.00	1.10%
ITASCA	581,152	1.80%	125,964	1.76%	-	0.00%	707,116.00	1.76%
LISLE	1,043,357	3.24%	238,243	3.33%	-	0.00%	1,281,600.00	3.19%
LOMBARD	1,660,178	5.15%	357,897	5.01%	-	0.00%	2,018,075.00	5.02%
NAPERVILLE	6,799,193	21.09%	1,461,184	20.45%	-	0.00%	8,260,377.00	20.57%
OAK BROOK	1,404,106	4.35%	314,952	4.41%	-	0.00%	1,719,058.00	4.28%
OAKBROOK TERRACE	61,168	0.19%	12,129	0.17%	35,516	4.61%	108,813.00	0.27%
ROSELLE	715,975	2.22%	165,958	2.32%	-	0.00%	881,933.00	2.20%
VILLA PARK	719,678	2.23%	159,402	2.23%	-	0.00%	879,080.00	2.19%
WESTMONT	974,564	3.02%	218,491	3.06%	-	0.00%	1,193,065.00	2.97%
WHEATON	1,980,936	6.14%	449,522	6.29%	-	0.00%	2,430,458.00	6.05%
WILLOWBROOK	438,848	1.36%	93,838	1.31%	-	0.00%	532,686.00	1.33%
WINFIELD	345,341	1.07%	74,333	1.04%	101,412	13.15%	521,086.00	1.30%
WOOD DALE	546,217	1.69%	132,685	1.86%	-	0.00%	678,902.00	1.69%
WOODRIDGE	1,206,722	3.74%	276,188	3.87%	-	0.00%	1,482,910.00	3.69%
TOTALS	\$ 32,244,812	100.00%	\$ 7,145,344	100.00%	\$ 771,220	100.00%	\$ 40,161,376	100.00%

(1) Fixed Costs for the DuPage County excludes the Southeastern Regional Water Facility's portion.
O & M and Fixed Costs for DuPage County Southeastern Regional Water Facility are paid via Darien per Ordinance No. O-6-07.

WATER SALES ACCOUNTABILITY

AVERAGE GALLONS SOLD TO CUSTOMERS PER DAY

84,974,266

MONTH	SALES TO CUSTOMERS (1) (GALLONS)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS (1)	BILLINGS FROM CHICAGO
May-07	2,863,644,000	2,951,900,000	97.01%	\$2,978,988	\$3,926,001
Jun-07	3,292,831,000	3,396,024,774	96.96%	3,424,545	4,516,712
Jul-07	3,314,840,000	3,412,423,571	97.14%	3,447,433	4,538,523
Aug-07	2,883,008,000	2,966,379,286	97.19%	2,998,328	3,945,284
Sep-07	2,951,692,000	3,051,590,188	96.73%	3,070,294	4,058,614
Oct-07	2,512,609,000	2,578,045,000	97.46%	2,614,883	3,428,799
Nov-07	2,143,753,000	2,205,810,263	97.19%	2,230,952	2,933,727
Dec-07	2,228,281,000	2,292,016,165	97.22%	2,317,412	3,048,381
Jan-08	2,262,968,000	2,324,208,591	97.37%	2,353,486	3,554,877
Feb-08	2,145,137,000	2,197,527,140	97.62%	2,232,195	3,361,117
Mar-08	2,239,073,000	2,295,015,835	97.56%	2,328,635	3,510,226
Apr-08	2,177,771,000	2,244,319,320	97.03%	2,266,101	3,432,686
TOTALS	31,015,607,000	31,915,260,133	97.18%	\$ 32,263,252	\$ 44,254,947

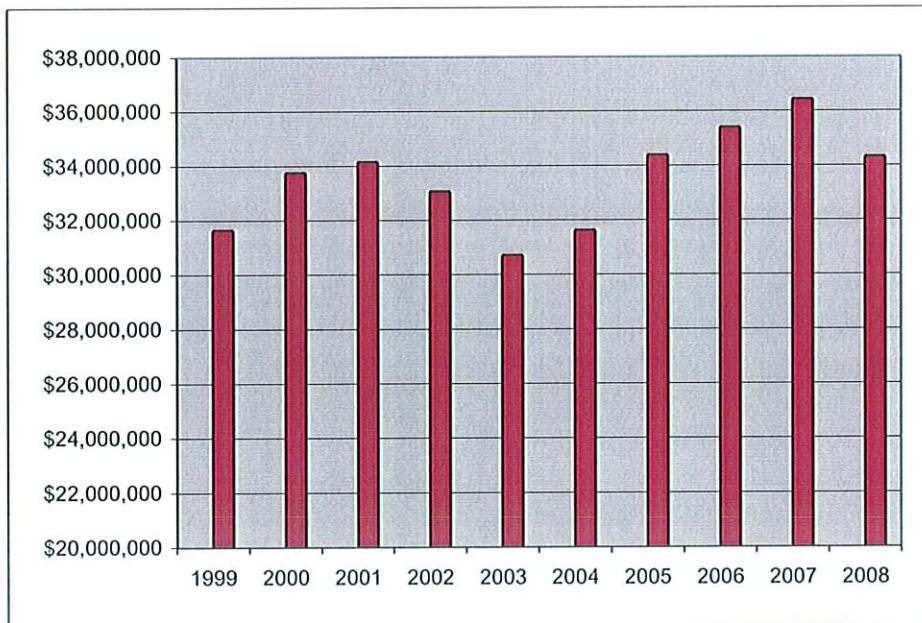
(1) Includes emergency contract customer Village of Schaumburg. Does not include meter adjustments billings.

**DuPAGE WATER COMMISSION
CUSTOMER REBATES**

<u>FISCAL YEAR</u>	<u>REBATE AMOUNT</u>
1994	\$13,596,336
1995	21,377,267
1996	13,557,917
1997	10,168,438
1998	7,626,329
2008	40,000,000
TOTAL	<u><u>\$106,326,287</u></u>

**DUPAGE WATER COMMISSION
SALES TAX REVENUE
Last Ten Fiscal Years**

FISCAL YEAR	AMOUNT
1999	\$ 31,645,779
2000	33,751,634
2001	34,147,121
2002	33,062,484
2003	30,704,457
2004	31,620,982
2005	34,384,906
2006	35,394,007
2007	36,422,562
2008	34,308,874

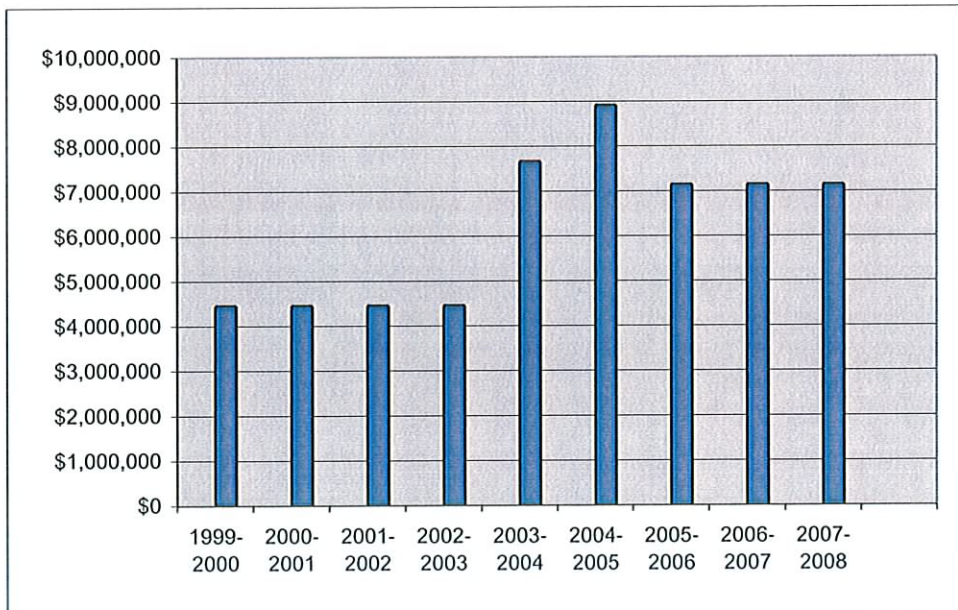


**DUPAGE WATER COMMISSION
GENERAL OBLIGATION BOND
PROPERTY TAX ABATEMENTS
Last Ten Levy Years**

<u>LEVY YEAR</u>	<u>AMOUNT</u>
1998	\$ 14,256,415
1999	14,256,943
2000	14,255,693
2001	13,122,650
2002	13,112,650
2003	13,122,150
2004	13,124,150
2005	13,117,900
2006	13,117,650
2007	13,116,900

**DUPAGE WATER COMMISSION
REVENUE BONDS PAID BY SALES TAX FUNDS
Last Ten Fiscal Years**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1998-1999	\$ 4,458,183
1999-2000	4,458,858
2000-2001	4,457,582
2001-2002	4,458,172
2002-2003	4,458,852
2003-2004	7,668,150
2004-2005	8,916,329
2005-2006	7,144,469
2006-2007	7,145,094
2007-2008	7,145,344



**DUPAGE WATER COMMISSION
EQUALIZED ASSESSED PROPERTY VALUATION
WITHIN DUPAGE COUNTY ONLY
Last Ten Fiscal Years**

LEVY YEAR	COLLECTION YEAR	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	FARM	RAILROAD PROPERTY	TOTAL EQUALIZED ASSESSED VALUATION
1997	1998	14,729,586,813	3,947,165,094	1,615,053,091	4,466,912	8,451,288	20,304,723,198
1998	1999	15,334,536,659	4,188,425,178	1,728,609,998	4,210,294	9,314,254	21,265,096,383
1999	2000	16,060,426,926	4,451,496,803	1,870,064,640	3,908,539	10,349,812	22,396,246,720
2000	2001	16,891,022,904	4,771,496,667	1,982,580,010	3,430,316	10,541,336	23,659,071,233
2001	2002	18,189,481,680	4,990,593,085	2,264,635,445	3,109,460	11,053,923	25,458,873,593
2002	2003	19,952,217,467	5,378,405,250	2,458,741,706	2,936,898	12,027,226	27,804,328,547
2003	2004	22,099,619,125	5,436,094,670	2,484,148,348	2,500,119	10,499,738	30,032,862,000
2004	2005	23,986,874,400	5,746,669,555	2,645,121,713	2,738,613	10,672,405	32,392,076,686
2005	2006	26,060,213,465	5,956,784,732	2,762,305,796	2,268,796	9,960,265	34,791,533,054
2006	2007	28,387,881,395	6,284,770,668	2,871,702,953	2,228,289	10,480,387	37,557,063,692

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

DUPAGE COUNTY, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
November 30, 2007

District	Total Debt Outstanding (2)	Percentage Applicable To County (3)	Amount Applicable To County (2)
County	\$ 188,250,000	100.00%	\$ 188,250,000
Subtotal, County	<u>188,250,000</u>		<u>188,250,000</u>
Forest Preserve	224,048,677	100.00%	224,048,677
Water Commission	54,670,000	98.41%	53,800,747
Cities & Villages	7,602,583,345 (2)	8.42%	639,876,916
Townships	395,000	100.00%	395,000
Parks	585,112,496 (2)	54.60%	319,463,686
Fire Protection	15,905,000	93.53%	14,876,401
Library	41,800,000	58.02%	24,252,382
Special Service	5,297,225	100.00%	5,297,225
Grade Schools	434,654,668	94.02%	408,678,495
High Schools	414,344,301	96.57%	400,133,236
Unit Schools	1,563,289,435	56.15%	877,864,035
Community Colleges	<u>137,998,102 (2)</u>	62.42%	<u>86,138,793</u>
Subtotal, Overlapping	<u>11,080,098,249</u>		<u>3,054,825,593</u>
Totals	<u>\$11,268,348,249</u>		<u>\$ 3,243,075,593</u>

(1) Information abstracted from County Clerk's records.

(2) Includes City of Chicago for which a minor portion overlaps into DuPage County.

(3) Debt Percentage Applicable to County is calculated by applying the ratio of assessed value of the specific district to that portion which is in DuPage. Percentages have been rounded to the nearest hundredth.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

**DUPAGE COUNTY, ILLINOIS
VALUATION AND SELECTED DEBT RATIOS
November 30, 2007**

Assessed Value of All Taxable Property in 2007	\$ 37,557,063,692
Estimated 2006 Full Value	\$ 112,671,191,076
2007 Population (1)	929,193

	Direct Only	Direct and Underlying
Ratio of Bonded Debt to Assessed Value	0.501%	8.635%
Ratio of Bonded Debt to Estimated Full Value	0.167%	2.878%
Per Capita Bonded Debt	\$ 202.60	\$ 3,490.21

(1) Estimated by the DuPage County Development Department.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended
November 30, 2007

**DUPAGE COUNTY, ILLINOIS
PRINCIPAL TAXPAYERS
November 30, 2007**

Taxpayer	Type of Business	2007 Assessed Valuation (1)	Percentage of Total Assessed Valuation
Oakbrook Shopping Center	Shopping Center Property	\$ 106,954,000	0.28%
AMB Prop RE Tax CO	Commercial Property	106,144,000	0.28%
Hamilton Partners, Inc.	Commercial Development	97,435,000	0.26%
AIMCO	Property Development	91,756,000	0.24%
Long Ridge Office	Property Development	83,831,000	0.22%
NS_MPO INC (Lucent Industries)	Communication Research and Development	83,107,000	0.22%
Real Estate Tax Advisors	Property Tax Consulting	72,606,000	0.19%
AMLJ	Real Estate Management	62,918,000	0.17%
Wells Real Estate	Real Estate Investment	54,731,000	0.15%
Amoco	Energy Supplier	48,082,000	0.13%
Total		\$ 807,564,000	2.14%

(1) The assessed valuation is an approximation based on the records maintained by the County of DuPage. Since most large taxpayers have numerous parcels of real property, it is possible to miss some valuations as well as some of the largest taxpayers.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

DUPAGE COUNTY, ILLINOIS
PROPERTY TAX RATES PER \$100 ASSESSED AS EXTENDED
ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
DuPage County	\$ 0.1713	\$ 0.1797	\$ 0.1850	\$ 0.1999	\$ 0.2154	\$ 0.2353	\$ 0.2536	\$ 0.2682	\$ 0.2831	\$ 0.2970
Cities & Villages	0.5412	0.5607	0.5102	0.5862	0.6046	0.6081	0.6081	0.6152	0.6194	0.6182
High School Districts	0.9144	0.9395	0.9662	1.0086	1.0537	1.0933	1.1137	1.1320	1.1490	1.1443
Unit School Districts	1.5584	1.6083	1.6305	1.6758	1.6688	1.7113	1.6610	1.6070	1.6292	1.6575
Grade School Districts	1.4412	1.4703	1.4977	1.5017	1.4996	1.5212	1.5304	1.5386	1.5481	1.5561
Junior Colleges	0.1984	0.1960	0.2055	0.2154	0.2229	0.1996	0.2028	0.2065	0.2097	0.2112
Townships	0.0968	0.0995	0.1017	0.1068	0.1088	0.1188	0.1224	0.1233	0.1268	0.1311
Sanitary Districts	0.0024	0.0025	0.0025	0.0027	0.0028	0.0029	0.0030	0.0030	0.0030	0.0031
Park Districts	0.2853	0.2933	0.2982	0.3057	0.2962	0.3073	0.3163	0.3154	0.3248	0.3238
Library Districts	0.0548	0.0569	0.5830	0.0583	0.0613	0.0636	0.0640	0.0632	0.0605	0.0613
Forest Preserve District	0.1303	0.1271	0.1358	0.1419	0.1534	0.1654	0.1742	0.1797	0.1849	0.1871
Fire Protection Districts	0.2298	0.2235	0.2288	0.2363	0.2429	0.2416	0.2429	0.2501	0.2510	0.2544
DuPage Water Commission	-	-	-	-	-	-	-	-	-	-
Special Service Areas	0.0153	0.0145	0.0140	0.0150	0.0200	0.0211	0.0236	0.0231	0.0222	0.0220
Other Special Districts	0.0207	0.0222	0.0239	0.0254	0.0267	0.0290	0.0311	0.0326	0.0343	0.0345
Total	\$ 5.6603	\$ 5.7940	\$ 6.3830	\$ 6.0797	\$ 6.1771	\$ 6.3185	\$ 6.3471	\$ 6.3579	\$ 6.4460	\$ 6.5016

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007

**DUPAGE COUNTY, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years**

Levy Year	Levies (1)	Collections (2)(3)	Percent
1998	\$60,305,028	\$59,902,749	99.33%
1999	60,201,488	59,813,218	99.36%
2000	60,089,130	59,895,854	99.68%
2001	59,999,404	59,821,035	99.70%
2002	59,904,729	59,768,922	99.77%
2003	59,890,523	59,724,648	99.72%
2004	60,035,691	59,868,006	99.72%
2005	59,925,342	59,800,186	99.79%
2006	62,520,385	62,380,705	99.78%
2007	64,650,593	64,181,325	99.27%

(1) Subsequent year collections are not presented.
Levies do not include Special Service Areas.

(2) Tax collection amounts are obtained from the Collector's Annual report.

(3) Tax collections are shown net of Court ordered abatements.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

**DuPAGE WATER COMMISSION
TRANSFER TO DuPAGE COUNTY**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
2004	\$15,000,000
2005	15,000,000
2006	15,000,000
2007	15,000,000
2008	15,000,000
 TOTAL	 <u><u>\$75,000,000</u></u>

Note: Public Act 93-0226 amended the Water Commission Act of 1985 requiring the Commission to transfer \$75,000,000 to DuPage County in installments of \$15,000,000 per year for a period of five years beginning July 2003.