

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, DECEMBER 17, 2015
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:52 P.M.

Committee members in attendance: P. Suess, R. Gans, J. Pruyn 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 Gans moved to approve the Minutes of the Regular Committee Meeting of November 19, 2015 of the Finance Committee. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Approval of Reconciliations

Treasurer Fates stated that he had reviewed and approved the journal entries and bank reconciliations for the month of November 2015.

Subsequent Customers

Financial Administrator Peterson stated that the Commission received prepayments in December 2015 from two of the subsequent customers. The Commission also received the signed amendments from another subsequent customer. General Manager Spatz mentioned that this customer is most likely to make a prepayment in December 2016.

Other

General Manager Spatz noted the Commission did make the payment of approximately \$1.3 million to reduce the unfunded pension liability of the Commission. The Finance Committee then discussed the savings from future reductions to the Commission's rate and the impact of the additional interest to be earned.

General Manager Spatz stated that he has contacted the City of Chicago to see if they have preliminary ideas regarding rate increases for June of 2016. The City of Chicago did not have any information at this time.

Chairman Zay and General Manager Spatz left the meeting at 6:00 p.m.

Treasurer’s Report – November 2015

Treasurer Fates reviewed the written summary of the November Treasurer’s Report. Cash and Investments were \$120.8M. He described by account the Commission’s cash and investments increase of \$21.3 million over the past seven months.

Market yield on the portfolio was at 86 basis points, a slight increase from the prior month. The portfolio was showing unrealized losses of \$98,277 compared to unrealized gains at the prior year end of approximately \$215,000.

Treasurer Fates detailed the \$21.3M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets. He concluded noting that there was \$5.4 million of debt outstanding at November 30, 2015.

Commissioner Pruyn asked if the unrealized losses were based upon interest rate activity only or if there was a decline in market quality. Financial Administrator Peterson and Treasurer Fates confirmed that the activity had been reviewed and it was only interest rate related.

Financial Statements – November 2015

Financial Administrator Peterson provided the Committee with a summary of the November Financial Statements. She noted that for the first seven months of the fiscal year, revenues exceeded expenses ahead of budgeted seasonal expectations, even as water sales were below budget by nearly 2%. An offset to the water sales being down is that water purchases were approximately 3% below budgeted seasonal expectations.

Sales Tax collections were higher than prior year revenue amounts by approximately 4% in November. Cumulatively Sales Tax collections as of November 30, 2015, were approximately \$653,000 over the prior year.

Financial Administrator Peterson discussed balances and activity within the cash and investment accounts compared to targets and liabilities.

Financial Administrator Peterson noted that cash balances were up compared to prior year by approximately \$35M. Receivables were slightly higher compared to prior year due to timing of receivables. Debt has declined by nearly \$12M compared to prior year balances at November 30th.

Accounts Payable

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

November 11, 2015 to December 8, 2015	\$7,515,672.32
<u>Estimated</u>	<u>\$1,142,325.00</u>

Total

\$8,657,997.32

Adjournment

Commissioner Pruyn moved to adjourn the meeting at 6:17 P.M. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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