



DuPage Water Commission

600 E. Butterfield Road, Elmhurst, IL 60126-4642
(630)834-0100 Fax: (630)834-0120

AGENDA

DUPAGE WATER COMMISSION

THURSDAY, DECEMBER 15, 2011
7:30 P.M.

600 EAST BUTTERFIELD ROAD
ELMHURST, IL 60126

- I. Call to Order and Pledge of Allegiance
- II. Roll Call
(Majority of the Commissioners then in Office—minimum 7)
- III. Public Comments (limited to 5 minutes per person)
- IV. Approval of Minutes
(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

RECOMMENDED MOTION: To approve the Minutes of the November 17, 2011 Regular Meeting (Voice Vote).

- V. Treasurer's Report – November 2011
(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

RECOMMENDED MOTION: To accept the November 2011 Treasurer's Report (Voice Vote).

- VI. Committee Reports
 - A. Finance Committee
 1. Report of 12/15/11 Finance Committee
 2. Resolution No. R-47-11: A Resolution Approving the Declaration of Trust of the Illinois Institutional Investors Trust, Authorizing the Execution Thereof, and Implementing Related Changes
(Concurrence of a Majority of the Appointed Commissioners—7)

All visitors must present a valid driver's license or other government-issued photo identification, sign in at the reception area and wear a visitor badge while at the DuPage Pumping Station.

3. Resolution No. R-48-11: A Resolution Implementing Changes Related to the Engagement of PFM Asset Management LLC as an Investment Advisor

(Concurrence of a Majority of the Appointed Commissioners—7)

RECOMMENDED MOTION: To adopt item numbers 2 and 3 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures (Roll Call).

4. Actions on Other Items Listed on 12/15/11 Finance Committee Agenda

B. Administration Committee

1. Report of 12/15/11 Administration Committee
2. Resolution No. R-49-11: A Resolution Approving Employee Insurance Benefits for Calendar Year 2012

(TO SUSPEND PURCHASING PROCEDURES: 2/3 Majority of those Commissioners Present, provided there is a quorum—minimum 5; maximum 9)

(TO APPROVE: Concurrence of a Majority of the Appointed Commissioners—7)

RECOMMENDED MOTION: To adopt Resolution No. R-49-11: A Resolution Approving Employee Insurance Benefits for Calendar Year 2012 (Roll Call).

3. Actions on Other Items Listed on 12/15/11 Administration Committee Agenda

C. Engineering & Construction Committee

1. Report of 12/15/11 Engineering & Construction Committee
2. Actions on Items Listed on 12/15/11 Engineering & Construction Committee Agenda

VII. Accounts Payable

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

RECOMMENDED MOTION: To approve the Accounts Payable in the amount of \$4,030,760.31, subject to submission of all contractually required documentation, for invoices that have been received (Roll Call).

RECOMMENDED MOTION: To approve the Accounts Payable in the amount of \$1,052,980.00, subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated (Roll Call).

VIII. Chairman's Report

IX. Omnibus Vote Requiring Majority Vote

X. Omnibus Vote Requiring Super-Majority or Special Majority Vote

XI. Old Business

XII. New Business

XIII. Executive Session

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

RECOMMENDED MOTION: To go into Executive Session to discuss security procedures pursuant to 5 ILCS 120/2(c)(8), to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2), to discuss acquisition of real estate pursuant to 5 ILCS 120/2(c)(5), to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11), and/or to discuss minutes of closed meetings pursuant to 5 ILCS 120/2(c)(21) (Roll Call).

RECOMMENDED MOTION: To come out of Executive Session (Voice Vote).

XIV. Adjournment

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY NOVEMBER 17, 2011
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:32 P.M.

Commissioners in attendance: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Commissioners Absent: None

Also in attendance: N. Narducci, J. Spatz, M. Crowley, C. Johnson, T. McGhee, C. Bostick, J. Schori, M. Weed, E. Kazmierczak, F. Frelka, and S. Lux of Baker Tilly

CHARTER CUSTOMER RATE HEARING

Commissioner Murphy moved to open the Charter Customer Hearing on Ordinance No. O-15-11: An Ordinance Amending Ordinance No. O-5-11, being "An Ordinance Establishing A Rate for Operation and Maintenance Costs for the Fiscal Year Commencing May 1, 2011 and Ending April 30, 2012." Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Chairman Zay opened the floor for Charter Customer comments. There being none, Chairman Zay read the following prepared statement:

First of all I want to thank everyone for taking the time to join us tonight because the Commission believes today's decision is critical to setting the direction that the DuPage Water Commission and all of our systems will be taking in the future.

Before we take comments from our Charter Customers, we think it's important that we give you a brief background and timeline regarding what the Commission has done in conjunction with the Chicago's proposed water rates as well as the Commission's long term planning.

As most of you know, on October 12, 2011, Mayor Rahm Emanuel announced for the first time during Chicago's City Budget Address a proposed four-year water rate increase. Until this time, the Commission like most people did not know the extent of the increases the City would be proposing.

Upon hearing the City's proposal, the Commission immediately reacted. We began calling the City and Department of Water Management to establish a meeting and have the City provide a better understanding regarding the proposed water rates. We followed up on October 18, 2011 with a letter to Mayor Rahm Emanuel requesting a meeting regarding his proposed water rate increases, accountability of how the funds would be used, and how these additional revenues would directly benefit the City's water system and indirectly benefit the Commission's system.

Minutes of the 11/17/11 Meeting

During this same time, the Commission immediately began preparing for long term plan by developing a water rate model that would incorporate the increases proposed by Chicago as well as address the Commission's needs.

On October 21, 2011, 9 days after Chicago's announcement, General Manager John Spatz sent out an invitation to all Commission customers inviting them to a meeting on October 26, 2011 to present and discuss the Commission's financial position, water rate model and proposal, as well as our long term O&M and Capital Plans. At the meeting, the Commission opened their books and went through each account. All customer questions were answered. Remember, one of the points of this meeting was to give our customers as much advanced notice as possible so that they could better plan for both the near and long term.

The Commission has met with both Mayor Emanuel and Commissioner Powers of the Department of Water Management regarding the proposed water rates.

On November 7, 2011, at a special meeting of the Metro Mayors Caucus, the Commission's Vice-Chairman Murphy as well as Commissioner Pruyn, General Manager Spatz, and Mayors from surrounding communities met with Mayor Emanuel and Commissioner Powers of the Department of Water Management. At that meeting, the Mayor made it clear that this money from the water rate increases would only be used for water fund work and it would not be used to support the corporate or the sewer funds. The Mayor stated that the City would be accountable by providing quarterly or bi-annual reports.

On November 9, 2011, the General Manager and I met with Commissioner Powers of the Department of Water Management at the Commission facility for over an hour to discuss the proposed water rate increases, the benefits to our system, accountability, future reporting, etc. At this meeting, Commissioner Powers also stated that the water revenues generated by the increases would only be used for water fund work. Since that meeting, we already received a letter from Commissioner Powers, stating some of the projects that the Department is planning that will benefit the Commission and reassuring the Commission that the Department will be accountable and revenues will stay in the water fund.

There has been much talk about suing the City or Department over their proposed water rate increases. Much of this is predicated on newspaper reports which may not be accurate. The Commission does not believe that suing should be our first option, but if the City or Department is not accountable and we have evidence that funds are being misappropriated that could be a future option.

Since the Commission and surrounding communities make up just under half of the water revenues that the Chicago Water System receives each year, we have made it clear that we are large stakeholders and should be part of future discussions regarding rates.

The Commission understands that these are hard economic times. We tried to keep our increases as moderate as possible, but still be able to provide you the quantity and quality of drinking water that you have become accustomed to.

Thank you.

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With no further comments, Commissioner Saverino moved to close the Charter Customer Hearing on Ordinance No. O-15-11: An Ordinance Amending Ordinance No. O-5-11, being "An Ordinance Establishing A Rate for Operation and Maintenance Costs for the Fiscal Year Commencing May 1, 2011 and Ending April 30, 2012." Seconded by Commissioner Furstenau and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Russo moved to approve the Minutes the October 20, 2011 Regular Meeting, the Executive Session Minutes of the October 20, 2011 Regular Meeting, and the Minutes of the October 26, 2011 Special Meeting of the DuPage Water Commission. Seconded by Commissioner Murphy and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Financial Consultant Lux presented the October 2011 Treasurer's Report, consisting of five pages.

Financial Consultant Lux highlighted the \$64.9MM of cash and investments reflected on page 1. Financial Consultant Lux also pointed out the schedule of investments on pages 2 and 3; the \$1.1MM in net cash from operating activities reflected in the summary statement of cash flows on page 4; and the \$11.9MM of unrestricted cash on hand as well as the full funding of the Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts shown on page 5.

Commissioner Pruyn moved to accept the October 2011 Treasurer's Report. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Suess

Commissioner Suess reported that the Finance Committee reviewed and recommended for approval the action items listed on the Finance Committee Agenda.

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With regards to the Commission's Banking Relationships, Commissioner Suess noted that the Finance Committee discussed the proposals received for the Commission's day-to-day banking needs and recommended Harris Bank as they had the most favorable proposal and would be providing benefits in terms of both services and costs.

Commissioner Suess also noted that the Finance Committee discussed the proposals received regarding the Commission's Investment Services and recommended the services of PFM Asset Management LLC to assist the Commission with its investment needs.

Commissioner Suess concluded his report by noting that the Finance Committee discussed and recommended that a \$3MM prepayment of principal on the \$22MM West Suburban Bank Certificate of Debt be made on the next interest payment date, December 21, 2011, and that the recommended prepayment was included on the Accounts Payable for approval.

Commissioner Suess moved to adopt Ordinance No. O-15-11: An Ordinance Amending Ordinance No. O-5-11, being "An Ordinance Establishing A Rate for Operation and Maintenance Costs for the Fiscal Year Commencing May 1, 2011 and Ending April 30, 2012." Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyne, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: None

Commissioner Suess moved to suspend the purchasing procedures of the Commission's By-Laws and to purchase Workers' Compensation and Employer's Liability insurance coverage, for a total premium of \$80,009.00, as proposed by Illinois Public Risk Fund and outlined by The Nugent Consulting Group. Seconded by Commissioner Janc and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyne, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: None

Commissioner Janc noted that he would be recusing himself from any discussion or vote related to the selection of an investment advisor in order to avoid the appearance

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of impropriety because his employer, JP Morgan, was one of the entities offering to provide investment advisory services to the Commission.

Commissioner Suess moved to engage the services of PFM Asset Management LLC as an Investment Advisor in accordance with its proposal dated October 12, 2011, and in an amount not to exceed \$75,000.00 without prior Board approval, and to authorize the General Manager to enter into any required retention agreements. Seconded by Commissioner Russo and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Recused: C. Janc

Absent: None

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee continued its discussion regarding the possibility of going paperless for future Board meetings and she encouraged members to opt out of receiving paper materials, noting that the Commission would be purchasing one iPad so that individual Commissioners could take turns familiarizing themselves with the device and then decide whether that was how they would like to proceed.

Commissioner Crawford further reported that the Commission had created e-mail accounts for each Commissioner that could be accessed from anyplace with internet access, and confirmed with each Commissioner that they had received instructions on how to access their accounts.

Next, Commissioner Crawford noted that staff was still in the process of reviewing the Commission By-Laws for recommended changes, and that staff was also working on SharePoint access for Board packet meeting materials and other reference documents which would expand wireless opportunities for the Commissioners.

Commissioner Crawford concluded her report by noting that the Administration Committee had favorably reviewed the recruitment profile for the Financial Administrator position as presented.

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval the action items listed on the Engineering & Construction Committee Agenda. Commissioner Loftus further reported that the issue with Commonwealth Edison regarding their failure to provide sufficient documentation

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had been resolved, noting that the documentation the Commission had received not only satisfied the issue but also reflected a cost savings, and that the final invoices would be included on the December Accounts Payable for approval.

Commissioner Loftus moved to adopt item numbers 2 and 3 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Engineering & Construction Omnibus Vote

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: None

Item 2. Resolution No. R-45-11: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the November 17, 2011, DuPage Water Commission Meeting—"Engineering & Construction Omnibus Vote"

Item 3: Resolution No. R-46-11: A Resolution Annuling the Award to Joliet Equipment Corporation and Re-Awarding a Contract for High Lift Pump Motor Re-Build at the DuPage Pumping Station—"Engineering & Construction Omnibus Vote"

ACCOUNTS PAYABLE

Commissioner Janc moved to approve the Accounts Payable in the combined amount of \$9,372,789.10, subject to submission of all contractually required documentation, for invoices that have been received and for invoices that have not yet been received but have been estimated. Seconded by Commissioner Suess and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay

Nays: None

Absent: None

CHAIRMAN'S REPORT

Chairman Zay reported that the Commission received a letter from Commissioner Thomas Powers of the City of Chicago Department of Water Management outlining the City's capital needs and how the additional funds from the water rate increase would be applied towards the City's aging water system as follows:

- Replacing the East Filter Building Roof estimated at \$60MM
- Upgrades to the Laboratory estimated at \$33MM
- Renewal of the mixing and sediment equipment estimated at \$24MM
- Plant switchgear estimated at \$60MM

Chairman Zay further reported that all projects listed, which totaled approximately \$177MM, would benefit the Commission's Waterworks System as well.

Chairman Zay concluded his report by thanking Commissioners and staff for their hard work in providing customers with as much advanced notice as possible in order to help them better prepare for the January 1 water rate increase.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

Commissioner Furstenau requested that staff provide a status report on the various collective bargaining negotiations at the December meeting.

Commissioner Murphy moved to suspend the verbatim records procedures of the Commission's By-Laws to allow, and to ratify the allowance of, the General Manager to have custody of the verbatim record of the October 20, 2011, closed meeting of the Board of Commissioners. Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

- Ayes: L. Crawford, T. Cullerton, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, D. Russo, F. Saverino, M. Scheck, P. Suess, J. B. Webb, and J. Zay
- Nays: None
- Absent: None

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NEW BUSINESS

None

EXECUTIVE SESSION

None

Commissioner Murphy moved to adjourn the meeting at 7:53 P.M. Seconded by Commissioner Loftus and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 SUMMARY OF CASH AND INVESTMENTS
 November 30, 2011

FUNDS CONSIST OF:	November 30, 2011	October 31, 2011	INCR. - (DECR.)
PETTY CASH	800.00	800.00	0.00
CASH AT MB FINANCIAL LOCK BOX	1,000.00	441,557.09	(440,557.09)
CASH AT HARRIS BANK	223,062.23	216,817.98	6,244.25
TOTAL CASH	224,862.23	659,175.07	(434,312.84)
ILLINOIS FUNDS MONEY MARKET	59,377,088.23	57,163,014.94	2,214,073.29
GOVERNMENT MONEY MARKET FUNDS	1,543.01	539,574.87	(538,031.86)
U. S. TREASURY INVESTMENTS	6,751,886.99	6,593,788.16	158,098.83
U. S. AGENCY INVESTMENTS	0.00	0.00	0.00
CERTIFICATES OF DEPOSIT	0.00	0.00	0.00
TOTAL INVESTMENTS	66,130,518.23	64,296,377.97	1,834,140.26
TOTAL CASH AND INVESTMENTS	66,355,380.46	64,955,553.04	1,399,827.42
	November 30, 2011	October 31, 2011	% CHANGE
ILLINOIS FUNDS MONEY MARKET	89.8%	88.9%	3.9%
GOVERNMENT MONEY MARKET FUNDS	0.0%	0.8%	-99.7%
U. S. TREASURY INVESTMENTS	10.2%	10.3%	2.4%
U. S. AGENCY INVESTMENTS	0.0%	0.0%	N/A
CERTIFICATES OF DEPOSIT	0.0%	0.0%	N/A
TOTAL CASH AND INVESTMENTS	100.0%	100.0%	2.9%

Note 1 - Investments are carried at purchase price and are not adjusted for current market value.

DU PAGE WATER COMMISSION
 INVESTMENTS
 (Unaudited)
 November 30, 2011

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	APPROX. MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 11/30/11
Illinois Funds Disbursing Account (01-1201)									
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ -	\$ -	\$ -	\$ -	\$ -
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund Depository Accounts (01-1210)									
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ -	\$ -	\$ -	\$ -	\$ -
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund Oper. & Maint. Acct. (01-1211)									
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ 11,134,369.59	\$ 11,134,369.59	\$ -	\$ 11,134,369.59	\$ -
				0.082%	\$ 11,134,369.59	\$ 11,134,369.59	\$ -	\$ 11,134,369.59	\$ -
Revenue Bond Interest Account (01-1212)									
JP Morgan US Treasury Plus	0.000%	11/30/11	12/01/11	0.000%	\$ 578.64	\$ 578.64	\$ -	\$ 578.64	\$ -
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	11/18/11	04/30/12	0.996%	\$ 270,000.00	\$ 271,104.60	\$ (87.20)	\$ 271,191.80	225.00
				0.993%	\$ 270,578.64	\$ 271,683.24	\$ (87.20)	\$ 271,770.44	225.00
Revenue Bond Principal (01-1213)									
JP Morgan US Treasury Plus	0.000%	11/30/11	12/01/11	0.000%	943.81	\$ 943.81	\$ -	\$ 943.81	\$ -
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	05/23/11	04/30/12	0.992%	\$ 916,000.00	\$ 919,187.14	\$ (4,004.89)	923,192.03	763.33
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	06/23/11	04/30/12	0.993%	\$ 916,000.00	\$ 919,346.92	\$ (3,523.08)	922,870.00	763.33
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	07/19/11	04/30/12	0.993%	\$ 916,000.00	\$ 919,384.95	\$ (2,984.11)	922,369.06	763.33
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	08/18/11	04/30/12	0.993%	\$ 915,000.00	\$ 918,607.73	\$ (2,468.44)	921,076.17	762.50
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	09/21/11	04/30/12	0.994%	\$ 915,000.00	\$ 918,670.82	\$ (1,690.51)	920,361.33	762.50
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	10/21/11	04/30/12	0.995%	\$ 915,000.00	\$ 918,678.46	\$ (968.02)	919,646.48	762.50
U. S. Treas. Notes (Bank of New York Mellon Trust)	1.000%	10/18/11	04/30/12	0.996%	\$ 947,000.00	\$ 950,258.35	\$ (921.77)	951,180.12	789.17
				0.994%	\$ 6,440,943.81	\$ 6,465,078.18	\$ (16,560.82)	\$ 6,481,639.00	\$ 5,366.66
Revenue Bond Debt Svc. Reserve (01-1214)									
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund Oper. & Maint. Res. (01-1215)									
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ 12,368,017.29	\$ 12,368,017.29	\$ -	\$ 12,368,017.29	\$ -
				0.000%	\$ 12.33	\$ 12.33	\$ -	\$ 12.33	\$ -
PNC Institution Investments	0.000%	11/30/11	12/01/11	0.082%	\$ 12,368,029.62	\$ 12,368,029.62	\$ -	\$ 12,368,029.62	\$ -

(2)

DU PAGE WATER COMMISSION
 INVESTMENTS
 (Unaudited)
 November 30, 2011

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 11/30/11	
Water Fund Depreciation Account (01-1216)										
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ 6,051,086.91	\$ 6,051,086.91	\$ -	\$ 6,051,086.91	\$ -	
				0.082%	\$ 6,051,086.91	\$ 6,051,086.91	\$ -	\$ 6,051,086.91	\$ -	
Water Fund General Account (01-1217)										
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ 21,256,222.02	\$ 21,256,222.02	\$ -	\$ 21,256,222.02	\$ -	
	PNC Institution Investments	0.000%	11/30/11	12/01/11	0.000%	8.23	8.23	-	8.23	-
					0.082%	\$ 21,256,230.25	\$ 21,256,230.25	\$ -	\$ 21,256,230.25	\$ -
NTB Taxable Bond Proceeds (01-1222)										
Illinois Funds-Money Market	0.082%	05/17/10	05/18/10	0.082%	\$ -	\$ -	\$ -	\$ -	\$ -	
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Tax Funds (01-1230)										
Illinois Funds-Money Market	0.082%	11/30/11	12/01/11	0.082%	\$ 8,567,392.42	\$ 8,567,392.42	\$ -	\$ 8,567,392.42	\$ -	
				0.082%	\$ 8,567,392.42	\$ 8,567,392.42	\$ -	\$ 8,567,392.42	\$ -	
2001 G. O. Bonds Debt Service (01-1243)										
FAMGOFIC Money Market	0.000%	11/30/11	12/01/11	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL ALL FUNDS				0.175%	\$ 66,088,631.24	\$ 66,113,870.21	\$ (16,648.02)	\$ 66,130,518.23	\$ 5,591.66	
November 30, 2011				90 DAY US TREASURY YIELD	0.010%					

3

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
TREASURER'S REPORT
STATEMENT OF CASH FLOWS
For the Period from May 1 to November 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 39,624,855
Cash payments to suppliers	(36,230,132)
Cash payments to employees	<u>(1,406,155)</u>
Net cash from operating activities	1,988,568

CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES

Cash received from sales taxes	18,364,719
Cash Received from water quality loans	4,363,000
Cash payments for intergovernmental expenses	<u>(46,796)</u>
Net cash from noncapital financing activities	22,680,923

CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES

Interest paid	(4,169,083)
Principal Paid	(23,565,000)
Construction and purchase of capital assets	<u>(892,569)</u>
Net cash from capital and related financing activities	(28,626,652)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	<u>290,851</u>
Net cash from investing activities	290,851

Net Increase (Decrease) in cash and cash equivalents (3,666,310)

CASH AND INVESTMENTS, MAY 1 70,005,042

CASH AND INVESTMENTS, November 30 \$ 66,338,732

November 30, 2011
 TREASURER'S REPORT
 DPWC MONTHLY CASH/OPERATING REPORT

	TARGETED Reserve/Cash Amount-Needed	11/30/2011	
		Amount On Hand	Amount Over - (Under) Requirement
TABLE 1	A	F	G
RESERVE ANALYSIS			
A. Operating Cash Contingency (Two Months)	\$ 13,000,000	\$ 29,134,514	\$ 16,134,514
B. Current Construction Obligations-April 30, 2011 Carry Over	\$ 2,038,938	\$ -	\$ (2,038,938)
C. Depreciation Reserve - Revenue Bond	\$ 6,050,000	\$ 6,051,087	\$ 1,087
D. O+M Account (See Note 1 Below) - Revenue Bond	\$ 11,359,232	\$ 11,359,232	\$ -
E. O+M Reserve (Two Month's Operating at est. \$6.2M/Mo.) - Revenue Bond	\$ 12,365,233	\$ 12,368,030	\$ 2,797
TOTAL SUMMARY CASH + RESERVE ANALYSIS	\$ 44,813,403	\$ 58,912,863	\$ 14,099,460

TABLE 2		
OTHER CASH		
F. Revenue Bond Reserve (EA. month from operating budget approx \$1.2M)	\$ 14,289,188	\$ 6,753,409
H. Customer Construction Escrows	\$ 689,108	\$ 689,108
TOTAL TABLE 2-OTHER CASH	\$ 14,978,295	\$ 7,442,517
TOTAL MONTH END FUNDS CASH BALANCE-Table1+2		\$ 66,355,380


Outstanding Balance 11/31/2011

TABLE 3--DEBT	
I. REVENUE BOND FINAL PAYMENT MAY-2016 (RELEASE RESERVE C+D+E)	\$ 61,465,000
J. WEST SUBURBAN BANK-OUTSTANDING BALANCE DUE DEC-2015	\$ 22,000,000
K. NORTHERN TRUST BANK-NEXT PAYMENT OF \$5M DUE MAY-2013	\$ 35,000,000

Note 1: The O&M Account requirement varies from month to month. The cash balance for FY2011-12 must be 1/12 of the annual operating budget (\$6,182,616) plus an amount equal to the unpaid bills at the end of any

DATE: December 8, 2011

REQUEST FOR BOARD ACTION

AGENDA SECTION	Finance Committee	ORIGINATING DEPARTMENT	General Manager's Office
ITEM	A Resolution Approving the Declaration of Trust of the Illinois Institutional Investors Trust, Authorizing the Execution Thereof, and Implementing Related Changes Resolution No. R-47-11	APPROVAL	
Account No.: NA			
<p>At the meeting on November 17, 2011, the Board approved the engagement of PFM Asset Management LLC as an Investment Advisor in accordance with its proposal dated October 12, 2011. In furtherance thereof, PFM presented the Commission with two implementation platforms, including the Illinois Institutional Investors Trust. The Illinois Institutional Investors Trust is a diversified, open-ended, actively managed investment trust designed to address the short-term cash investment needs of public agencies, and PFM currently serves as the Investment Advisor, Administrator and, though an affiliate, Distributor of the Trust.</p> <p>Resolution No. R-47-11 would approve the Declaration of Trust of the Illinois Institutional Investors Trust, authorize the execution thereof, and implement related changes, including amending the Commission's investment policy to allow the Commission to fully participate in the fund created by the Declaration of Trust and designating the Custodian under the Declaration of Trust as an Authorized Depository and Custodian of Commission funds. Resolution No. R-47-11 is in substantially the form required by the Trust to be adopted by all participants.</p>			
MOTION: To adopt Resolution No. R-47-11.			

DUPAGE WATER COMMISSION

RESOLUTION NO. R-47-11

A RESOLUTION APPROVING THE DECLARATION OF TRUST OF THE
ILLINOIS INSTITUTIONAL INVESTORS TRUST, AUTHORIZING THE EXECUTION
THEREOF, AND IMPLEMENTING RELATED CHANGES

WHEREAS, the Board of Commissioners (the "Governing Board") of the DuPage Water Commission (the "Commission") has been presented with and reviewed an agreement in substantially the form attached hereto as Exhibit A, entitled Declaration of Trust, dated October 18, 2002, as amended and restated as of April 26, 2007 (the "Declaration of Trust"); and

WHEREAS, the Declaration of Trust creates a common law trust (the "Fund") to provide an instrumentality and agency through which public agencies organized under the laws of the State of Illinois may jointly act, agree, and cooperate in accordance with the laws of the State of Illinois in the performance of their responsibilities to invest available funds so as to enhance their investment opportunities pursuant to an investment program conducted in accordance with the laws of the State of Illinois, from time to time in effect, governing the investment of the funds of public agencies; and

WHEREAS, the Governing Board of the Commission has also been presented with and reviewed the Information Statement in substantially the form attached hereto as Exhibit B, providing detailed information about the investment objectives, organization, structure, and operation of the Fund and its investment opportunities (the "Information Statement"); and

WHEREAS the Commission is a public agency and unit of local government within the meaning of Section 10 of Article VII of the 1970 Constitution of the State of Illinois (the "Illinois Constitution"), the Intergovernmental Cooperation Act, 5 ILCS

220/1, *et seq.*, and the Public Funds Investment Act, 30 ILCS 235/0.01, *et seq.*, and is authorized to enter into intergovernmental agreements, including the Declaration of Trust, pursuant to, *inter alia*, the provisions of Section 10, Article VII of the Illinois Constitution, the Intergovernmental Cooperation Act, and the Public Funds Investment Act; and

WHEREAS, the Commission does hereby find that by entering into the Declaration of Trust and becoming a Participant (as such term is defined in Section 1.5 of the Declaration of Trust) in the Fund, it shall be better able to perform its responsibility to invest its funds in accordance with the laws of the State of Illinois; and

WHEREAS, the Commission does hereby find and declare that it is in the best interests of the Commission to enter into the Declaration of Trust, become a Participant of the Fund, and use the Fund's services from time to time at the discretion of the Chairman, the Finance Committee Chairman, and/or the General Manager of the Commission;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are incorporated herein and made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: The terms and conditions of the Declaration of Trust in substantially the form attached hereto as Exhibit A and of the Information Statement in substantially the form attached hereto as Exhibit B are hereby approved and accepted, and the Commission is hereby authorized to become a Participant in the Fund. The persons listed below are authorized to execute said Declaration of Trust and enter into

the Intergovernmental Agreement and are hereby empowered and directed to execute and deliver all documents, certificates, and other instruments necessary to further the intent and purpose of this Resolution, and said persons are duly authorized present incumbents of said offices and actual samples of their respective signatures are listed below:

James F. Zay	Chairman, Board of Commissioners	_____
John F. Spatz, Jr.	General Manager	_____
Maureen A. Crowley	Clerk	_____

SECTION THREE: Notwithstanding any restrictions contained in the Commission's Investment Policy adopted by motion of the Board of Commissioners of the DuPage Water Commission on October 14, 1993, as amended by Resolution Nos. R-14-00, R-60-00, and R-48-04, but subject to any limitations of the Commission's bond covenants applicable to the funds being invested, the Commission is hereby authorized to invest its available funds from time to time and to withdraw such funds from time to time in accordance with the provisions of the Declaration of Trust. Any one of the following authorized officials of the Commission are hereby authorized to act on behalf of the Commission and to carry out the duties and responsibilities of the Commission in connection with its participation in the Fund pursuant to the terms of the Declaration of Trust, including effectuating the investment and withdrawal of funds of the Commission: The Chairman of the Board of Commissioners, the Chairman of the Finance Committee of the Board of Commissioners, or the General Manager of the Commission. The persons that are the

duly authorized present incumbents of said offices, and actual samples of their respective signatures, are listed below:

James F. Zay	Chairman, Board of Commissioners	_____
Philip J. Suess	Chairman, Finance Committee	_____
John F. Spatz, Jr.	General Manager	_____

SECTION FOUR: Notwithstanding any other designation contained in Resolution No. R-7-97, as amended by Resolution Nos. R-1-99, R-42-00, and R-50-10, or in the Depository List maintained pursuant to Resolution No. R-27-90, the Custodian (as such term is defined in Section 1.5 of the Declaration of Trust) shall be, and it hereby is, designated as an authorized custodian of Commission investments and collateral pledged to the Commission and as an authorized financial institution depository of Commission funds in connection with the Commission's participation in the Fund pursuant to the terms of the Declaration of Trust.

SECTION FIVE: All resolutions or motions in conflict herewith are hereby superseded to the extent of such conflict.

SECTION SIX: This Resolution shall take effect from and after its passage and approval as provided by law.

AYES:

NAYS:

ABSENT:

ADOPTED THIS ____ DAY OF _____, 2011.

Chairman

ATTEST:

Clerk

EXHIBIT A

DECLARATION OF TRUST



An Illinois Entity formed pursuant to the
1970 Constitution of the State of Illinois,
the Intergovernmental Cooperation Act, and
the Public Funds Investment Act.

ILLINOIS INSTITUTIONAL INVESTORS TRUST

DECLARATION OF TRUST

October 18, 2002

Amended and Restated April 26, 2007

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THIS DECLARATION OF TRUST made as of the 18th day of October 2002, and as amended and restated as of April 26, 2007.

W I T N E S S E T H

WHEREAS, Section 10 of Article VII of the 1970 Constitution of the State of Illinois (the "Illinois Constitution") provides, *inter alia*, that "Units of local government and school districts may contract or otherwise associate among themselves...to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or by ordinance," and further provides that "Units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance"; and

WHEREAS, Section 1 of Article VII of the Illinois Constitution provides that:

"Municipalities" means cities, villages and incorporated towns.
"Units of local government" means counties, municipalities, townships, special districts, and units, designated as units of local government by law, which exercise limited governmental powers or powers in respect to limited governmental subjects, but does not include school districts;

and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, (the "Intergovernmental Cooperation Act") provides that "any power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State...except where specifically and expressly prohibited by law"; 5 ILCS 220/3; and

WHEREAS, the Intergovernmental Cooperation Act defines the term "public agency" as:

Any unit of local government as defined in the Illinois Constitution of 1970, any school district, any public community college district, and public building commission, the State of Illinois, any agency of the state government or of the United States, or of any other state, any political subdivision of another state, and any combination of the above pursuant to an intergovernmental agreement which includes provisions for a governing body of the agency created by the agreement;

and

WHEREAS, the Public Funds Investment Act, 30 ILCS 235/0.01 *et seq.*, (the "Public Funds Investment Act") provides that "Any public agency may invest any public funds" in the authorized investments provided for in that Act, 30 ILCS 235/2; and

WHEREAS, the Public Funds Investment Act defines the term “public agency” as follows:

The words “public agency” as used in this Act, “mean the State of Illinois, the various counties, townships, cities, towns, villages, school districts, educational service regions, special rural districts, public water supply districts, fire protection districts, drainage districts, levy districts, sewer districts, housing authorities, the Illinois Bank Examiners Education Foundation, the Chicago Park District, and all other political corporations or subdivisions of the State of Illinois, now or hereafter created, whether herein specifically mentioned or not”;

and

WHEREAS, the Initial Participants are public agencies and units of local government within the meaning of the Illinois Constitution, the Intergovernmental Cooperation Act, and the Public Funds Investment Act, and are authorized to enter into this Declaration of Trust pursuant to, *inter alia*, the provision of Section 10, Article VII of the Illinois Constitution, the Intergovernmental Cooperation Act, and the Public Funds Investment Act; and

WHEREAS, pursuant to such authority, the Initial Participants desire to enter into an agreement and thereby establish an entity for joint investment, pursuant to this Declaration of Trust, for the purpose of combining their respective available investment funds so as to enhance the investment opportunities available to them and increase the investment earnings accruing to the benefit of the Participants; and

WHEREAS, pursuant to such authority, this Declaration of Trust is intended to be an agreement entered into for the purpose of better performing the Participants’ responsibility to invest the funds of their respective Public Agency in accordance with the Laws of the State of Illinois; and

WHEREAS, this Declaration of Trust is intended to constitute an intergovernmental agreement pursuant to the authority conferred by the Illinois Constitution, the Intergovernmental Cooperation Act, and the Public Funds Investment Act; and

WHEREAS, each of the Participants has duly taken all official action necessary and appropriate to become a party to this Declaration of Trust; and

WHEREAS, it is proposed that the beneficial interest in the Fund’s assets shall be divided into non-transferable shares of beneficial interest, which shall be evidenced by a share register maintained by the Fund or its agent; and

WHEREAS, the Participants anticipate that other Public Agencies may wish to become Participants by adopting this Declaration of Trust and thus becoming parties to it;

NOW, THEREFORE, the Participants hereby declare that all money and property contributed to the Trust established under this Declaration of Trust shall be held and managed in

trust for the proportionate benefit of the holders of record from time to time of shares of beneficial interest issued and to be issued hereunder, without privilege, priority or distinction among such holders, except as otherwise specifically provided herein, and subject to the terms, covenants, conditions, purposes and provisions hereof.

ARTICLE I. THE FUND

Section 1.1. Name. The name of the common law trust created by this Declaration of Trust shall be the Illinois Institutional Investors Trust (the “Fund”) and, so far as may be practicable, the Trustees shall conduct the Fund’s activities, execute all documents and sue or be sued under that name, which name (and the word “Fund” wherever used in this Declaration of Trust, except where the context otherwise requires) shall refer to the Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisers, consultants, accountants or Participants of the Fund or of such Trustees. Should the Trustees determine that the use of such name is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Fund as they deem proper, and the Fund may hold Property and conduct its activities under such designation or name. The Trustees shall take such action as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such name in accordance with the Laws of the State of Illinois or the United States of America so as to protect and reserve the right of the Fund in and to such name. The Trustees shall have full and complete power to change the name of the Fund at any time and from time to time, in their sole and absolute discretion, without the affirmative vote of a majority of the Participants entitled to vote as set forth in Article XII hereof, provided that notice of any such change of name shall be promptly given to the Participants.

Section 1.2. Purpose; Only Public Agencies to Be Participants.

(a) The purpose of the Fund is to provide an instrumentality and agency through which Public Agencies organized under Laws of the State of Illinois, may jointly act, agree and cooperate in accordance with the Laws of the State of Illinois in the performance of their responsibilities to invest available funds so as to enhance their investment opportunities pursuant to an investment program conducted in accordance with the Laws of the State of Illinois, from time to time in effect, governing the investment of the funds of Public Agencies. Any Public Agency which is a Participant in this Agreement may authorize its treasurer or other duly authorized official to act on its behalf with respect to the funds of such Public Agency.

(b) No Public Agency shall become a Participant unless and until the governing board of such Public Agency has adopted this Declaration of Trust in accordance with Section 13.6(a) hereof. A Public Agency must make a minimum investment of \$100.00 in the Fund to become a Participant and must maintain a minimum investment balance of \$100.00 in the Fund in order for such Public Agency to exercise the rights and obligations of a Participant. A Participant whose minimum investment falls below \$100.00 may again exercise the rights and obligations of a Participant during such times as its investment exceeds the minimum balance of \$100.00

Section 1.3. Location. The Fund shall maintain an office of record in the State of Illinois and may maintain such other offices or places of business as the Trustees may from time to time determine.

Section 1.4. Nature of Fund and Declaration of Trust.

(a) The Fund shall be a common law trust organized and existing under the Laws of the State of Illinois. The Fund is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation, investment company or joint stock company. The Participants shall be beneficiaries of the Fund, and their relationship to the Trustees shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(b) This Declaration of Trust is an agreement of indefinite term regarding the deposit, redeposit, investment, reinvestment and withdrawal of Public Agency funds within the meaning of the Laws of the State of Illinois.

Section 1.5. Definitions. As used in this Declaration of Trust, the following terms shall have the following meanings unless the context hereof otherwise requires:

“Administrator” shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

“Administration Agreement” shall mean the agreement with the Administrator referred to in Section 3.3 hereof as the same may be amended from time to time.

“Adviser” shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

“Affiliate” shall mean, with respect to any Person, another Person directly or indirectly controlling, controlled by or under common control with such Person, or any officer, director, partner or employee of such Person.

“Class” shall mean a category of the Shares of a Series or of the Fund if there are no Series, which category is authorized by the Trustees pursuant to Article VI hereof

“Custodian” shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Article X hereof.

“Custodian Agreement” shall mean the agreement with a Custodian referred to in Article XI hereof as such agreement may be amended from time to time.

“Declaration of Trust” shall mean this Declaration of Trust as amended, restated or modified from time to time. References in this Declaration of Trust to “Declaration,” “hereof,” “herein,” “hereby” and “hereunder” shall be deemed to refer to the Declaration of Trust and shall not be limited to the particular text, article or section in which such words appear.

“Distributor” shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

“Distribution Agreement” shall mean the agreement with the Distributor referred to in Section 3.4 as the same may be amended from time to time.

“Fund” shall mean the common law trust created by this Declaration of Trust.

“Fund Property” or “Property” shall mean, as of any particular time, any and all Property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Fund or Trustees, and all income, profits and gains therefrom, and which, at such time, is owned or held by, or for the account of, the Fund or the Trustees.

“Information Statement” shall mean the information statement or other descriptive document or documents adopted as such by the Trustees and distributed by the Fund to Participants and potential Participants of the Fund as the same may be amended by the Trustees from time to time.

“Initial Participants” shall mean the Public Agencies which initially formed this Fund as of October 18, 2002 by the execution and adoption of this Declaration of Trust.

“Investment Advisory Agreement” shall mean the agreement with the Adviser referred to in Section 3.2 hereof as the same may be amended from time to time.

“Law” or “Laws” shall mean common law and all ordinances, statutes, rules, regulations, orders, injunctions, decisions, opinions or decrees of any government or political subdivision or agency thereof, or any court or similar entity established by any thereof.

“Participants” shall mean the Public Agencies which are the Initial Participants and the Public Agencies which adopt this Declaration of Trust pursuant to Section 13.6(a) hereof.

“Permitted Investments” shall mean the investments referred to in paragraphs (a) through (h) of Section 4.2 hereof.

“Person” shall mean and include individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other entities (whether or not legal entities) and governments and agencies and political subdivisions thereof, but shall not include the Trust.

“Public Agency” or “Public Agencies” shall mean those units of local government, school districts, and political corporations or subdivisions of the State of Illinois which are authorized to enter into intergovernmental agreements pursuant to the provisions of Section 10 of Article VII of the Illinois Constitution and the Intergovernmental Cooperation Act, and which are authorized to invest their funds pursuant to the provisions of the Public Funds Investment Act.

“Section 2” shall mean Section 2 of the Public Funds Investment Act, as heretofore amended, and as the same may be amended from time to time.

“Series” shall mean a category of the Shares authorized by the Trustees pursuant to Article VI hereof.

“Share” shall mean the unit used to denominate and measure the respective pro rata beneficial interests of the Participants in the Fund (or any Series or any Class thereof) as described in Article VI.

“Share Register” shall mean the register of Shares maintained pursuant to Section 7.1 hereof.

“Trustees” shall mean the Persons who become fiduciaries of the Fund pursuant to Article VIII hereof.

ARTICLE II. POWERS OF THE TRUSTEES

Section 2.1. General.

(a) Subject to the rights of the Participants as provided herein, the Trustees shall have, without other or further authorization, full, exclusive and absolute power, control and authority over the Fund Property and over the affairs of the Fund to the same extent as if the Trustees were the sole and absolute owners of the Fund Property in their own right, and with such powers of delegation as may be permitted by this Declaration of Trust. The Trustees may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for conducting the affairs of the Fund or promoting the interests of the Fund and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Trustees may exercise any power authorized and granted to them by this Declaration of Trust. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court.

(b) The Trustees shall have the power to conduct, operate and provide an investment program for the investment of funds of Public Agencies; and for such consideration as they may deem proper and as may be required by Law, to subscribe for, invest in, reinvest in, purchase or otherwise acquire or otherwise deal in or dispose of investment instruments constituting “Permitted Investments” as described in Section 4.2. The Trustees shall have the power to enter into contracts and agreements with respect to the purchase and sale of permitted investments.

(c) In the exercise of their powers, the Trustees shall not be limited, except as otherwise provided hereunder, to investing in Permitted Investments maturing before the possible termination of the Fund. Except as otherwise provided in this Declaration of Trust, the Trustees shall not be limited by any Law now or hereafter in effect limiting the investments which may be held or retained by trustees or other fiduciaries, and they shall have full authority and power to make any and all Permitted Investments within the limitations of this Declaration of Trust that they, in their absolute discretion, shall determine to be advisable and appropriate. The Trustees shall have no liability for loss with respect to Permitted Investments made within

the terms of this Declaration of Trust, even though such investments shall be of a character or in an amount not considered proper for the investment of trust funds by trustees or other fiduciaries. The Trustees shall be permitted only to make Permitted Investments in accordance with Article IV of this Declaration of Trust.

Section 2.2. Legal Title.

Legal title to all of the Fund Property shall be vested in the Trustees on behalf of the Participants and be held by and transferred to the Trustees, except that the Trustees shall have full and complete power to cause legal title to any Fund Property to be held, on behalf of the Participants, by or in the name of the Fund, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the Fund is adequately protected.

The right, title and interest of the Trustees in and to the Fund Property shall vest automatically in all persons who may hereafter become Trustees upon their due election and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, or death of a Trustee, he (and in the event of his death, his estate) shall automatically cease to have any right, title or interest in or to any of the Fund Property, and the right, title and interest of such Trustee in and to the Fund Property shall vest automatically in the remaining Trustees without any further act.

Section 2.3. Disposition of Assets. Subject in all respects to Article IV hereof, the Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all Fund Property free and clear of any and all trusts and restrictions, at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing. The Trustees shall also have full and complete power, subject in all respects to Article IV hereof, and in furtherance of the affairs and purposes of the Fund, to give consents and make contracts relating to Fund Property or its use.

Section 2.4. Taxes. The Trustees shall have full and complete power: (i) to pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Fund or the Trustees in connection with the Fund Property or upon or against the Fund Property or income or any part thereof; (ii) to settle and compromise disputed tax liabilities; and (iii) for the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Trustees to be necessary or desirable.

Section 2.5. Rights as Holders of Fund Property. The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges appertaining to the ownership of all or any Permitted Investments or other Property forming part of the Fund Property to the same extent that any individual might, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more Persons, which proxies and powers of attorney may be for meetings or actions

generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

Section 2.6. Delegation; Committees. The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management of the Fund, the conduct of its affairs, their duties and obligations as Trustees, and the management and disposition of Fund Property) to delegate from time to time to such one or more of their number (who may be designated as constituting a Committee of the Trustees) or to officers, employees or agents of the Fund (including, without limitation, the Administrator, the Adviser and the Custodian) the doing of such acts and things and the execution of such instruments either in the name of the Fund, or the names of the Trustees or as their attorney or attorneys, or otherwise as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Fund.

Section 2.7. Collection. The Trustees shall have full and complete power: (i) to collect, sue for, receive and receipt for all sums of money or other property due to the Fund; (ii) to consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (iii) to engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Fund Property; (iv) to foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the Fund; (v) to exercise any power of sale held by them, and to convey good title thereunder free of any and all trusts, and in connection with any such foreclosure or sales to purchase or otherwise acquire title to any property; (vi) to be parties to reorganization and to transfer to and deposit with any corporation, committee, voting trustee or other Person any securities, investments or of any Person which form a part of the Fund Property, for the purpose of such reorganization or otherwise; (vii) to participate in any arrangement for enforcing or protecting the interests of the Trustees as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (viii) to extend the time (with or without security) for the payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and (ix) to pay or satisfy any debts or claims upon any evidence that the Trustees shall deem sufficient.

Section 2.8. Payment of Expenses. The Trustees shall have full and complete power: (i) to incur and pay any charges or expenses which in the opinion of the Trustees are necessary or incidental to or proper for carrying out any of the purposes of this Declaration of Trust; (ii) to reimburse others for the payment therefor; and (iii) to pay appropriate compensation or fees from the funds of the Fund to Persons with whom the Fund has contracted or transacted business. The Trustees shall fix the compensation, if any, of all officers and employees of the Fund. The Trustees shall not be paid compensation for their general services as Trustees hereunder. The Trustees may pay themselves or any one or more of themselves reimbursement for expenses reasonably incurred by themselves or any one or more of themselves on behalf of the Fund. The Trustees may allocate such expenses among various Series and Classes in such manner and proportion as appropriate in the discretion of the Trustees.

Section 2.9. Borrowing and Indebtedness. The Trustees shall not have the power to borrow money or incur indebtedness on behalf of the Fund, or authorize the Fund to borrow money or incur indebtedness, except as provided in paragraph (d) of Section 4.2 of this Declaration of Trust, but only if and to the extent permitted by Law.

Section 2.10. Deposits. The Trustees shall have full and complete power to deposit, in such manner as may now and hereafter be permitted by Law, any moneys or funds included in the Fund Property, and intended to be used for the payment of expenses of the Fund or the Trustees, with one or more banks, trust companies or other banking institutions whether or not such deposits will draw interest. Such deposits are to be subject to withdrawal in such manner as the Trustees may determine, and the Trustees shall have no responsibility for any loss which may occur by reason of the failure of the bank, trust company or other banking institution with which the moneys, investments, or securities have been deposited. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable Laws including, but not limited to, the laws governing each participating Public Agency.

Section 2.11. Valuation. The Trustees shall have full and complete power to determine in good faith conclusively the value of any of the Fund Property and to revalue the Fund Property.

Section 2.12. Fiscal Year. The Trustees shall have full and complete power to determine the fiscal year of the Fund and the method or form in which its accounts shall be kept and from time to time to change the fiscal year or method or form of accounts. The Trustees may establish different fiscal years for the various Series as appropriate in the discretion of the Trustees.

Section 2.13. Concerning the Fund and Certain Affiliates.

(a) The Fund may enter into transactions with any Affiliate of the Fund or of the Adviser, the Administrator, the Custodian or any Affiliate of any Trustee, officer, director, employee or agent of the Fund or of the Adviser, the Administrator, or the Custodian if (i) each such transaction (or type of transaction) has, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the Trustees, including a majority of the Trustees who are not Affiliates of any Person (other than the Fund) who is a party to the transaction or transactions with the Fund and (ii) such transaction (or type of transaction) is, in the opinion of the Trustees, on terms fair and reasonable to the Fund and the Participants and at least as favorable to them as similar arrangements for comparable transactions (of which the Trustees have knowledge) with organizations unaffiliated with the Fund or with the Person who is a party to the transaction or transactions with the Fund.

(b) Except as otherwise provided in this Declaration of Trust or in the Laws of the State of Illinois, in the absence of fraud, a contract, act or other transaction, between the Fund and any other Person, or in which the Fund is interested, is valid and no Trustee, officer, employee or agent of the Fund has any liability as a result of entering into any such contract, act or transaction even though (i) one or more of the Trustees, officers, employees or agents of such other Person, or (ii) one or more of the Trustees, officers, employees, or agents of the Fund,

individually or jointly with others, is a party or are parties to or directly interested in, or affiliated with, such contract, act or transaction, provided that (i) such interest or affiliation is disclosed to the Trustees and the Trustees authorize such contract, act or other transaction by a vote of a majority of the unaffiliated Trustees, or (ii) such interest or affiliation is disclosed to the Participants, and such contract, act or transaction is approved by a majority of the Participants.

(c) Any Trustee or officer, employee, or agent of the Fund may, in his personal capacity, or in a capacity as trustee, officer, director, stockholder, partner, member, agent, adviser or employee of any Person, have business interests and engage in business activities in addition to those relating to the Fund, which interests and activities may be similar to those of the Fund and include the acquisition, syndication, holding, management, operation or disposition of securities, investments and funds, for his own account or for the account of such Person. Each Trustee, officer, employee and agent of the Fund shall be free of any obligation to present to the Fund any investment opportunity which comes to him in any capacity other than solely as Trustee, officer, employee or agent of the Fund, even if such opportunity is of a character which, if presented to the Fund, could be taken by the Fund.

(d) Subject to the provisions of Article III hereof, any Trustee or officer, employee or agent of the Fund may be interested as trustee, officer, director, stockholder, partner, member, agent, adviser or employee of, or otherwise have a direct or indirect interest in, any Person who may be engaged to render advice or services to the Fund, and may receive compensation from such Person as well as compensation as Trustee, officer, employee or agent of the Fund or otherwise hereunder. None of the activities and interests referred to in this paragraph (d) shall be deemed to conflict with his duties and powers as Trustee, officer, employee or agent of the Fund.

(e) To the extent that any other provision of this Declaration of Trust conflicts with, or is otherwise contrary to the provisions of, this Section 2.13, the provisions of this Section 2.13 shall be deemed controlling.

(f) Notwithstanding the foregoing provisions of this Section 2.14, the Trustees shall not have the power to engage in any transaction with any Affiliate that would be inconsistent with the Laws of the State of Illinois concerning public ethics and conflicts of interest, and the By-Laws of the Fund may contain provisions more restrictive than those set forth in this Section 2.13.

Section 2.14. Investment Program. The Trustees shall use their best efforts to obtain through the Adviser or other qualified persons a continuing and suitable investment program, consistent with the investment policies and objectives of the Fund set forth in Article IV of this Declaration of Trust, and the Trustees shall be responsible for reviewing and approving or rejecting the investment program presented by the Adviser or such other Persons. Subject to the provisions of Section 2.6 and Section 3.1 hereof, the Trustees may delegate functions arising under this Section 2.14 to one or more of their number or to the Adviser. The Trustees also shall have full and complete power to contract for or to otherwise obtain from or through the Adviser, the Administrator or other qualified Persons for the benefit of, and to make available to, the Participants of the Fund from time to time, additional investment and non-investment programs and services distinct from the Fund's program of investments measured by Shares, but consistent with the investment goals and objectives of the Fund and the general purposes of this Declaration

of Trust. The Trustees shall have the power to review and approve or reject, in their sole discretion, such additional investment and non-investment programs as may be presented to the Trustees by the Adviser, the Administrator or any other qualified Persons.

Section 2.15. Power to Contract, Appoint, Retain and Employ. Subject to the provisions of Section 2.6 and Section 3.1 hereof with respect to delegation of authority by the Trustees, the Trustees shall have full and complete power to appoint, employ, retain, or contract with any Person of suitable qualifications and high repute (including one or more of themselves and any corporation, partnership, trust or other entity of which one or more of them may be an Affiliate, subject to the applicable requirements of Section 2.13 hereof) as the Trustees may deem necessary, or desirable for the transaction of the affairs of the Fund, or the transaction of the affairs of any additional investment programs or services or non-investment programs or services of any nature affiliated with the Fund or otherwise contracted for or by the Fund, including any Person or Persons who, under the supervision of the Trustees, may, among other things: (i) serve as the Fund's investment adviser and consultant in connection with policy decisions made by the Trustees; (ii) serve as the Fund's administrator; (iii) serve as the Fund's distributor; (iv) furnish reports to the Trustees and provide research, economic and statistical data in connection with the Fund's investments; (v) act as consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Trustees to be necessary or desirable; (vi) investigate, select and, on behalf of the Fund, conduct relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contracts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of; (vii) substitute any other Person for any such Person; (viii) act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; (ix) assist in the performance of such ministerial functions necessary in the management of the Fund as may be agreed upon with the Trustees; and (x) any of the foregoing as may be agreed upon by the Trustees with regard to any additional investment and non-investment programs and services for the benefit of the Participants.

Section 2.16. Insurance. The Trustees shall have full and complete power to purchase and pay for, entirely out of Fund Property, insurance policies insuring the Fund and the Trustees, officers, employees and agents, of the Fund individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position, or by reason of any action alleged to have been taken or omitted by the Fund or any such Person as Trustee, officer, employee and agent, including any action taken or omitted that may be determined to constitute negligence, whether or not the Fund would have the power to indemnify such Person against such liability.

Section 2.17. Indemnification. In addition to the mandatory indemnification provided for in Section 5.3 hereof, the Trustees shall have full and complete power, to the extent permitted by applicable Laws, to indemnify or enter into agreements with respect to indemnification with any Person with whom the Fund has dealings, including, without limitation, the Adviser, the

Administrator and the Custodian, to such extent as the Trustees shall determine, subject to such limitations as may arise under law.

Section 2.18. Remedies. Notwithstanding any provision in this Declaration of Trust, when the Trustees deem that there is a significant risk that an obligor to the Fund may default or is in default under the terms of any obligation to the Fund, the Trustees shall have full and complete power to pursue any remedies permitted by Law which, in their sole judgment, are in the interests of the Fund, and the Trustees shall have full and complete power to enter into any investment, commitment or obligation of the Fund resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

Section 2.19. Information Statement. The Trustees shall have full and complete power to authorize the distribution of an Information Statement regarding the Fund which may be prepared by advisers to the Fund and to authorize the amendment of or supplement of the same from time to time.

Section 2.20. Further Powers. The Trustees shall have full and complete power to take all such actions, do all such matters and things and execute all such instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Fund although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Fund made by the Trustees in good faith shall be conclusive. In construing the provisions of this Declaration of Trust, the presumption shall be in favor of a grant of power to the Trustees. The Trustees shall not be required to obtain any court order to deal with the Fund Property.

ARTICLE III. THE INVESTMENT ADVISER, THE ADMINISTRATOR, THE DISTRIBUTOR AND THE INDEPENDENT ACCOUNTANT

Section 3.1. Appointment of Adviser, Administrator and Distributor. The Trustees are responsible for the general investment policy and program of the Fund and for the general supervision and administration of the business and affairs of the Fund conducted by the officers, agents, employees, investment advisers, administrators, distributors, or independent contractors of the Fund. However, the Trustees are not required personally to conduct all of the routine business of the Fund and, consistent with their ultimate responsibility as stated herein, the Trustees may appoint, employ or contract with the Adviser as an investment adviser to the Fund, the Administrator as an administrator for the Fund, and the Distributor as the distribution agent for the Fund and may grant or delegate such authority to the Adviser, the Administrator (pursuant to the terms of Section 2.15 hereof), the Distributor or to any other Person the services of whom are obtained by the Adviser, the Administrator or the Distributor, as the Trustees may, in their sole discretion, deem necessary or desirable, for the efficient management of the Fund, without regard to whether such authority is normally granted or delegated by trustees or other fiduciaries. The same Person may serve simultaneously as the Administrator, as the Adviser and as the Distributor, but no Person serving as the Administrator, the Adviser or the Distributor may serve as the Custodian.

Section 3.2. Duties of the Adviser. The duties of the Adviser shall be those set forth in the Investment Advisory Agreement to be entered into between the Fund and the Person or

Persons designated pursuant to Section 3.1 as the Adviser. Such duties may be modified by the Trustees, from time to time, by the amendment of the Investment Advisory Agreement. Subject to Article IV hereof, the Trustees may authorize the Adviser to effect purchases, sales or exchanges of Fund Property on behalf of the Trustees or may authorize any officer, employee, agent or Trustee to effect such purchases, sales, or exchanges pursuant to recommendations of the Adviser, all without further action by the Trustees. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by all the Trustees. The Investment Advisory Agreement may authorize the Adviser to employ other persons to assist it in the performance of its duties.

Section 3.3. Duties of the Administrator. The duties of the Administrator shall be those set forth in the Administration Agreement to be entered into between the Fund and the Person or Persons designated pursuant to Section 3.1 as the Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administration Agreement. The Administration Agreement may authorize the Administrator to employ other persons to assist it in the performance of its duties.

Section 3.4. Duties of the Distributor. The duties of the Distributor shall be those set forth in the Distribution Agreement to be entered into between the Fund and the Person or Persons designated pursuant to 3.1 as the Distributor. Such duties may be modified by the Trustees, from time to time, by the amendment of the Distribution Agreement. The Distribution Agreement may authorize the Distributor to employ other persons to assist it in the performance of its duties.

Section 3.5. Successors. In the event that, at any time, the position of Adviser or of Administrator or of the Distributor shall become vacant for any reason, the successor shall not be appointed without a vote of the Participants as set forth in Section 8.1.

Section 3.6. Appointment and Duties of the Independent Accountant. The Trustees shall appoint an independent accountant for each fiscal year of the Fund and its various Series. Such independent accountant shall perform such duties as may be directed by the Trustees, including, without limitation, conducting examinations of the Fund and the rendering of opinions and reports concerning the Fund.

ARTICLE IV. INVESTMENTS

Section 4.1. Statement of Investment Policy and Objective. Subject to the prohibitions and restrictions contained in Section 4.2 hereof, the general investment policy and objective of the Trust and each Series shall be to invest the Fund in Permitted Investments as set forth below and any other applicable provisions of Law as may be set forth more fully in the Fund's Information Statement, as the same may be amended from time to time.

Section 4.2. Permitted Investments. In accordance with Article II, Permitted Investments shall constitute the following:

(a) bonds, notes, certificates of indebtedness, treasury bills or other securities now, or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;

(b) bonds, notes, debentures or other similar obligations of the United States of America or its agencies;

(c) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 511, et. seq.); provided, however, that such bank is federally insured;

(d) short-term obligations of corporations organized in the United States of America with assets exceeding \$500,000,000, provided that such obligations are rated at the time of purchase within one of the three highest classifications established by at least two standard rating services, such obligations mature not later than 180 days from the date of purchase, and such purchases do not exceed 10% of the applicable corporation's outstanding obligations;

(e) short-term discount obligations of the Federal National Mortgage Association or shares or other forms of securities legally issuable by savings and loan associations incorporated under the Laws of Illinois or any other state or under the Laws of the United States of America, provided that the shares or investment certificates of such savings and loan associations are federally insured, any such securities are purchased at the offering or market price thereof at the time of such purchase, and all such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Trustees, the funds so invested will be required for the payment of funds to Participants upon the withdrawal of moneys from the Fund;

(f) money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraphs (a) or (b) of this Section 4.2 and to agreements to repurchase such obligations; and

(g) any other investment instruments now permitted by the provisions of Section 2 of the Public Funds Investment Act or any other applicable statutes or hereafter permitted by reason of the amendment of Section 2 of the Public Funds Investment Act or the adoption of any other statute applicable to the investment of Public Agency funds.

Section 4.3. Restrictions Fundamental to the Fund. Notwithstanding anything in this Declaration of Trust which may be deemed to authorize the contrary, the Fund:

(a) May not make any investment other than investments authorized by Section 4.2 or any other applicable provisions of Law, as the same may be amended from time to time, and in the case of investments made jointly with funds of other Public Agencies, may not make any investment other than investments authorized by Law for the investment of each such Public Agency;

(b) May not purchase any Permitted Investment which has a maturity date more than 397 days from the date of the Fund's purchase thereof, unless subject, at the time of such purchase by the Fund, to an irrevocable agreement on the part of a Responsible Person to purchase such Permitted Investment from the Fund within 397 days; provided, however, that the Trustees may, in their discretion, by an action set forth by resolution of the Trustees and included

in the Information Statement, waive such 397 day limitation with respect to any one or more Series of Shares. For the purposes of this provision:

(i) A variable rate security which has its rate of interest readjusted no less frequently than every 397 days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate or earlier maturity.

(ii) A floating rate security shall be deemed to have a remaining maturity of one day.

(c) May not purchase any Permitted Investment if the effect of such purchase by the Fund would be to make the average dollar weighted maturity of the Fund's investment portfolio greater than the period designated by the Trustees with respect to the Series to which such purchase of such Permitted Investment relates; provided, however, that in making such determination any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (b) shall be deemed to mature on the day on which the Fund is obligated to sell such Permitted Investment back to a Responsible Person or the day on which the Fund may exercise its rights under such agreement to require the purchase of such Permitted Investment by a Responsible Person;

(d) May not borrow money or incur indebtedness, whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except

(i) as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments, including, without limitation, to facilitate withdrawal requests made by Participants and received by the Custodian after the Fund has already sold, or entered sell orders for, portfolio investments to cover the withdrawal requests previously made on that date, and only to the extent permitted by Law; or

(ii) as a temporary measure (not to exceed one business day) from the Custodian to provide for the purchase of portfolio securities pending receipt by the Custodian of collected funds from a Participant who has notified the Fund before such purchase that it has wire transferred funds (or otherwise transferred immediately available funds) to the Fund in an amount sufficient to pay the purchase price of such securities, and only as and to the extent permitted by Law.

provided, however, that nothing contained in this paragraph (d) shall permit, or be construed as permitting, the pledge of the assets of the Fund to secure any such borrowing except for the pledge of amounts, limited to the amount of such borrowing, held in the specific Participant's account with the Fund for whom such borrowing was incurred;

(e) May not make loans, provided that the Fund may make Permitted Investments; and

(f) May not hold or provide for the custody of any Fund Property in a manner not authorized by Law or by any institution or Person not authorized by Law.

For the purposes of this Section 4.3, the phrase “Responsible Person” shall mean a Person listed on the United States Treasury Department List of Primary Government Securities Dealers or any equivalent successor to such list or a bank organized and existing under the Laws of the United States of America or any state thereof having assets in excess of \$500,000,000.

Section 4.4. Amendment of Restrictions. The restrictions set forth in Section 4.2 hereof are fundamental to the operation and activities of the Fund and may not be changed without the affirmative vote of a majority of the Participants entitled to vote, except that such restrictions may be changed by the Trustees so as to make them more restrictive when necessary to conform the investment program and activities of the Fund to the Laws of the State of Illinois and the United States of America as they may from time to time be amended.

ARTICLE V. LIMITATIONS OF LIABILITY

Section 5.1. Liability to Third Persons. No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any other Person or Persons in connection with Fund Property or the affairs of the Fund; and no Trustee, officer, or employee of the Fund shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any other Person or Persons in connection with Fund Property or the affairs of the Fund, and all such other Persons shall look solely to the Fund Property for satisfaction of claims of any nature arising in connection with the affairs of the Fund. If any Participant, Trustee, officer or employee, as such, of the Fund is made a party to any suit or proceedings to assert or enforce any such liability, he shall not on account thereof be held to any personal liability.

Section 5.2. Liability to the Fund or to the Participants. No Trustee, officer or employee of the Fund shall be liable to the Fund or to any Participant for any action or failure to act (including, without limitation, the failure to compel in any way any former or acting Trustee to redress any breach of trust) except for his own bad faith, willful misfeasance, gross negligence or reckless disregard of his duties provided, however, that the provisions of this Section 5.2 shall not limit the liability of any Person with respect to breaches by it of a contract between it and the Fund.

Section 5.3. Indemnification.

(a) The Fund shall indemnify and hold each Participant harmless from and against all claims and liabilities, whether they proceed to judgment or are settled or otherwise brought to a conclusion, to which such Participant may become subject solely by reason of its being or having been a Participant, and shall reimburse such Participant for all legal and other expenses reasonably incurred by it in connection with any such claim or liability. The rights accruing to a Participant under this Section 5.3 shall not exclude any other right to which such Participant may be lawfully entitled, nor shall anything herein contained restrict the right of the Fund to indemnify or reimburse a Participant in any appropriate situation even though not specifically provided herein.

(b) The Fund shall indemnify each of its Trustees and officers, and employees and other Persons designated by the Board of Trustees to receive such indemnification, against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees) reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding by the Fund or any other Person, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee, officer, employee or other designated Person, except as to any matter as to which he shall have been adjudicated to have acted in bad faith or with willful misfeasance or reckless disregard of his duties or gross negligence; provided, however, that the provisions of this Section 5.3 shall not be construed to permit the indemnification of any Person with respect to breaches by it of a contract between it and the Fund; and further provided, however, that as to any matter disposed of by a compromise payment by such Trustee, officer, employee or other designated Person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless the Fund shall have received a written opinion from independent counsel approved by the Trustees to the effect that if the foregoing matters had been adjudicated, the defenses that could have been presented on behalf of such Trustee, officer, employee or other designated Person were meritorious. The rights accruing to any Trustee, officer, employee or other designated Person under the provisions of this paragraph (b) of this Section 5.3 shall not exclude any other right to which he may be lawfully entitled; provided, however, that no Trustee, officer, employee or other designated Person may satisfy any right of indemnity or reimbursement granted herein or to which he may be otherwise entitled except out of the Fund Property, and no Participant shall be personally liable to any Person with respect to any claim for indemnity or reimbursement or otherwise. The Trustees may make advance payments in connection with indemnification under this paragraph (b) of this Section 5.3, provided that the indemnified Trustee, officer, employee or other designated Person shall have given a written undertaking to reimburse the Fund in the event that it is subsequently determined that he is not entitled to such indemnification.

(c) Any action taken by, or conduct on the part of, a Trustee, an officer, or an employee of the Fund or other Person designated by the Trustees in conformity with, or in good faith reliance upon, the provisions of Section 2.13 or Section 5.7 hereof shall not, for the purpose of this Declaration of Trust (including, without limitation, Sections 5.1 and 5.2 and this Section 5.3) constitute bad faith, willful misfeasance, gross negligence or reckless disregard of his duties.

Section 5.4. Surety Bonds. No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his duties.

Section 5.5. Apparent Authority. No purchaser, seller, transfer agent or other Person dealing with the Trustees or any officer, employee or agent of the Fund shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trustee or by such officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Trustees or of such officer, employee or agent.

Section 5.6. Recitals. Any written instrument creating an obligation of the Fund shall be conclusively taken to have been executed by a Trustee or an officer, employee or agent of the

Fund only in his capacity as a Trustee under this Declaration of Trust or in his capacity as an officer, employee or agent of the Fund. Any written instrument creating an obligation of the Fund shall refer to this Declaration of Trust and contain a recital to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, Participants, officers, employees or agents of the Fund, and that only the Fund Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; provided, however, that the omission of any recital pursuant to this Section 5.6 shall not operate to impose personal liability on any of the Trustees, Participants, officers, employees or agents of the Fund.

Section 5.7. Reliance on Experts, Etc. Each Trustee and each officer of the Fund shall, in the performance of his duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of the Fund, upon an opinion of counsel or upon reports made to the Fund by any of its officers or employees or by the Adviser, the Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the officers of the Fund.

ARTICLE VI. CHARACTERISTICS OF SHARES

Section 6.1. Beneficial Interest. The beneficial interest of the Participants hereunder in the Fund Property and the earnings thereon shall be divided into Shares, which shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interest hereunder. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interest among the Participants is unlimited.

Section 6.2. Rights of Participants. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to which Shares relate to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Fund or the Fund Property, except as the Trustees may determine with respect to any Class or Series. Title to the Fund Property of every description and the right to conduct any affairs herein described are vested in the Trustees on behalf, and for the beneficial interest, of the Participants, and the Participants shall have no interest therein other than the beneficial interest conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Fund nor can they be called upon to share or assume any losses of the Fund or suffer an assessment of any kind by virtue of the allocation of Shares to them, except as provided in Article IX hereof.

Section 6.3. Series or Class Designation. The Trustees may, from time to time, authorize the division of Shares into separate Series and the division of any Series into two or more separate Classes of Shares, as they deem necessary and desirable. The different Series or Classes shall be established and designated, and the variations in the relative rights and preferences as between the different Series or Classes, such as the purchase price, right of redemption and the price, terms and manner of redemption, special and relative rights as to distributions on liquidation, conversion rights, and conditions under which the several series or classes shall have separate voting rights and separate investment restrictions, shall be fixed and determined, by the Trustees, without the requirement of Participant approval.

Section 6.4. Allocation of Shares.

(a) The Trustees, in their discretion, may, from time to time, without vote of the Participants, allocate Shares, in addition to the then allocated Shares, to such party or parties, for such amount and such type of consideration (including, without limitation, income from the investment of Fund Property), at such time or times (including, without limitation, each business day in accordance with the maintenance of a constant net asset value per Share as permitted by Section 9.1 hereof), and on such terms as the Trustees may deem best. In connection with any allocation of Shares, the Trustees may allocate fractional Shares. The Trustees may from time to time adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the Fund. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as permitted by Section 9.1 hereof. Shares shall be allocated and redeemed as whole Shares and/or one hundredths (1/100ths) of a Share or multiples thereof.

(b) Shares may be allocated only to a Public Agency that has become a Participant of the Fund in accordance with Section 1.2 hereof and who is acting with respect to the funds of a Public Agency. Each Participant may divide its Shares administratively among more than one account within the Fund or Series or Class for such Participant's convenience in accordance with such procedures as the Trustees may establish.

(c) The minimum amount of funds which may be placed in the Fund by a Participant at any one time shall be as determined by the Trustees from time to time. Unless otherwise determined by the Trustees pursuant to this paragraph (c) of this Section 6.4, the minimum amount of funds which may be placed in the Fund by a Participant at any one time shall be One Dollar (\$1.00).

Section 6.5. Evidence of Share Allocation. Evidence of Share allocation shall be reflected in the Share Register maintained by or on behalf of the Fund pursuant to Section 7.1 hereof, and the Fund shall not be required to issue certificates as evidence of Share allocation.

Section 6.6. Redemption to Maintain Constant Net Asset Value. If so determined by the Trustees, the Shares of one or more Series of the Fund shall be subject to redemption pursuant to the procedure for reduction of outstanding Shares as permitted by Section 9.1 hereof in order to maintain the constant net asset value per Share.

Section 6.7. Redemptions. Payments by the Fund to Participants, and the reduction of Shares resulting therefrom, are referred to in this Declaration of Trust as "redemptions." Any and all allocated Shares may be redeemed at the option of the Participant whose beneficial interest hereunder is measured by such Shares, upon and subject to the terms and conditions provided in this Declaration of Trust. The Fund shall, upon application of any Participant, promptly redeem from such Participant allocated Shares for an amount per Share equivalent to the proportionate interest measured by each Share in the net assets of the Fund at the time of the redemption. The procedures for effecting redemption shall be as adopted by the Trustees and as set forth in the Information Statement of the Fund, as the same may be amended from time to time; provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the Fund by the redemption of Shares;

provided further however, that the Trustees shall have the power to provide for redemption procedures relating to any particular Series or Class which are consistent with the purpose and intent of this Declaration of Trust and consistent with the Information Statement . Such procedures may, among other things, establish periods during which funds relating to Shares of such Series or Class may either not be withdrawn from the Fund or be withdrawn upon payment of a redemption penalty.

Section 6.8. Suspension of Redemption; Postponement of Payment. Each Participant, by its adoption of this Declaration of Trust, agrees that the Trustees may, without the necessity of a formal meeting of the Trustees, temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for all Series or Classes or any one or more Series or Classes for the whole or any part of any period (i) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Illinois or any general suspension of trading or limitation of prices on the New York or American Stock Exchange (other than customary weekend and holiday closings) or (ii) during which any financial emergency situation exists as a result of which disposal by the Fund of Fund Property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Fund fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in clause (i) or (ii) above shall have expired (as to which, the determination of the Trustees shall be conclusive). In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

Section 6.9. Minimum Redemption. There shall be no minimum number of Shares which may be redeemed at any one time at the option of a Participant, unless authorized by a resolution of the Board of Trustees and specified in the Information Statement; provided, however, that no request by a Participant for the redemption of less than one whole Share need be honored.

Section 6.10. Defective Redemption Requests. In the event that a Participant shall submit a request for the redemption of a greater number of Shares than are then allocated to such Participant, such request shall not be honored and each Participant, by its adoption of this Declaration of Trust, agrees that the Trustees shall have full and complete power to redeem an amount of the Shares allocated to such Participant, at a redemption price determined in accordance with Section 6.7 hereof, sufficient to reimburse the Fund for any fees, expenses, costs or penalties actually incurred by the Fund as a result of such defective redemption request.

ARTICLE VII. RECORD OF SHARES

Section 7.1. Share Register. The Share Register shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain for each series (i) the names and addresses of the Participants, (ii) the number of Shares representing their respective beneficial interests hereunder and (iii) a record of all allocations and redemptions thereof. Such Share Register shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares is recorded on such Share Register shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interest hereunder represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to such officer or agent of the Fund as shall keep the Share Register for entry thereon.

Section 7.2. Registrar. The Trustees shall have full and complete power to employ a registrar. Unless otherwise determined by the Trustees, the Share Register shall be kept by the Administrator which shall serve as the registrar for the Fund. The registrar shall record the original allocations of Shares in the Share Register. Such registrar shall perform the duties usually performed by registrars of certificates and shares of stock in a corporation, except as such duties may be modified by the Trustees.

Section 7.3. Owner of Record. No Person becoming entitled to any Shares in consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise, by operation of Law, shall be recorded as the Participant to which such Shares are allocated and shall only be entitled to the redemption value of such Shares. Until the Person becoming entitled to such redemption value shall apply for the payment thereof and present any proof of such entitlement as the Trustees may in their sole discretion deem appropriate, the Participant of record to which such Shares are allocated shall be deemed to be the Participant to which such Shares are allocated for all purposes hereof, and neither the Trustees nor the registrar nor any officer or agent of the Fund shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

Section 7.4. No Transfers of Shares. The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to the Fund itself for purposes of redemption.

Section 7.5. Limitation of Fiduciary Responsibility. The Trustees shall not, nor shall the Participants or any officer, registrar or other agent of the Fund, be bound to see to the execution of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Shares or any interest therein are subject, or to ascertain or inquire whether any redemption of such Shares by any Participant or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any Person as having any interest therein except the Participant recorded as the Participant to which such Shares are allocated. The receipt of the Participant in whose name any Share is recorded or of the duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all liability to see to the proper application thereof.

Section 7.6. Notices. Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if mailed, postage prepaid, addressed to Participants of records at their last known post office addresses as recorded on the Share Register provided for in Section 7.1 hereof.

ARTICLE VIII. TRUSTEES AND OFFICERS

Section 8.1. Number and Qualification. The governing body of the Fund shall be the Board of Trustees, the membership of which shall be determined as hereinafter provided. The number of Trustees shall be fixed from time to time by resolution of a majority of the voting Trustees then in office; provided, however, that the number of voting Trustees shall in no event be less than two or more than fifteen. Any vacancy created by an increase in the number of Trustees may be filled by the appointment of an individual having the qualifications described in this Section 8.1 made by a resolution of a majority of the Trustees then in office. Any such appointment shall not become effective, however, until the individual named in the resolution of appointment shall have (i) accepted in writing such appointment, (ii) agreed in writing to be bound by the terms of this Declaration of Trust, and (iii) if he is affiliated with a Public Agency, presented evidence in writing of the granting of an authorization by the Public Agency for him to serve as a Trustee. No reduction in the number of Trustees shall have the effect of removing any Trustee from office prior to the expiration of his term. Whenever a vacancy in the number of Trustees shall occur, until such vacancy is filled as provided in Section 8.5 hereof, the Trustees or Trustee continuing in office, regardless of their number, shall have all the power granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Declaration of Trust. A Trustee shall be an individual who is not under legal disability and who is either (i) a member of the corporate authorities of a Participant, (ii) a Treasurer, or other financial officer of a Participant, or (iii) any other duly authorized individual affiliated with a Participant. There shall be no more than one Trustee affiliated with any one Public Agency; provided, however, that no Trustee shall be disqualified from serving out an unexpired term by reason of such prohibition. The Trustees, in their capacity as Trustees, shall not be required to devote their entire time to the business and affairs of the Fund.

Section 8.2. Organizational Trustees. By the initial execution of this Declaration of Trust, the Initial Participants appointed the following two individuals to serve as Trustees until the first annual meeting or vote of the Participants and until their successors had been elected and qualified.

<u>Name</u>	<u>Address</u>	<u>Affiliation</u>
William R. Farley	130 West Park Avenue Wheaton, IL 60187	Community Unit School District 200
Arnold C. Uhlig	10114 Gladstone Westchester, IL 60154	Proviso Township Schools

Section 8.3. Term and Election. Each Trustee named herein, or elected or appointed as provided in Section 8.1 or 8.3 hereof, shall (except in the event of resignations or removals or vacancies pursuant to Section 8.4 or 8.5 hereof) hold office until his successor has been elected at such meeting or pursuant to such vote and has qualified to serve as Trustee. The Trustees shall be divided into three classes, as equal in number as practicable, so arranged that the term of one class shall expire at the respective annual meetings or votes of Participants held following the conclusion of each fiscal year of the Fund. At all annual meetings or votes a class of Trustees shall be elected to serve for a term of three (3) years and until their successors shall be elected and qualify. Any addition made to the number of Trustees, except at a meeting or pursuant to a vote of the Participants, shall be made only for a term expiring at the next annual meeting or vote of the Participants or until a successor shall be elected and qualify. At the annual meeting or vote of the Participants next following any addition to the number of Trustees, or, in the case of any addition to the number of Trustees made at an annual meeting or pursuant to such vote of the Participants, at such meeting or pursuant to such vote, the terms of the additional Trustees shall be fixed so that, as nearly as shall be practicable, an equal number of terms shall expire at each annual meeting or vote of the Participants. Trustees may succeed themselves in office. Election of Trustees at an annual meeting or in an annual vote shall be by the affirmative vote of at least a majority of the Participants entitled to vote present in person or by proxy at such meeting or voting in such annual vote. The election of any Trustee (other than an individual who was serving as a Trustee immediately prior to such election) pursuant to this Section 9.3 shall not become effective unless and until such person shall have (i) in writing accepted his election, (ii) agreed in writing to be bound by the terms of this Declaration of Trust, and (iii) if he is affiliated with a Public Agency, presented evidence in writing of the granting of an authorization by the Public Agency for him to serve as a Trustee.

Section 8.4. Resignation and Removal. Any Trustee may resign (without need for prior or subsequent accounting) by an instrument in writing signed by him and delivered to the chairperson, the vice chairperson or the secretary and such resignation shall be effective upon such delivery, or at a later date according to the terms of the notice. Any of the Trustees may be removed (provided that the aggregate number of Trustees after such removal shall not be less than the minimum number required by Section 8.1 hereof) with cause, by the action of two-thirds of the remaining Trustees. Upon the resignation or removal of a Trustee, or his otherwise ceasing to be a Trustee, he shall execute and deliver such documents as the remaining Trustees shall require for the purpose of conveying to the Fund or the remaining Trustees shall require for the purpose of conveying to the Fund or the remaining Trustees any Fund Property held in the name of the resigning or removed Trustee. Upon the incapacity or death of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees shall require as provided in the preceding sentence.

Section 8.5. Vacancies.

(a) The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office, or removal of a Trustee. In addition, a Person shall no longer be a Trustee and a vacancy shall be deemed to have occurred if: (i) a Trustee who is affiliated with a Public Agency ceases to be affiliated with the Public Agency, or (ii) the Public Agency with which the Trustee is affiliated ceases to be a Participant. If a Trustee who is affiliated with a

Public Agency shall no longer be affiliated with the Public Agency, or the Public Agency with which the Trustee is affiliated shall no longer be a Participant, such Person shall, upon the expiration of a sixty (60) day period following the occurrence of such event, no longer be a Trustee and a vacancy will be deemed to have occurred, unless such person shall have become affiliated with another Public Agency which is a Participant, within such sixty (60) day period and shall have presented evidence in writing of the granting of an authorization by the Public Agency with which he is then affiliated for him to serve as a Trustee.

(b) No such vacancy shall operate to annul this Declaration of Trust or to revoke any existing agency created pursuant to the terms of this Declaration of Trust, and title to any Fund Property held in the name of such Trustee and the other Trustees, or otherwise, shall, in the event of the death, resignation, removal, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office of such Trustee, vest in the continuing or surviving Trustees without necessity of any further act or conveyance. In the case of an existing vacancy (other than by reason of an increase in the number of Trustees) at least a majority of the Participants entitled to vote, acting at any meeting or vote of the Participants called for the purpose, or a majority of the Trustees continuing in office acting by resolution, may fill such vacancy, and any Trustee so elected by the Trustees shall hold office for the remaining balance of the term for which vacancy said Trustee was elected to fill.

(c) Upon the effectiveness of any such appointment as provided in this Section 8.5, the Fund Property shall vest in such new Trustee jointly with the continuing or surviving Trustees without the necessity of any further act or conveyance; provided, however, that no such election or appointment as provided in this Section 8.5 shall become effective unless or until the new Trustee shall have (i) accepted in writing for his appointment, (ii) agreed to be bound by the terms of this Declaration of Trust, and (iii) if he is affiliated with a Public Agency, presented evidence in writing of the granting of an authorization by the Public Agency for him to serve as a Trustee.

Section 8.6. By-Laws. The Trustees may adopt and, from time to time, amend or repeal By-Laws for the conduct of the business of the Fund, and in such By-Laws, among other things, may define the duties of the respective officers, agents, employees and representatives of the Fund.

ARTICLE IX. DETERMINATION OF NET ASSET VALUE AND NET INCOME DISTRIBUTIONS TO PARTICIPANTS

Section 9.1. By-Laws to Govern Net Asset Value, Net Income and Distribution Procedures. The Trustees, in their absolute discretion, may prescribe and shall set forth in the By-Laws such basis and time for determining the per Share of Beneficial Interest net asset value of the Shares or net income, or the declaration and payment of distributions, as they may deem necessary or desirable. The methods of determining net asset value of Shares of each Series shall also be set forth in the Information Statement. The duty to make the calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other Person as the Trustees by resolution may designate. The Trustees may adopt different methods for the determination of the net asset value of different Series of Shares.

ARTICLE X. CUSTODIAN

Section 10.1. Duties. The Trustees shall employ a bank or trust company organized under the Laws of the United States of America or the State of Illinois having an office in the State of Illinois and having a capital and surplus aggregating at least twenty-five million dollars (\$25,000,000) as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in the By-Laws of the Fund to perform the duties set forth in the Custodian Agreement to be entered into between the Fund and the Custodian.

Section 10.2. Appointment. The Trustees shall have the power to select and appoint the Custodian for the Fund. The Custodian Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the Fund on no less than ninety (90) days' and no more than one hundred eighty (180) days' written notice to the Custodian.

Section 10.3. Sub-Custodians. The Trustees may also authorize the Custodian to employ one or more Sub-Custodians from time to time to perform such of the acts and services of the Custodian and upon such terms and conditions, as may be agreed upon between the Custodian and such Sub-Custodians and approved by the Trustees; provided, however, that, in every case, such Sub-Custodian shall be a bank or trust company organized under the Laws of the United States of America or one of the States thereof having capital and surplus aggregating at least twenty-five million dollars (\$25,000,000).

Section 10.4. Successors. In the event that, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement, the Trustees shall appoint a successor thereto.

Section 10.5. Additional Custodians. The Trustees may in their discretion employ one or more Custodians in addition to the Custodian referred to in Section 10.1. Such additional Custodians shall be banks or trust companies organized under the Laws of the United States of America or any state thereof and having capital and surplus aggregating at least twenty-five million dollars (\$25,000,000). Such additional Custodian shall perform such duties (including duties applicable only to designated Series or Classes) as may be set forth in an agreement between the Fund and the additional Custodian.

ARTICLE XI. RECORDING OF DECLARATION OF TRUST

Section 11.1. Recording. This Declaration of Trust and any amendment hereto shall be filed, recorded or lodged as a document of public record in such place or places and with such official or officials as may be required by Law or as the Trustees may deem appropriate. Each amendment so filed, recorded or lodged shall be accompanied by a certificate signed and acknowledged by a Trustee stating that such action was duly taken in the manner provided for herein; and unless such amendment or such certificate sets forth some earlier or later time for the effectiveness of such amendment, such amendment shall be effective upon its filing. An amended Declaration of Trust, containing or restating the original Declaration and all amendments theretofore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be

conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Declaration of Trust and the various amendments thereto. Notwithstanding the foregoing provisions of this Section 11.1, no filing or recordation pursuant to the terms of this Section 11.1 shall be a condition precedent to the effectiveness of this Declaration of Trust or any amendment hereto.

ARTICLE XII. AMENDMENT OR TERMINATION OF FUND; DURATION OF FUND

Section 12.1. Amendment or Termination.

(a) The provisions of this Declaration of Trust may be amended or altered (except as to the limitations on personal liability of the Participants and Trustees and the prohibition of assessments upon Participants), or the Fund may be terminated, at any meeting of the Participants or pursuant to any vote of the Participants called for that purpose, by the affirmative vote of a majority of the Participants entitled to vote, or, if permitted by applicable Law, by an instrument or instruments in writing, without a meeting, signed by a majority of the Trustees and a majority of the Participants; provided, however, that the Trustees may, from time to time, by a two-thirds vote of the Trustees, and after fifteen (15) days' prior written notice to the Participants, amend or alter the provisions of this Declaration of Trust, without the vote or assent of the Participants, to the extent deemed by the Trustees in good faith to be necessary to conform this Declaration to the requirements of applicable Laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Trustees shall not be liable for failing so to do, and the Trustees may, from time to time and without notice to nor the vote or assent of the Participants, make changes that do not adversely affect the rights of any Participant, to supply any omissions, or to cure, correct or supplement any ambiguous, defective or inconsistent provision hereof. In addition, a Series may be terminated by vote or written consent of not less than a majority of the Participants of that Series. Notwithstanding the foregoing, (i) no amendment may be made pursuant to this Section 12.1 which would change any rights with respect to any allocated Shares of the Fund by reducing the amount payable thereon upon liquidation of the Fund or which would diminish or eliminate any voting rights of the Participants, except with the vote or written consent of two-thirds of the Participants entitled to vote thereon; and (ii) no amendment may be made which would cause any of the investment restrictions contained in Section 4.2 hereof to be less restrictive without the affirmative vote of a majority of the Participants entitled to vote thereon.

(b) Upon the termination of the Fund pursuant to this Section 12.1:

(i) The Fund shall carry on no business except for the purpose of winding up its affairs;

(ii) The Trustees shall proceed to wind up the affairs of the Fund and all of the powers of the Trustees under this Declaration of Trust shall continue until the affairs of the Fund shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the Fund, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Fund Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and

do all other acts appropriate to liquidate its affairs; provided, however, that any sale, conveyance, assignment, exchange, transfer or other disposition of all or substantially all of the Fund Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Participants entitled to vote thereon; and

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Fund Property of any Series, in cash or in kind or partly in each, among the Participants of such Series and each Class of such Series according to their respective proportionate allocation of Shares, taking into account their respective net asset values and the proper allocation of expenses being borne solely by any Series or any Class of Shares of a Series.

(c) Upon termination of the Fund and distribution to the Participants as herein provided, a majority of the Trustees shall execute and lodge among the records of the Fund an instrument in writing setting forth the fact of such termination, and the Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title and interest of all Participants shall cease and be canceled and discharged.

(d) A certification in recordable form signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Participants or by the Trustees as aforesaid or a copy of the Declaration, as amended, in recordable form, and executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

Section 12.2. Power to Effect Reorganization. If permitted by applicable Law, the Trustees, by vote or written approval of a majority of the Trustees, may select, or direct the organization of, a corporation, association, trust or other Person with which the Fund may merge, or which shall take over the Fund Property and carry on the affairs of the Fund, and after receiving an affirmative vote of not less than a majority of the Participants entitled to vote at any meeting of the Participants, the notice for which includes a statement of such proposed action, the Trustees may effect such merger or may sell, convey and transfer the Fund Property to any such corporation, association, trust or other Person in exchange for cash or shares for securities thereof, or beneficial interest therein with the assumption by such transferee of the liabilities of the Fund; and thereupon the Trustees shall terminate the Fund and deliver such cash, shares, securities or beneficial interest ratably among the Participants of this Fund in redemption of their Shares.

Section 12.3. Duration. The Fund shall continue in existence in perpetuity, subject in all respects to the provisions of this Article XII.

ARTICLE XIII. MISCELLANEOUS

Section 13.1. Governing Law. This Declaration of Trust is adopted by the Participants and delivered in the State of Illinois and with reference to the Laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the Laws of said State of Illinois.

Section 13.2. Counterparts. This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

Section 13.3. Reliance by Third Parties. Any certificate executed by an individual who, according to the records of the Fund or of any official or public body or office in which this Declaration of Trust may be recorded, appears to be a Trustee hereunder or the Secretary or the Treasurer of the Fund, certifying to: (i) the number or identity of Trustees or Participants; (ii) the due authorization of the execution of any instrument or writing; (iii) the form of any vote passed at a meeting of Trustees or Participants; (iv) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Declaration of Trust; (v) the form of any By-Law adopted by or the identity of any officers elected by the Trustees; or (vi) the existence of any fact or facts which in any manner relate to the affairs of the Fund, shall be conclusive evidence as to the matters so certified in favor of any Person dealing with the Trustees or any of them or the Fund and the successors of such Person.

Section 13.4. Provisions in Conflict with Law. The provisions of this Declaration of Trust are severable, and if the Trustees shall determine, with the advice of counsel, that any one or more of such provisions (the "Conflicting Provisions") are in conflict with applicable federal or Illinois Laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Declaration of Trust; provided, however, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Declaration of Trust or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

Section 13.5. Gender; Section Headings.

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this Declaration of Trust, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Declaration of Trust nor affect its meaning, construction or effect.

Section 13.6. Adoption by Public Agencies Electing to Become Additional Participants; Resignation of Participants.

(a) Subject to Section 13.6(b) any Public Agency meeting the requirements of Section 1.2 hereof, may become an additional Participant of this Fund by (i) taking any appropriate official action to adopt this Declaration of Trust, (ii) furnishing the Trustees with evidence of appropriate official action authorizing its treasurer or other duly authorized official of the Public Agency to act on its behalf with respect to the funds of the Public Agency, (iii) furnishing the Trustees with a certificate of a duly authorized officer of the Public Agency setting forth the names and specimen signatures of the officials of such Public Agency

authorized at the time of delivery of such certificate to act on behalf of such Public Agency in connection with the Public Agency's participation in the Fund, and (iv) furnishing the Trustees with a counterpart signature to this document, which signature shall evidence such additional Participant's entry into this intergovernmental agreement with the other Participants hereto. A copy of this Declaration of Trust may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Trustees. Adoption of a written investment policy that permits investment in the Fund will be deemed by the Trustees to constitute an adoption of this Declaration of Trust. Delivering an acknowledged copy of an instrument adopting the Declaration of Trust or the written investment policy shall constitute satisfactory evidence of the adoption contemplated by this Section 13.6.

(b) A Public Agency's admission as a Participant shall be subject to the approval of the Trustees, or of a duly appointed designee of the Trustees, but such approval shall not be unreasonably withheld.

(c) Any Participant may resign and withdraw from the Fund by sending a written notice to such effect to the Administrator and by requesting the redemption of all Shares then held by it. Such resignation and withdrawal shall become effective upon the receipt thereof by the Administrator. No resignation and withdrawal by a Participant shall operate to annul this Declaration of Trust and terminate the existence of the Fund.

**ILLINOIS INSTITUTIONAL INVESTORS TRUST
INTERGOVERNMENTAL COOPERATION
COUNTERPART SIGNATURE PAGE**

Acting in accordance with Section 13.6(a) of the Declaration, the undersigned delivers this counterpart signature page evidencing the undersigned's entry into an intergovernmental agreement with the other Participants to the Declaration.

Executed this ___ day of _____, 20__.

Signature

Name: _____

Agency Name: _____

Title: _____

EXHIBIT B

INFORMATION STATEMENT



ILLINOIS INSTITUTIONAL INVESTORS TRUST
(“IIIT” or the “Fund”)

SUPPLEMENT DATED SEPTEMBER 30, 2011 TO THE INFORMATION STATEMENT
DATED MAY 1, 2007, AS PREVIOUSLY SUPPLEMENTED

The following information supplements and should be read in conjunction with the information provided in the Fund’s Information Statement dated May 1, 2007, as supplemented to date.

On September 27, 2011, the Board of Trustees of the Fund (the “IIIT Board”) approved an Agreement and Plan of Reorganization (the “Plan”) between the Fund and the Illinois Park District Liquid Asset Fund (“IPDLAF”), which Plan was approved by the Board of Trustees of IPDLAF on September 21, 2011. IPDLAF is a common law trust established to provide an investment opportunity for Treasurers or other official custodians of the funds of Illinois park districts, forest preserve districts, conservation districts and joint recreational programs. IPDLAF has substantially the same investment objectives and policies as the Fund, and PFM Asset Management LLC (“PFM”) also serves as the investment advisor and administrator of IPDLAF.

The IIIT Board has also approved a certificate of designation at its meeting on September 27, 2011 to create a second class of shares of the IIIT Portfolio, the IPDLAF+ Class. Pursuant to the Plan, the assets and liabilities of IPDLAF would be acquired by the Fund in exchange for shares of the IPDLAF+ Class of the IIIT Portfolio (the “Merger”). Shares of the IPDLAF+ Class of the IIIT Portfolio that participants of IPDLAF would receive in the Merger would have an aggregate value equal to the value of shares owned by participants in IPDLAF immediately prior to the Merger.

In conjunction with the Merger, the Board has also nominated five individuals that currently serve as trustees of IPDLAF to serve as Trustees on the Board of IIIT. The Board has called for a special meeting of participants of the Fund to be held on December 15, 2011 for the purpose of voting on a proposal to elect these five individuals conditioned upon and effective upon the closing of the Merger, as well as to re-elect the five current Trustees of the Board (the “Election”). Participants of the Fund of record as of October 17, 2011, will be entitled to vote at that meeting. A proxy statement relating to the meeting will be sent to participants soliciting their vote on the Election. If approved by participants, subject to the closing of the Merger, which is contingent upon certain conditions being satisfied, including that participants of IPDLAF owning at least 75% of its outstanding shares as of October 11, 2011 have adopted resolutions authorizing intergovernmental cooperation agreements to join the Fund, each individual so elected will be a member of the Fund’s Board of Trustees. It is expected that, assuming satisfaction of all conditions, the Merger will be effected on February 27, 2012.

In conjunction with the Merger, the Board has also approved amendments to the Administration Agreement between the Fund and PFM and to the Distribution Agreement between the Fund and PFM Fund Distributors, Inc., the Fund's Distributor and a wholly-owned subsidiary of PFM. These amendments are subject to and effective upon the closing of the Merger. Due to these amendments, effective upon the closing of the Merger the following subsections of the section entitled "**FEES AND EXPENSES**" should be amended to read as follows:

The Administrator. The Fund pays the Administrator a fee (the "Administration Fee") with respect to the IIIT Portfolio computed at annual rate of 0.09% of the average daily net assets of the IIIT Portfolio up to \$500 million, 0.08% of average daily net assets over \$500 million and up to \$750 million and 0.07% of average daily net assets over \$750 million.

The Distributor. The Fund pays the Distributor a fee ("Marketing Fee") with respect to the IIIT Portfolio computed at the annual rate of 0.10% of the average daily net assets of the IIIT Portfolio.

These changes will result in a higher Marketing Fee, however this increase will be offset by a lower Administration Fee and there should be no overall change in the gross expenses of the IIIT Portfolio as a result of these changes. There was no change to the fees charged to the IIIT Term Portfolio as a result of these amendments.

The Board has also approved, effective immediately prior to the closing of the Merger, changing the name of the Illinois Institutional Investors Trust to the "Illinois Trust", approved changing the name of the Fund's IIIT Portfolio to the "Illinois Portfolio" and changing the name of the Fund's IIIT Term Portfolio to the "Illinois Term Portfolio".

The date of this Supplement is September 30, 2011.

THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED MAY 1, 2007 AS SUPPLEMENTED SEPTEMBER 28, 2011, NOVEMBER 25, 2009, JUNE 2, 2009, OCTOBER 16, 2008 AND AUGUST 5, 2008. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND REPRESENTATIVE AT 1-800-731-6870.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



**ILLINOIS INSTITUTIONAL INVESTORS TRUST
("IIIT" or the "Fund")**

SUPPLEMENT DATED SEPTEMBER 28, 2011
TO THE INFORMATION STATEMENT DATED MAY 1, 2007

The following information supplements and should be read in conjunction with the information provided in the Fund's Information Statement dated May 1, 2007 as supplemented to date.

On September 27, 2011, the Trustees of the Fund voted to manage the Fund substantially in accordance with recently adopted amendments to Rule 2a-7 of the Investment Company Act of 1940, as amended.

Effective immediately, the first paragraph after subsection (6) in the section titled "THE FUND - Permitted Investments" is replaced in its entirety with the following:

"The Fund may not purchase any Permitted Investment if the effect of such purchase by the Fund would be to make the average dollar-weighted maturity of IIIT's investment portfolio greater than 60 days and the dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) greater than 120 days. Furthermore, the Fund will invest only in securities having remaining maturities of 397 days or less if further limited in a Certificate of Designation. All investments must be U.S. dollar denominated."

Effective immediately, the following non-fundamental investment restriction is added to the end of the section titled "THE FUND - Certain Risks of Investment in the Fund":

Illiquid Securities. The Fund does not intend to purchase any security if, as a result, more than 5% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

For purposes of the Fund's illiquid securities limitation discussed above, if through a change in values, net assets, or other circumstances, the Fund were to be in a position where more than 5% of its net assets were invested in illiquid securities, it would consider appropriate steps to protect liquidity."

Effective immediately, the first sentence of the section titled “THE SERIES OF THE FUND – IIIT Portfolio” is replaced in its entirety with the following:

“The assets of the IIIT Portfolio are invested in Permitted Investments in such a manner as to result in a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) of 120 days or less.”

The date of this Supplement is September 28, 2011.

THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED MAY 1, 2007 AS SUPPLEMENTED NOVEMBER 25, 2009, JUNE 2, 2009, OCTOBER 16, 2008 AND AUGUST 5, 2008. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND REPRESENTATIVE AT 1-800-731-6870.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



**ILLINOIS INSTITUTIONAL INVESTORS TRUST
("IIIT" or the "Fund")**

SUPPLEMENT DATED NOVEMBER 25, 2009
TO THE INFORMATION STATEMENT DATED MAY 1, 2007

The following information supplements and should be read in conjunction with the information provided in the Fund's Information Statement dated May 1, 2007 as supplemented to date.

Due to a change in Illinois law regarding Commercial Paper, the following subsections of the section entitled "**Permitted Investments**" should be amended to read as follows:

(3) *Other Bank Obligations, including Bankers' Acceptances.* The Fund may invest in interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits, bankers' acceptances or any other investments constituting direct obligations of any bank that are permitted by applicable law. These investments may also be: (i) federally insured; or (ii) collateralized by any of the classes of securities permitted by the Illinois Public Funds Investment Act. No more than 5% of the Fund's assets may be invested in bankers' acceptances of any one bank.

(4) short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least two nationally recognized statistical rating organizations and which mature not later than 270 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) at the time of purchase no more than one-third of the funds of a portfolio may be invested in short term obligations of corporations;

The date of this Supplement is November 25, 2009.

THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED MAY 1, 2007 AS SUPPLEMENTED JUNE 2, 2009, OCTOBER 16, 2008 AND AUGUST 5, 2008. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND REPRESENTATIVE AT 1-800-731-6870.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



ILLINOIS INSTITUTIONAL INVESTORS TRUST
(“IIIT” or the “Fund”)

SUPPLEMENT DATED JUNE 2, 2009
TO THE INFORMATION STATEMENT DATED MAY 1, 2007

The following information supplements and should be read in conjunction with the information provided in the Fund’s Information Statement dated May 1, 2007 as supplemented to date.

1. The following language should be added on page 9 at the end of the section entitled **FEES AND EXPENSES**: On May 22, 2009, PFMAM entered into a Fee Deferral Agreement (the “Agreement”) with the Fund. In accordance with the Agreement, PFMAM may, but shall not be obligated to, defer a portion of its fees to assist the Fund in an attempt to maintain a positive yield. PFMAM has in fact elected to initiate a fee deferral. Such fee deferral applies to the computation of the net asset value (“NAV”) of the Fund on the business day immediately following the date on which PFMAM gave notice to the Fund on the rate of the fee deferral to be applied in calculating the NAV. Pursuant to the terms of the Agreement, at any time by notice to the Fund, PFMAM, whether or not incident to the restoration of deferred fees, may in its discretion, terminate its fee deferral or revise, upward or downward, the rate of its fee deferral.

At any time after a fee deferral has been terminated, PFMAM may elect to have the amount of its accumulated deferred fees restored in whole or in part under the conditions described in the Agreement with the Fund by way of a payment of fees in excess of the rate it was entitled to, prior to any fee deferral, all as set forth in the Agreement.

2. The section entitled “Certain Risks of Investment in the Fund – FDIC Insured Certificates of Deposit” should be amended as follows:

FDIC Insured Certificates of Deposit. Some of the assets of the Fund may be invested in certificates of deposit subject to applicable FDIC insurance limits in effect at the time of purchase. ~~Currently under these regulations, the Fund's deposits in each insured institution are insured up to \$100,000 in the aggregate.~~

In the event that an institution issuing an insured certificate of deposit in which the Fund has invested becomes insolvent, or in the event of any other default with respect to such a certificate of deposit, an insurance claim will be filed with the FDIC by the Fund, if appropriate. In such a case, there may be delays before the FDIC, or other financial institution to which the FDIC has arranged for the deposit to be transferred, makes the relevant payments. Such delays may be occasioned by requirements relating to the filing and processing of insurance claims, including requests for additional information by the FDIC. Furthermore, if the defaulted deposit is transferred to another institution, the transferee institution may, instead of paying the insured amount, elect to keep the deposit in existence with or without changing its original terms. Such changes of terms may include a reduction of the original interest rate paid on the deposit.

The amount insured by the FDIC is the principal of the relevant deposit and the interest accrued on the deposit to the date of default, up to \$100,000 applicable FDIC insurance limits in effect at the time of purchase in the aggregate. There is no insurance with respect to interest on a deposit between the date of the default and the date of the payment of insurance by the FDIC. Accordingly, a default by an institution might result in a delay in the receipt of invested principal and pre-default accrued interest by an affected Participant and a loss of interest related to the period between the date of the default and the payment of the insurance.

In addition, the FDIC could deny any claim that it does not deem to be valid. Any such denial might have to be challenged in judicial or administrative proceedings brought by the Fund and any affected Participant.

3. The section entitled "ADDITIONAL PROGRAMS AND SERVICES – Fixed Income Investment Program" should be amended as follows:

Fixed Income Investment Program. The Fixed Income Investment Program allows Participants to individually invest in fixed income investments permitted under Illinois law. The Investment Adviser will offer investment advice on a non-discretionary basis and assist Participants in the purchase of these investments for an advisory fee, based upon factors such as the amount and complexity of the transaction.

Included in the instruments permitted under Illinois Law, Participants may purchase certificates of deposit ("CDs") through the Fixed Income Investment Program. Participants select from among CDs of varying maturities issued by a variety of financial institutions.

In order to simplify recordkeeping requirements for Participants in the Fixed Income Investment Program, all CD principal and interest is credited when received by the Custodian for the Fund to a Participant's Fund account at maturity. Because interest is credited in the manner

described above, a Participant who purchases a CD will not have use of the interest earned on the CD, including the opportunity for reinvestment of interest earned, until maturity.

Generally, CDs available through the Fixed Income Investment Program are issued by institutions whose deposits are either insured by the Federal Deposit Insurance Corporation (“FDIC”) or collateralized, or as otherwise prescribed by Illinois law. For each depositor that otherwise qualifies, interest and principal are fully insured, up to the ~~\$100,000~~ applicable FDIC insurance limit in effect at the time of purchase. In order to maintain FDIC insurance coverage of both principal and interest on CDs purchased through the Fixed Income Investment Program, CDs may only be purchased in denominations ~~of that are~~ less than \$100,000 the applicable FDIC insurance limit so that the total value of the CD and all interest thereon will not exceed ~~\$100,000~~ the insurance offered by the FDIC. For purposes of providing advice on CDs, the Investment Adviser will assume, unless the Participant informs the Investment Adviser to the contrary, that the Participant is entitled to ~~\$100,000~~ the applicable ~~of~~ FDIC insurance on all CDs purchased through the Program.

Additional information regarding FDIC coverage limits and requirements can be found on the FDIC website: www.myFDICinsurance.gov.

The date of this Supplement is June 2, 2009.

**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES
ADDITIONAL INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



**ILLINOIS INSTITUTIONAL INVESTORS TRUST
("IIIT" or the "Fund")**

**SUPPLEMENT DATED OCTOBER 16, 2008
TO THE INFORMATION STATEMENT DATED DECEMBER 1, 2006**

The following information supplements and should be read in conjunction with the information provided in the Fund's Information Statement dated December 1, 2006.

On October 3, 2008, the United States Congress approved legislation authorizing the temporary increase of deposit insurance provided by the Federal Deposit Insurance Corporation ("FDIC") from \$100,000 to \$250,000 per depositor through December 31, 2009.

The sections entitled "Certain Risks of Investment in the Fund – FDIC Insured Certificates of Deposit" and "ADDITIONAL PROGRAMS AND SERVICES – Fixed Income Investment Program" should be amended to reflect the temporary increase in deposit insurance coverage as described above. As such, Participants will be able to purchase FDIC insured certificates of deposit ("CDs") in denominations that are less than the applicable FDIC insurance limit.

Additional information regarding FDIC coverage limits and requirements can be found on the FDIC website: www.myFDICinsurance.gov.

The date of this Supplement is October 16, 2008.

**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES
ADDITIONAL INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



**ILLINOIS INSTITUTIONAL INVESTORS TRUST
("IIIT" or the "Fund")**

SUPPLEMENT DATED AUGUST 5, 2008
TO THE INFORMATION STATEMENT DATED DECEMBER 1, 2006

The following information supplements and should be read in conjunction with the information provided in the Fund's Information Statement dated December 1, 2006.

The following subsection of the section entitled "**Permitted Investments**" should be amended to read as follows:

3) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, provided however that such bank is federally insured. These investments may also be: (i) insured; or (ii) collateralized by any of the classes of securities permitted by Illinois law, including those listed in the Illinois Public Funds Investment Act (30 ILCS 235) Section (6)(d)(1) through (9).

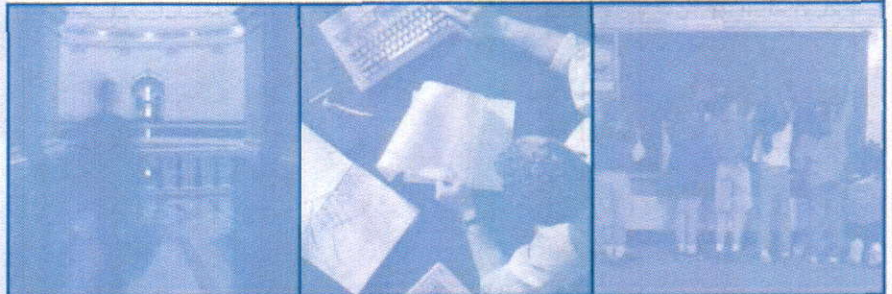
**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES
ADDITIONAL INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

Illinois Institutional Investors Trust

Information Statement

May 1, 2007



A comprehensive cash
management program
exclusively for
Illinois Public Agencies.

IIIT Portfolio
IIIT Term



This Information Statement provides detailed information about the investment objective, organization, structure and operations of the Illinois Institutional Investors Trust (the “Fund”) and its investment opportunities. Prospective investors should carefully read both the Information Statement and the Fund’s Declaration of Trust carefully before investing and retain these documents for future reference. The Information Statement contains summaries of certain key agreements. The summaries do not purport to be comprehensive or definitive and are subject to all provisions thereof.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any federal agency. Although the Fund seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money by investing in the Fund.

No person or entity has been authorized to give any information or make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund, its Trustees, the Investment Adviser, the Administrator, the Distributor or any agent of these entities.



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THE FUND

The Illinois Institutional Investors Trust (the "Fund") is a trust organized under the laws of the State of Illinois, including the 1970 Constitution of the State of Illinois, the Intergovernmental Cooperation Act and the Public Funds Investment Act. The Fund was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the laws of the State of Illinois.

The Fund consists of the IIIT Portfolio and various IIIT Term Series. The IIIT Portfolio seeks to provide investors ("Participants") with high current income consistent with the preservation of capital and the maintenance of liquidity. Each IIIT Term Series is a fixed rate, fixed-term investment that seeks to obtain a high rate of return. The Fund pursues these objectives by conducting a professionally managed investment program consistent with the policies and restrictions described below:

Permitted Investments

The Fund is specifically designed for public agencies. Accordingly, its series invest solely in instruments in which public agencies are permitted to invest ("Permitted Investments"). Such instruments are the following:

- (1) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
- (3) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, so long as such investments are insured or collateralized;
- (4) short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least two nationally recognized statistical rating organizations and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) at the time of purchase no more than one-third of the funds of a portfolio may be invested in short term obligations of corporations;
- (5) money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) or (2) of this subsection and to agreements to repurchase such obligations;

(6) repurchase agreements with respect to securities described under subsection (1) and (2) without regard to the maturity of the securities underlying the agreements. Repurchase agreement transactions must be collateralized as provided herein.

The IIIT Portfolio will maintain a dollar-weighted average maturity of 90 days or less. Furthermore, the Fund will invest only in securities having remaining maturities of 397 days or less if further limited in a Certificate of Designation. All investments must be U.S. dollar denominated.

The Fund also may invest in certain variable-rate and floating-rate securities but does not invest in any other derivatives. These securities may have demand features which give the Fund the right to demand repayment of principal on specified dates or after giving a specified notice. Adjustable rate securities and securities with demand features may be deemed to have maturities shorter than their stated maturity dates.

The IIIT Term Series, as further described herein, does not hold commercial paper, or short term obligations of corporations as described in (4) above.

Certain Risks of Investment in the Fund

There are risks associated with investment in the Fund which should be considered carefully by Participants and potential Participants in light of their particular circumstances as they may exist from time to time. The Fund may not be an appropriate investment in certain situations for some Participants and potential Participants. Although the Fund has been designed and is operated with the goal of minimizing risk, Participants and potential Participants should carefully consider the factors described in this section in light of their particular circumstances. The risks specified in this section may also be applicable to certain investments in the Individual Portfolios.

Income, Market and Credit Risk. Investments in the Fund are subject to income, market and credit risk. Income risk is the potential for a decline in current income of an investment portfolio of the Fund. The current income of the Fund is based on short-term interest rates, which can fluctuate substantially over short periods. Accordingly, investments in the Fund are subject to current income volatility. Market risk is the potential for a decline in the market value of fixed-income securities held in an investment portfolio of the Fund as a result of a rise in prevailing interest rates. This could result in the incurrence of a loss with respect to a security in the event that such a security were to be sold for a market price less than its amortized value. Credit risk is the possibility that an issuer of securities held in an investment portfolio of the Fund fails to make timely payments of principal or interest. The credit risk of a portfolio is a function of the credit quality of its underlying securities. A discussion of the credit risks associated with certain Permitted Investments is set forth below.

Repurchase Agreements. The Fund may invest in Permitted Investments which may include repurchase agreements. In a repurchase agreement, an investment is sold to the Fund at which time the seller agrees to repurchase the investment from the Fund at a specified time and at an agreed upon price. The yield on the repurchase agreement is determined at the time of sale. This

yield may be more or less than the interest rate on the underlying collateral. All collateral is delivered to and held by the Custodian or by another custodian appointed by the Trustees.

Although the Fund enters into such repurchase agreement arrangements only with recognized and established securities firms (the "Counterparty") selected by the Investment Adviser, there can be no assurance that such Counterparty will pay the agreed upon repurchase amount on the designated date. In the event that such Counterparty fails to pay the agreed upon price at the specified time, the Fund might suffer a loss resulting from (i) diminution of the value of the underlying Permitted Investment to an amount below the amount of the anticipated repurchase price, (ii) the costs associated with the resale of the investment, and (iii) a delay experienced in foreclosing upon and selling the investment.

Although at the time the Fund enters into a repurchase agreement the underlying collateral has a market value which is equal to 102% of the price paid by the Fund and equal to or greater than the anticipated repurchase price, there can be no assurance that such market value will continue to equal or exceed the repurchase price. In the event the market value of the underlying collateral falls below the agreed upon repurchase price, the Responsible Person with which the Fund has entered into the repurchase agreement will be required to deliver additional collateral to the Fund.

There can be no assurance that such deliveries of additional collateral will be made in all circumstances. In the event that such a delivery is not made and the Responsible Person does not pay the repurchase price on the specified date, the amount of the Fund's loss will be increased as a consequence of such failure of delivery.

Obligations of United States Government Agencies and Instrumentalities. Participants should be aware that not all obligations issued by agencies and instrumentalities of the United States Government are guaranteed by the full faith and credit of the United States Government. The obligations of some agencies and instrumentalities of the United States Government that may be purchased by the Fund from time to time are obligations only of the applicable agency or instrumentality and are not full faith and credit obligations of the United States. The creditworthiness of such obligations relates only to the credit of the issuing agency or instrumentality. No assurance can be given that the agency or instrumentality will under all circumstances be able to obtain funds from the United States Government or other sources to support all of its obligations.

Certificates of Deposit. Although the Investment Adviser uses the investment criteria established by the Trustees in order to reduce risk when determining which institutions will be used for such investments, no assurance can be given that such an institution will not become insolvent during the life of an investment in it. Certificates of deposit in amounts above Federal Deposit Insurance Corporation (the "FDIC") insurance limits are not insured, and in determining FDIC insurance limits Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source will be combined in determining the insurance limit.

FDIC Insured Certificates of Deposit. Some of the assets of the Fund may be invested in certificates of deposit subject to FDIC insurance. Currently under these regulations, the Fund's deposits in each insured institution are insured up to \$100,000 in the aggregate.

In the event that an institution issuing an insured certificate of deposit in which the Fund has invested becomes insolvent, or in the event of any other default with respect to such a certificate of deposit, an insurance claim will be filed with the FDIC by the Fund, if appropriate. In such a case, there may be delays before the FDIC, or other financial institution to which the FDIC has arranged for the deposit to be transferred, makes the relevant payments. Such delays may be occasioned by requirements relating to the filing and processing of insurance claims, including requests for additional information by the FDIC. Furthermore, if the defaulted deposit is transferred to another institution, the transferee institution may, instead of paying the insured amount, elect to keep the deposit in existence with or without changing its original terms. Such changes of terms may include a reduction of the original interest rate paid on the deposit.

The amount insured by the FDIC is the principal of the relevant deposit and the interest accrued on the deposit to the date of default, up to \$100,000 in the aggregate. There is no insurance with respect to interest on a deposit between the date of the default and the date of the payment of insurance by the FDIC. Accordingly, a default by an institution might result in a delay in the receipt of invested principal and pre-default accrued interest by an affected Participant and a loss of interest related to the period between the date of the default and the payment of the insurance.

In addition, the FDIC could deny any claim that it does not deem to be valid. Any such denial might have to be challenged in judicial or administrative proceedings brought by the Fund and any affected Participant.

Collateralized Certificates of Deposit. From time to time, the Fund may invest in collateralized certificates of deposit as permitted by Illinois Law. In the event of a default on such a certificate of deposit, it may be necessary to foreclose on the collateral. Such foreclosure will entail certain risks for the Participants participating in the Fund. These risks include losses resulting from a diminution in the value of the collateral before it can be sold, procedural delays relating to the foreclosure, costs of foreclosure and a failure to realize an amount in the foreclosure equal to the principal of and interest on the defaulted certificate of deposit.

Commercial Paper. The IIIT Portfolio may purchase commercial paper which qualifies as a Permitted Investment. Commercial paper is a debt instrument that is issued by a company and is secured only by the assets, if any, of that company. The creditworthiness of such an obligation relates only to the creditworthiness of the issuing company. No assurance can be given that a company will not become insolvent during the life of an investment in it. In the event of such insolvency or in the event of any other default with respect to such commercial paper, a claim will be filed by the Fund against the company, if appropriate. However, there is no assurance that the Fund will receive any recovery as a result of filing a claim.

HOW THE FUND IS MANAGED

Trustees and Officers

The Trustees have full, exclusive and absolute control and authority over the business and affairs of the Fund and the Fund's assets, subject to the rights of the Participants as provided in the Declaration of Trust. The Trustees may perform such acts as in their sole judgment and discretion are necessary and proper for conducting the business and affairs of the Fund or promoting the interests of the Fund. They oversee, review and supervise the activities of all consultants and professional advisers to the Fund.

Number. There are currently seven positions on the Board of Trustees. This number may be changed from time to time by resolution of the Trustees; however, the number of Trustees may never be less than two or more than fifteen.

Term. Each Trustee serves a term of three years and, as long as eligible, may be re-elected to any number of successive terms. In order to facilitate the smooth working of the Board of Trustees, the Trustees have terms which expire at different times, as equal in number as practicable, and arranged so that the term of office for one class will expire at each annual meeting of the Participants. At each annual meeting, the Participants elect Trustees to fill the class whose term then expires.

Eligibility. Pursuant to the Declaration of Trust, an individual eligible to be a Trustee must be an authorized representative of a public agency which is a Participant of the Fund. An authorized representative includes a treasurer or other financial officer or any other person authorized by the Participant public agency.

Elections and Vacancies. Election of the Trustees is by the affirmative vote of a majority of the Participants at an annual meeting of Participants, except when a Trustee is unable to complete the term to which such Trustee has been elected. If such vacancy occurs, the remaining Trustees will, by a majority vote, elect an eligible individual to serve for the balance of the term for which vacancy said Trustee was elected to fill.

Officers. The Trustees elect two members of the Board of Trustees to serve as Chairperson and Vice Chairperson of the Fund. They may also elect two individuals, who need not be Trustees, to serve as Treasurer of the Fund and Secretary of the Fund. These officers (the "Officers") are elected annually by a majority vote of the Trustees.

Compensation. The Trustees serve without compensation, but they are reimbursed by the Fund for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees.

Duties. The Trustees are responsible for the general policies and programs of the Fund. They are also responsible for the general supervision and administration of the business and affairs of the Fund. However, the Trustees are not required to devote their entire time to the affairs of the

Fund and are not required to personally conduct all of the business of the Fund. Accordingly, consistent with their ultimate responsibility, the Trustees have appointed an administrator, an investment adviser, a distributor and a custodian bank to which the Trustees have assigned such duties as they deem to be appropriate.

Investment Adviser

PFM Asset Management LLC, a Delaware limited liability company, located at 222 North LaSalle, Suite 910, Chicago, Illinois (“PFMAM” or the “Investment Adviser”), serves as the investment adviser to the Fund for the IIIT Portfolio and the IIIT Term Series. The Investment Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended and is under common ownership with Public Financial Management, Inc., which provides financial advisory and consulting services to state and local governments. PFMAM has been appointed by the Trustees to act as the Fund's investment adviser, to provide investment advice and, in general, to implement and carry out the investment program of the Fund.

In addition to its duties as Investment Adviser, the Trustees have asked PFMAM to provide a Fixed Income Investment Program to the Participants of the Fund.

Administrator

PFMAM also provides administrative services to the Fund (the “Administrator”) for the IIIT Portfolio and the IIIT Term Series. The Administrator services all investor accounts in the Fund; determines and allocates income of the Fund; provides administrative personnel and facilities to the Fund; determines the net asset value of the Fund; bears certain expenses for the Fund; and performs related administrative services for the Fund. On a monthly basis, the Administrator provides each Participant with a statement of its account(s). On a quarterly basis, the Administrator provides the Trustees with an evaluation of the performance of the Fund. This evaluation includes a comparative analysis of the Fund's investment results in relation to industry standards, such as the performance of money market mutual funds and various indices of money market securities.

Distributor

The Trustees have appointed PFM Fund Distributors, Inc., a Delaware Corporation and an affiliate of PFMAM, as the distributor to the Fund (the “Distributor”) for the IIIT Portfolio and the IIIT Term Series. The Distributor markets the Fund to public agencies; assists Participants in completing and submitting registration forms; assists in preparing and distributing information about the Fund; and advises the Trustees regarding methods of seeking and obtaining additional Participants for the Fund.

Custodian

U.S. Bank National Association, serves as custodian for the Fund (the “Custodian”) pursuant to a Custodian Agreement. The Custodian, or another custodian appointed by the Trustees, maintains custody of all securities and cash assets of the Fund and acts as safekeeping agent for the

investment portfolio of the Fund. It also serves as the custodian in connection with direct investments and redemptions that are part of the Fixed Income Investment Program.

The Trustees may in their discretion employ one or more custodians in addition to the Custodian referred to above. Any such additional custodians must be institutions and entities as specified in Illinois law. Such additional custodians shall perform such safekeeping duties as may be set forth in an agreement between the Fund and the additional custodian.

THE SERIES OF THE FUND

Overview. The Declaration of Trust provides for the creation of multiple specialized investment series and classes within the Fund and sets forth the manner in which such series may be created and managed. At present, the Fund consists of the IIIT Portfolio Series (“IIIT Portfolio”) and multiple IIIT Term Series (“IIIT Term”).

Each series is invested in a separate portfolio of Permitted Investments. The Trustees determine when and what types of series are made available to Participants. A Participant may participate in as few or as many series as it chooses.

IIIT Portfolio. The assets of the IIIT Portfolio are invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity for the series of no greater than ninety (90) days. In addition, the IIIT Portfolio seeks to maintain a constant net asset value per share of \$1.00. The IIIT Portfolio has a minimum balance requirement of \$1.00 and no minimum investment deposits or redemption requirements. A Participant may redeem shares of the IIIT Portfolio in any amount not in excess of its account balance in such series. Upon request, a Participant may have check writing privileges in its IIIT Portfolio account(s).

IIIT Term. IIIT Term provides a fixed rate, fixed-term investment with a minimum maturity of 60 days and a maximum maturity of one year. IIIT Term requires a minimum investment of \$100,000 and seeks to obtain a high rate of return. A projected dividend rate is determined when the shares are purchased and the dividend is declared and paid on the redemption date. IIIT Term seeks to return all invested principal at a Planned Early Redemption (as defined hereafter) or upon termination. Withdrawal from IIIT Term at any time other than on a Planned Early Redemption date may result in a substantial early redemption penalty. The penalty for a Premature Redemption (as defined hereafter) is further described below under “Valuation of Shares – IIIT Term – Premature Redemption.”

Each series of IIIT Term is a portfolio of Permitted Investments and has a series-specific termination date. IIIT Term does not hold commercial paper, or short term obligations of corporations as described above under “The Fund – Permitted Investments.” The Board of Trustees has approved the creation of multiple series of IIIT Term with staggered maturity dates.

The investment strategy of IIIT Term is to match the cash flows required to meet Participants’ planned redemptions, including the projected dividend, with the cash flows from the portfolio. Consistent with this strategy active trading of securities held by the portfolio will be practiced with the objective of enhancing the overall yield of the portfolio.

Funds of a Participant are invested in IIIT Term through same day wire or transfer from the Participant's account in the IIIT Portfolio. Upon redemption of an IIIT Term investment, funds are transferred to the Participant's IIIT Portfolio account or transferred by bank wire to a pre-authorized Participant bank account.

A Participant only receives dividends from the specific IIIT Term portfolio in which it has invested. At the termination date of any series of IIIT Term, any excess net income of the series will be distributed in the form of a supplemental dividend only to shares of the series that are outstanding on the termination date of the series, and the excess net income will be allocated on a pro rata basis to all shares then outstanding.

The investment portfolio of each IIIT Term series is accounted for independent of the investment portfolio of any other series of the Fund. In the event a IIIT Term portfolio were to realize a loss (whether of principal or interest), no contribution would be made to such series of IIIT Term from any other series to offset such loss. No series constitutes security or collateral for any other series.

FEES AND EXPENSES

The Fund pays fees to the Administrator, the Investment Adviser, the Distributor and the Custodian. The fees paid by the Fund are calculated as follows:

The Administrator. The Fund pays the Administrator a fee (the "Administration Fee") with respect to the IIIT Portfolio computed at annual rate of 0.12% of the average daily net assets of the IIIT Portfolio up to \$500 million, 0.11% of average daily net assets over \$500 million and up to \$750 million and 0.10% of average daily net assets over \$750 million. The Administrative Fee with respect to IIIT Term is described under "The Investment Adviser" below.

The Investment Adviser. The Fund pays the Investment Adviser a fee (the "Advisory Fee") with respect to the IIIT Portfolio computed at the annual rate of 0.06% of the average daily net assets of the IIIT Portfolio. In addition, the Fund pays the Investment Adviser a fee in an amount not greater than 0.25% (annualized) of the funds invested in IIIT Term by the Participants, and such fee is for the services of the Investment Adviser, the Administrator and the Distributor with respect to IIIT Term.

The Distributor. The Fund pays the Distributor a fee ("Marketing Fee") with respect to the IIIT Portfolio computed at the annual rate of 0.07% of the average daily net assets of the IIIT Portfolio. The Marketing Fee with respect to IIIT Term is described under "The Investment Adviser" above.

The Custodian. The Custodian is paid an annual administration charge of \$7,200. It is also paid a fee for its services as custodian of the Fund at an annual rate equal to 0.00333% of the Fund's average monthly market value. The Custodian fee is computed and paid monthly.

The Administrator, the Investment Adviser or the Distributor may at times waive certain fees which could affect the yield of the Fund; any such waiver may be discontinued at any time.

DAILY INCOME ALLOCATIONS

IIIT Portfolio. All net income of the IIIT Portfolio is determined as of the close of business on each Illinois banking day (and at such other times as set forth in the Fund's By-Laws). Net income is converted as of the close of business of each calendar month into additional shares of beneficial interest which are credited to and are held in each Participant's account. Such net income is converted into full and fractional shares of beneficial interest at the rate of one share for each one dollar (\$1.00) paid. Although income is not automatically transmitted in cash, Participants may obtain cash by withdrawing shares at their net asset value without charge.

For the purpose of calculating IIIT Portfolio dividends, net income shall consist of interest earned plus any discount ratably amortized to the maturity date plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and less all accrued expenses of the IIIT Portfolio, including the fees payable to the Investment Adviser, the Administrator, the Distributor and others who provide services to the IIIT Portfolio.

IIIT Term. Dividends on shares of IIIT Term are declared and paid on the termination date of each series, except for dividends on shares redeemed pursuant to a Planned Early Redemption or a Premature Redemption before the termination date of such series, which will be declared and paid when such shares are redeemed. Dividends will be paid from net income, which will consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses of the series.

Dividends on shares which are declared and paid on a Planned Early Redemption Date are equal to the projected yield for such shares to the Planned Early Redemption Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a Premature Redemption Date are equal to the projected yield for such shares to the Premature Redemption Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a termination date for a series are equal to the projected yield for such shares to the termination date, less any losses affecting projected yield attributable to such shares, plus an additional dividend, if any, equal to any excess net income of the series attributable to such shares. Any excess net income of a series on the termination date of the series, will be allocated on a pro rata basis to all shares then outstanding. Dividends are deposited into a Participant's IIIT Portfolio account unless a separate wire transfer has been pre-authorized.

Investment securities may be distributed to the Participants in any series in lieu of cash whenever the Trustees determine that such distributions would be in the best interest of the Participants in the series.

YIELD INFORMATION

IIIT Portfolio. Current yield information for the IIIT Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the Fund. The current yield, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally valued at \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

The Fund may also quote a current effective yield from time to time. The current effective yield represents the current yield compounded to assume reinvestment of dividends. The current effective yield is computed by determining the net change in account value over a seven-day base period (exclusive of capital changes and income other than investment income), over a seven day period in the value of a hypothetical account with a balance of one share at the beginning of the period, dividing the difference by the value of the account at the beginning of the period to obtain the base period return, then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. The current effective yield will normally be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

The Fund also may publish a “monthly distribution yield” on each Participant’s month-end account statement. The monthly distribution yield represents the net change in the value of one share (normally valued at \$1.00 per share) resulting from all dividends declared during a month by the IIIT Portfolio expressed as a percentage of the value of a hypothetical account with a balance of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

At the request of the Trustees or Participants, the Fund may also quote the current yield of the IIIT Portfolio from time to time on bases other than seven days for the information of its Participants.

IIIT Term. The yield quoted for any investment in a series of IIIT Term is determined by dividing the expected net income per share for the period from the settlement date to the termination date or Planned Early Redemption Date, as applicable, by the purchase price per share, dividing this result by the actual number of days between the settlement date and the termination date or Planned Early Redemption Date, as applicable, and multiplying the result by 365.

The yields quoted by the Fund or any of its representatives should not be considered a representation of the yield of the IIIT Portfolio or IIIT Term in the future, since the yield is not

fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by the portfolios, changes in interest rates, market conditions and other factors.

VALUATION OF SHARES

IIIT Portfolio. The net asset value per share of the IIIT Portfolio for the purpose of calculating the price at which shares are issued and redeemed is determined by the Administrator as of the close of business of each Illinois banking day or at such other time or times as set forth in the Fund's By-Laws or as the Trustees by resolution may determine. It is calculated by dividing the value of the IIIT Portfolio's total assets less its liabilities (including accrued expenses) by the number of shares outstanding.

In making these computations, the Administrator values the IIIT Portfolio's investments by using the amortized cost method. The amortized cost method of valuation involves valuing an investment instrument at its cost at the time of purchase and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the IIIT Portfolio would receive if it sold the instrument. During such periods, the yield to Participants may differ somewhat from that which would be obtained if the IIIT Portfolio used the market value method for valuing all its portfolio investments. For example, if the use of amortized cost resulted in a lower (higher) aggregate portfolio value on a particular day, a prospective Participant of the IIIT Portfolio would be able to obtain a somewhat higher (lower) yield than would result if the IIIT Portfolio used the market value method, and existing Participants would receive less (more) investment income. The purpose of this method of calculation is to attempt to maintain a constant net asset value per share of one dollar (\$1.00).

The Trustees have adopted certain procedures with respect to the IIIT Portfolio's use of the amortized cost method to value its investment portfolio. These procedures are designed and intended (taking into account market conditions and the Fund's investment objectives) to stabilize net asset value per share as computed for the purpose of investment and redemption at one dollar (\$1.00) per share. The procedures include a valuation of the IIIT Portfolio by the Administrator and the Custodian using the market value method and a periodic review by the Trustees, in such manner as they deem appropriate and at such intervals as are reasonable in light of current market conditions, of the relationship between net asset value per share based upon the amortized cost value of the IIIT Portfolio's investments and the net asset value per share based upon available indications of market value with respect to such portfolio investments. In the event that there is a difference of more than 0.5% between the amortized cost value and the market value, it is anticipated that the Trustees will take such steps as they consider appropriate (such as shortening the average portfolio maturity or realizing gains or losses) to minimize any material dilution or other unfair results which might arise from differences between the two methods of valuation.

It is a fundamental policy of the IIIT Portfolio to maintain a net asset value of \$1.00 per share for each class, but for the reasons here discussed there can be no assurance that the net asset value of the shares will not vary from \$1.00 per share. The market value basis net asset value per share

for the portfolio may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the IIIT Portfolio. The market value of such securities will tend to vary inversely to changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its amortized cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its amortized cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations; however, withdrawals by Participants could require the sale of portfolio securities prior to maturity. In the event that the difference between the amortized cost basis net asset value per share and market value basis net asset value per share exceeds 1/2 of 1 percent, the Investment Adviser and the Trustees will consider what, if any, corrective action should be taken to minimize any material dilution or other unfair results which might arise from differences between the two.

This action may include the reduction of the number of outstanding shares by having each Participant proportionately contribute shares to the portfolio's capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of portfolio securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of portfolio securities to a separate account, or redemptions of shares in kind in an effort to maintain the net asset value at \$1.00 per share. If the number of outstanding shares is reduced in order to maintain a constant net asset value of \$1.00 per share, Participants will contribute proportionately to the portfolio's capital the number of shares which represent the difference between the amortized cost valuation and market valuation of the portfolio. Each Participant will be deemed to have agreed to such contribution by its investment in the portfolio.

IIIT Term

Premature Redemption. The redemption value per share for shares redeemed on a Premature Redemption Date is equal to the original purchase price for such share, plus dividends thereon, less such share's allocation of any losses incurred by the series, less a Premature Redemption penalty if any. The Premature Redemption penalty will be calculated by the Trust's Advisor and will be equal to (i) all penalty charges, losses and other costs (including, without limitation, interest paid on funds borrowed to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the series in order to pay the Premature Redemption and (ii) an amount sufficient to maintain the projected yield on the remaining shares to the stated termination date for the series or to the Planned Early Redemption Date, as the case may be, less any losses affecting projected yield attributable to such shares. Thus, a Premature Redemption of shares may result in a penalty which could reduce the return and the principal value of the investment in amounts not ascertainable at the time shares of IIIT Term are issued. The redemption value per share could be lower than the purchase price of the share, and the return could be lower than the projected yield quoted at the time of issuance of the share.

Termination Date. The redemption value per share on the termination date of a series will be equal to the original purchase price for such share, plus dividends thereon, less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemption of shares of a series).

Planned Early Redemption Date. The redemption value per share for shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such shares plus dividends thereon, less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemption of shares of the Series.).

Each series of IIIT Term provides for a fixed-rate, fixed-term investment by Participants, but the market value of the underlying assets will, prior to their maturity, tend to fluctuate inversely with the direction of interest rates. It is the intent of the Fund to manage IIIT Term in a manner that produces a share price of at least \$1.00 on the termination date and on each Planned Early Redemption Date for the Participant that redeems on said date. However, there can be no guarantee that this objective will be achieved.

The Investment Adviser, on behalf of the Trust, determines the net asset value of the shares of IIIT Term at the close of each business day for purpose of computing fees. For this purpose, the net asset value per share for IIIT Term is calculated by dividing the total value of investments and other assets less any liabilities by the total outstanding shares of a series of IIIT Term as of the day the calculation is made.

TAX ISSUES

The Fund is not subject to Federal or Illinois income tax on income it realizes, nor are distributions of such income to any investor taxable if the investor is a political subdivision of the State of Illinois for Federal tax purposes.

HOW TO BUY AND REDEEM SHARES OF THE FUND

How to Open an Account

In general, to open an account, a public agency must join the Fund and become a Participant by adopting the Intergovernmental Cooperation Agreement, completing an account registration form and submitting the form to:

Illinois Institutional Investors Trust
c/o PFM Asset Management LLC
P.O. Box 11760
Harrisburg, PA 17108-11760

For assistance in joining the Fund or opening an account, please call the Administrator at (800) 731-6870.

Upon approval of the new account application, an account number will be provided within twenty-four hours.

Once a public agency is a Participant in the Fund investments may be made by Internet, by telephone or by mail.

Shares of the Fund may be purchased on any Business Day through the Distributor. A Business Day is any day that the Custodian and the Federal Reserve Bank of New York is open.

The Fund reserves the right to reject any investment and to limit the size of a Participant's account.

How to Buy Shares: IIIT Portfolio

All purchases of shares of the IIIT Portfolio are effected at the net asset value per share next determined after a properly executed order is received by the Distributor provided that the Participant notifies the Administrator prior to 1:00 p.m. Central time by calling (800) 731-6870, or via EON, the Fund's internet based information service, on that Business Day and federal funds are received on a timely basis. Orders received after the close of business will be executed on the following Business Day.

Shares will earn dividends beginning on the day of purchase. For this reason, the Fund must have federal funds available to it in the amount of your investment before shares are purchased. A purchase order is accepted, following notification to the Administrator: (1) immediately upon receipt of a federal funds wire, or (2) when federal funds in the amount of the purchase are credited to the Fund's account with its custodian (generally, one business day after your check is received).

To permit the Investment Adviser to manage the IIIT Portfolio most effectively, you should place purchase orders as early in the day as possible by calling (800) 731-6870.

Purchase By Federal Funds Wire. Shares may be purchased by wiring federal funds to the Fund's Custodian. The Fund does not impose any charges to accept a wire. However, charges may be imposed by the bank that transmits the wire. Wire instructions will be provided in the participant materials provided by the Administrator or can be obtained by calling the (800) 731-6870.

Purchase By Check. Shares may also be purchased by check, provided that the Fund has received an order to buy shares by telephone or through EON. Shares will be issued when the check is credited to an account in the form of federal funds. Normally this occurs on the Business Day following receipt of a check by the Custodian. Checks to purchase share should be endorsed as follows:

For deposit only

IIIT

Further credit: (Entity name & Account number)

If you have deposit tickets reflecting your entity name and all or part of your Fund account number, or generic Fund deposit tickets sent to you by the Fund, you may either bring your deposit to a US Bank branch or mail your deposit to:

U.S. Bank N.A.
Bank by Mail
PO Box 1950
St. Paul, MN 55101-0950

You should notify the Fund by calling the Administrator at (800) 731-6870 to report your check purchase, especially if you are using a generic deposit slip, for proper credit. Checks deposited by the Fund will take one or more Business Days to be converted into federal funds.

Shareholder Accounts. The Fund does not issue share certificates. Instead, an account is maintained for each shareholder by the Fund's transfer agent. Your account will reflect the full and fractional shares of the Fund that you own. You will be sent confirmations of each transaction in shares and monthly statements showing account balances.

Sub-Account Services. You may open sub-accounts with the Fund for accounting convenience or to meet requirements regarding the segregation of funds. Sub-accounts can be established at any time. Please call (800) 731-6870 for further information and to request the necessary forms.

How to Buy Shares: IIIT Term

Shares in IIIT Term may be purchased by Same Day Wire or by requesting a transfer from an IIIT Portfolio account.

Step 1. Execution.

Call the Fund (**1-800-731-6870**) and ask for an IIIT Term account representative. Indicate whether Redemption will be on a date prior to the termination date of the series (a "Planned Early Redemption"). The account representative will provide the following information:

- a) the projected yield,
- b) the termination date or the Planned Early Redemption date, and
- c) the settlement date.

To place an order, inform the IIIT Term account representative that the terms are acceptable and provide the account representative with the following information:

Name of Participant's Account
Participant's Account Number
Method of Settlement (Wire or Transfer from a Cash Management Portfolio account)

Name of bank sending wire
Amount being wired

Each investment by a Participant in IIIT Term will be given its own projected yield based on the timing of its participation in the series, and it is expected that the projected yields will not be the same for all Participant investments in a series.

IIIT Term requires a minimum investment of \$100,000 and a minimum term of 60 days.

Step 2. Settlement.

On settlement date, funds in the amount to be invested may be sent to the Cash Management Service Provider via Same Day Wire or payment from the Participant's IIIT Portfolio account.

It is the responsibility of the Participant to insure that immediately available funds are received by the Fund on settlement date.

Same Day Wire. Investments in IIIT Term may be made by having the Participant arrange for its bank to wire funds to the Custodian. A Federal Reserve wire is preferred since it permits the investment of funds immediately upon receipt.

Participants making investments by wire must:

Instruct their bank to wire funds (Federal Reserve wire, if possible) to:

IIIT Term
U.S. Bank N.A.
ABA #
Credit IIIT
Account #

Further credit: Entity name and Fund Account # (optional)

Important: Participants must call the Fund before 11:00 a.m. Central Time on a Business Day, and a wire convertible to Federal Funds on a same-day basis must be received that day by the Fund if the investment is to begin earning income that day.

The Fund does not charge a fee for receipt of these wires. However, a Participant's bank may charge for wiring funds. If the Fund does not receive a wire on the date it was to be transmitted, the Fund will pass any overdraft fee that is imposed by the Custodian onto the purchaser.

Internal Transfer of Funds. The Participant may move funds from one IIIT Portfolio account to an IIIT Term account. Requests for transfer which are received by telephone prior to 11:00 a.m. Central Time provide same day credit of funds. Transfers requested after 11:00 a.m. Central Time will be credited the next Business Day.

How to Redeem Shares: IIIT Portfolio

Requests for redemptions from the IIIT Portfolio may be made by Internet, by telephone, by mail or by writing a check on your account, all as described herein.

You may redeem all or a portion of your shares of the IIIT Portfolio on any Business Day without any charge by the Fund. Shares are redeemed at their net asset value per share next computed after the receipt of a redemption request in proper form. Requests to redeem shares may be made as described below.

General Information. Redemption requests received prior to 1:00 p.m., Central time on a Business Day, will be effected at the net asset value computed at that day. Redemption requests received after 1:00 p.m., Central time, will be computed based on the net asset value on the next Business Day. See "Net Asset Value." Shares will not receive dividends declared on the day of redemption. If shares have recently been purchased by check (including certified or cashiers check), the payment of redemption proceeds will be delayed until the purchase check has cleared, which may take up to 15 days. For this reason, you should purchase shares by federal funds wire if you anticipate the need for immediate access to your investment. Shares may not be redeemed until an original signed account application is on file.

Telephone Redemption Procedures. You may redeem shares by calling (800) 731-6870. You will be asked to provide the account name and number, and the amount of the redemption. Proceeds of the redemption will be paid by federal funds wire to one or more bank accounts previously designated by you. Normally, redemption proceeds will be wired on the day a redemption request is received if the request is received prior to 1:00 p.m., Central time.

A telephone redemption request may be made only if the telephone redemption procedure has been selected on the account application or if written instructions authorizing telephone redemption are on file.

Reasonable procedures are used to confirm that telephone redemption requests are genuine, such as recording telephone calls, providing written confirmation of transactions, or requiring a form of personal identification or other information prior to effecting a telephone redemption. If these procedures are used, the Fund and its agents will not be liable to you for any loss due to fraudulent or unauthorized telephone instructions.

Written Redemption Requests. You may redeem shares by sending a written redemption request. The request must include the complete account name, number and address and the amount of the redemption and must be signed by an authorized signer of the account pursuant to the account application. Proceeds of a redemption will be paid by sending you a check, unless you request payment by federal funds wire to a pre-designated bank account (minimum wire amount \$500.00).

Written redemption requests should be sent to:

Illinois Institutional Investors Trust
c/o PFM Asset Management LLC
P.O. Box 11760
Harrisburg, PA 17108-11760

Check Redemption Privilege. You may make arrangements to utilize the cash management and checkwriting services provided by the Custodian which allow Participants to redeem shares by check. Checks may be written in any dollar amount not exceeding the balance of your account and may be made payable to any person. Checks will be honored only if they are properly signed by a person authorized on the certificate of authority. Redemption checks will not be honored if there is an insufficient share balance to pay the check or if the check requires the redemption of shares recently purchased by a check which has not cleared. There is a charge for stop-payments or if a redemption check cannot be honored due to insufficient funds or other valid reasons. Checkwriting privileges may be modified or terminated at any time. Additional information regarding Cash Management Services, including a description of services and fees, can be provided upon request by the Administrator.

Redemption Requests Via EON. Shares may be redeemed via EON, the Fund's Internet-based information service. This method of redemption is available to Participants who complete and submit an "EON Internet Service Authorization Form" to the Administrator at:

Illinois Institutional Investors Trust
c/o PFM Asset Management LLC
P.O. Box 11760
Harrisburg, PA 17108-11760

These forms can be obtained by logging onto the Fund's website at www.IIIT.us or by calling the Administrator (800) 731-6870.

For additional information on redeeming shares, please call the Administrator at (800) 731-6870.

Suspension of Redemptions. The Fund's Declaration of Trust permits the Trustees to temporarily suspend the right of redemption or postpone the date of payment for redeemed shares for a period of time in the event of a state of war, national emergency, banking moratorium or suspension of payments by Illinois banks or in any general suspension of trading or limitation of prices on either the New York Stock Exchange or American Stock Exchange, other than customary holiday or weekend closings. In addition, the suspension of redemptions may occur if in the opinion of the Trustees, an emergency or other situation exists such that disposal of the Fund's property or the determination of net asset value is not practicable.

How to Redeem Shares: IIIT Term

Termination: Each series will terminate on the last business day of March or September.

On the termination date, the Fund will wire funds representing the redemption value of the Participant's shares, including dividends, to the Participant's pre-authorized bank account or transfer the funds to a pre-authorized IIIT Portfolio account. The Participant may also designate

a second pre-authorized bank account. In the absence of instructions from the Participant, these funds will be transferred to a previously designated IIIT Portfolio account of the Participant.

Planned Early Redemption. At the time an order for shares is placed, Participants may submit a request for redemption on a Planned Early Redemption Date prior to the termination date for the series without the imposition of a penalty.

Premature Redemption. A Participant may withdraw funds pursuant to a Premature Redemption request prior to the termination date for the series or prior to the Participant's Planned Early Redemption Date, as the case may be, by redeeming a minimum of 100,000 shares and multiples thereof. Notice of Premature Redemption must be given seven (7) days prior to redeeming shares in IIIT Term. The Premature Redemption penalty is described under "Valuation of Shares – IIIT Term – Premature Redemption," above. Participants can place a redemption order by calling an IIIT Term account representative at **1-800-731-6870**.

On the date of a Planned Early Redemption or a Premature Redemption, the Fund will wire funds representing the value of the Participant's shares and dividends to the Participant's pre-authorized bank account, or funds will be credited to the Participant's IIIT Portfolio account. In the absence of instructions from the Participant, these funds will be credited to a previously designated IIIT Portfolio account of the Participant.

Allocation of Losses. Any losses incurred by a series (other than losses resulting from Premature Redemption of shares of the series) shall be allocated among all shares of the series outstanding at the time such loss is incurred. Such a loss may result from a default on an investment or from a sale of an investment. If such a loss occurs, the redemption value per share could be lower than that on which the projected yield was quoted at the time of issuance of the share.

Redemption Notice: By Telephone or by Mail. Participants may call the Administrator on any Business Day at **1-800-731-6870** to redeem their shares, or may send a redemption notice by mail to the Fund's address. The date for determining the seven (7) day minimum notification for a Premature Redemption shall be the date on which the notice is received by the Administrator.

REPORTS TO INVESTORS

Every year investors will receive an annual report that contains important financial information about the Fund. Investors also receive a confirmation of subscriptions and redemptions as well as a monthly statement detailing the entire month's activity.

Account information can be obtained via EON, the Investment Adviser's Internet-based information service. To acquire an EON login, simply complete an "EON Internet Service Authorization Form" and submit it to:

Illinois Institutional Investors Trust
c/o PFM Asset Management LLC
P.O. Box 11760

Harrisburg, PA 17108-11760

These forms can be obtained by logging onto the Fund's website at www.IIT.us or by calling the Administrator (800) 731-6870.

ADDITIONAL INFORMATION ABOUT THE FUND

Organization

The Fund is an Illinois common law trust that was organized on October 18, 2002. It is authorized to issue an unlimited number of shares of beneficial interest. The Board of Trustees has the power to establish additional series of shares and, subject to applicable laws and regulations, may issue two or more classes of shares of any Series. Shares are fully paid and non-assessable, and have no preemptive or conversion rights.

Investors in the Fund are entitled to vote on the election of Trustees, amendments to the Fund's Declaration of Trust, appointment of the Investment Adviser, Administrator and Distributor and reorganization of the Fund. Investors also are entitled to vote on other matters as required by the Fund's Declaration of Trust. Participants who own one or more Shares of the Fund shall be entitled to one vote per whole share of the Fund, and a proportionate fractional vote for each fractional share of the Fund.

ADDITIONAL PROGRAMS AND SERVICES

Overview. From time to time the Investment Adviser may, at the request or with the approval of the Board of Trustees, make other services or programs available to Participants of the Fund. Participants are advised that these additional services and programs are separate from the investment programs encompassed by the Fund, and the Board of Trustees of the Fund takes no responsibility for such services or programs. The parties offering such programs are solely responsible for them, and questions regarding any such service or program should be directed to the party offering it. The interests held under any Additional Program are in the name of the respective Participants and are not part of the assets of any series of the Fund.

One current program is individual portfolios ("Individual Portfolios") which are designed to offer Participants a comprehensive solution to their investment needs and enable them to invest in fixed rate and longer-term investments in a manner that is coordinated by the Investment Adviser with their investment in the Fund. Individual Portfolios may be appropriate for certain operating funds and reserves or for bond proceeds. They are created pursuant to a separate agreement between a Participant and the Investment Adviser. The Custodian will hold assets in an Individual Portfolio in a separate account in the Participant's name.

Current Individual Portfolio arrangements are:

Fixed Income Investment Program. The Fixed Income Investment Program allows Participants to individually invest in fixed income investments permitted under Illinois law. The Investment Adviser will offer investment advice on a non-discretionary basis and assist Participants in the purchase of these investments for an advisory fee, based upon factors such as the amount and complexity of the transaction.

Included in the instruments permitted under Illinois Law, Participants may purchase certificates of deposit ("CDs") through the Fixed Income Investment Program. Participants select from among CDs of varying maturities issued by a variety of financial institutions.

In order to simplify recordkeeping requirements for Participants in the Fixed Income Investment Program, all CD principal and interest is credited when received by the Custodian for the Fund to a Participant's Fund account at maturity. Because interest is credited in the manner described above, a Participant who purchases a CD will not have use of the interest earned on the CD, including the opportunity for reinvestment of interest earned, until maturity.

Generally, CDs available through the Fixed Income Investment Program are issued by institutions whose deposits are either insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized, or as otherwise prescribed by Illinois law. For each depositor that otherwise qualifies, interest and principal are fully insured, up to the \$100,000 insurance limit. In order to maintain FDIC insurance coverage of both principal and interest on CDs purchased through the Fixed Income Investment Program, CDs may only be purchased in denominations of less than \$100,000 so that the total value of the CD and all interest thereon will not exceed \$100,000. For purposes of providing advice on CDs, the Investment Adviser will assume, unless the Participant informs the Investment Adviser to the contrary, that the Participant is entitled to \$100,000 of FDIC insurance on all CDs purchased through the Program.

Separate Account Management (SAM). In the SAM program, the Investment Adviser works closely with each Participant to create a comprehensive investment strategy and individualized portfolio for the Participant. Each SAM account is created by the Investment Adviser following a review of budget and cash flow projections and schedules. SAM accounts can be managed on either a discretionary or non-discretionary basis. Clients participating in the SAM program receive a cash flow review, investment policy review and assistance in determining acceptable benchmarks, in addition to other cash management services (during the term of the investment advisory agreement). SAM is designed to apply to all or a substantial portion of a Participant's cash flow on an annual basis.

Bond Account Management (BAM). In the BAM program, the Investment Adviser works closely with the Participant to create a comprehensive investment strategy and portfolio for the client while focusing on the project's disbursement needs. In addition, the Investment Adviser offers arbitrage rebate services, investment policy review and development, cash flow modeling, and cash management services.

Additional Program Compensation.

The fees for the Additional Programs are negotiated directly by the Investment Adviser with the Fund Participant and determined after a review of various factors. The Investment Adviser has agreed with the Fund that investment advisory fees for the SAM program shall not exceed 12

basis points (0.12%) of the daily net assets under management of each SAM portfolio, subject to a minimum investment advisory fee of \$15,000 for all SAM accounts. The Investment Adviser has agreed with the Fund that investment advisory fees for the BAM program shall not exceed 25 basis points (0.25%) of the daily net assets under management of each BAM portfolio.

Cash Management Services.

The Custodian offers Participants various cash management services including checkwriting services. Additional information regarding Cash Management Services, including a description of services and fees, can be provided upon request by the Administrator.



INVESTMENT ADVISER AND ADMINISTRATOR

PFM Asset Management LLC
222 North LaSalle, Suite 910
Chicago, Illinois 60601

DISTRIBUTOR

PFM Fund Distributors, Inc.
222 North LaSalle, Suite 910
Chicago, Illinois 60601

CUSTODIAN

U.S. Bank National Association
800 Nicollet Mall
Minneapolis, Minnesota 55402

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, New York 10017

LEGAL COUNSEL

Schiff Hardin LLP
6600 Sears Tower
Chicago, Illinois 60606

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF RESOLUTION NO. R-47-11

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois (the "Commission"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Commission and of the Board of Commissioners (the "Board of Commissioners") thereof.

I hereby further certify that the foregoing is a full, true and complete copy of Resolution No. R-47-11: A Resolution Approving the Declaration of Trust of the Illinois Institutional Investors Trust, Authorizing the Execution Thereof, and Implementing Related Changes that was adopted at the meeting held on December 15, 2011.

I do further certify that the deliberations of the Board of Commissioners (the "Governing Board") on the adoption of said Resolution were conducted openly, that the vote on the adoption of said Resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, and that the Governing Board has complied with said Act and with all of the procedural rules of the Governing Board concerning the adoption of the Resolution.

I do further certify that such Resolution is in full force and effect as of the date hereof, and that such Resolution has not been modified, amended, or rescinded since its adoption.


IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Commission this ___th day of December 2011.

Commission Clerk

[SEAL]

DATE: December 8, 2011

REQUEST FOR BOARD ACTION

AGENDA SECTION	Finance Committee	ORIGINATING DEPARTMENT	General Manager's Office
ITEM	A Resolution Implementing Changes Related to the Engagement of PFM Asset Management LLC as an Investment Advisor Resolution No. R-48-11	APPROVAL	
Account No.: NA			
<p>At the meeting on November 17, 2011, the Board approved the engagement of PFM Asset Management LLC as an Investment Advisor in accordance with its proposal dated October 12, 2011, and in an amount not to exceed \$75,000.00 without prior Board approval. To accommodate PFM's investment advisory services, the Commission needs to (1) expand its designation of authorized broker/dealers and name PFM as a "Designated Person" under the Commission's Authorized Broker/Dealers Resolution No. R-22-08, (2) repeal the Local Investment Program, (3) change its Custodian Bank designations in connection with PFM's investment activities, and (4) authorize the disbursement of up to \$75,000 in compensation for PFM's investment advisory services in accordance with the Investment Advisory Agreement between the Commission and PFM and without further action of the Board.</p> <p>Resolution No. R-48-11 would implement these needed changes, which are in addition to the changes to the Commission's investment policy and to the Authorized Depository and Custodian bank designations required in connection with the Illinois Institutional Investors Trust implementation platform recommended by PFM and addressed in Resolution No. R-47-11.</p>			
MOTION: To adopt Resolution No. R-48-11.			

DUPAGE WATER COMMISSION

RESOLUTION NO. R-48-11

**A RESOLUTION IMPLEMENTING CHANGES RELATED TO
THE ENGAGEMENT OF PFM ASSET MANAGEMENT LLC
AS AN INVESTMENT ADVISOR**

WHEREAS, pursuant to motion adopted November 17, 2011, the Commission approved the engagement of PFM Asset Management LLC ("PFM") as an Investment Advisor in accordance with its proposal dated October 12, 2011, and in an amount not to exceed \$75,000.00 without prior Board approval; and

WHEREAS, to accommodate PFM's investment advisory services, the Commission needs to make changes to certain financial policies of the Commission;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are incorporated herein and made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: In addition to RBC Dain Rauscher, William Blair & Co., U. S. Bank National Association ("USB"), and The Bank of New York Trust Company, N. A. named in Resolution No. R-22-08 as authorized broker/dealers of securities, any broker/dealer which PFM reasonably believes to be reputable, qualified, and financially sound are approved to execute transactions involving Commission funds managed by PFM in accordance with and subject to the terms, conditions, and restrictions of Resolution No. R-22-08 as if those broker/dealers were specifically named in Resolution No. R-22-08. Pursuant to Section Two of

Resolution No. R-48-11

Resolution No. R-22-08, PFM shall be, and it hereby is, named as a "Designated Person" under Resolution No. R-22-08.

SECTION THREE: The Local Investment Program adopted by motion of the Board of Commissioners of the DuPage Water Commission on October 14, 1993, as amended by Resolution Nos. R-14-00, R-31-00, R-27-01, and R-48-04, shall be and it hereby is repealed in its entirety.

SECTION FOUR: Notwithstanding any other designation contained in Resolution No. R-7-97, as amended by Resolution Nos. R-1-99, R-42-00, and R-50-10, or in the Depository List maintained pursuant to Resolution No. R-27-90, USB shall be, and it hereby is, designated as an authorized custodian of Commission investments and collateral pledged to the Commission and as an authorized financial institution depository of Commission funds in connection with PFM's investment activities.

SECTION FIVE: All resolutions or motions in conflict herewith are hereby superseded to the extent of such conflict.

SECTION SIX: The disbursement of up to \$75,000.00 in compensation to PFM for its investment advisory services in accordance with the Investment Advisory Agreement by and between the Commission and PFM shall be, and it hereby is, approved without further act.

SECTION SEVEN: This Resolution shall take effect from and after its passage and approval as provided by law.

AYES:

NAYS:

ABSENT:

ADOPTED THIS ____ DAY OF _____, 2011.


Chairman

ATTEST:

Clerk

DATE: December 8, 2011

REQUEST FOR BOARD ACTION

AGENDA SECTION	Administration Committee	ORIGINATING DEPARTMENT	General Manager's Office
ITEM	A Resolution Approving Employee Insurance Benefits for Calendar Year 2012 Resolution No. R-49-11	APPROVAL	
Account No.: 01-60-6122			
<p>The Commission annually determines employee insurance benefits to be provided commencing January 1 of each year.</p> <p>In consultation with Dato Pistorio Financial Group, Inc., staff is recommending that the Commission continue providing medical coverage through its current carrier, Blue Cross Blue Shield, and continue paying 80 percent of the premiums for eligible employees' coverage and for eligible employees' dependent coverage. Staff is also recommending that the Commission offer employees three different medical coverage options to choose from: a Blue Cross Blue Shield HMO Plan, a Blue Cross Blue Shield PPO (Non-Grandfathered) Plan, and a Blue Cross Blue Shield HSA-Qualified High Deductible Health Plan.</p> <p>With respect to Dental and Life Insurance, staff is recommending that coverage be renewed with the existing carrier.</p> <p>Staff is also recommending that the Commission contribute to Health Savings Accounts to be established by the Commission for eligible employees that elect coverage under the Blue Cross Blue Shield HSA-Qualified High Deductible Health Plan. For employees that elect self-only coverage under the Blue Cross Blue Shield HSA-Qualified High Deductible Health Plan, the Commission shall contribute, via electronic funds transfer, the sum of \$2,000.00. For employees that elect family (employee + 1) coverage under the Blue Cross Blue Shield HSA-Qualified High Deductible Health Plan, the Commission shall contribute, via electronic funds transfer, the sum of \$4,000.00.</p> <p>A summary of the employee insurance benefits recommended by staff and associated premiums and administrative costs to be paid by the Commission are summarized in Exhibit 1 to Resolution No. R-49-11. A more detailed summary of benefits and comparison to current costs is attached to this Request for Board Action.</p> <p>Resolution No. R-49-11 would suspend the purchasing provisions of the Commission's By-Laws and approve calendar year 2012 eligible employee insurance benefits and associated premiums and administrative costs to be paid by the Commission as recommended by staff.</p>			
MOTION: To adopt Resolution No. R-49-11.			

PLAN TYPE	Blue Cross Blue Shield Plan 42322 Grandfathered Plan Renewal Rates eff 1-1-2012
DEDUCTIBLE IN NETWORK	250 Ind/750 Fam
DEDUCTIBLE OUT OF NETWORK	500 Ind/1500 Fam
COINSURANCE	90/70
MAX OUT OF POCKET IN NETWORK (Includes Deductible)	1250 Ind/3750 Fam
MAX OUT OF POCKET OUT OF NETWORK (Includes Deductible)	2500 Ind/7500 Fam
OFFICE VISIT COPAY	20/40 Spec
PRESCRIPTION DRUGS	10/20/35
MAIL ORDER COPAY	20/40/70
EMERGENCY COPAY	150
PREVENTATIVE CARE	**IN/OUT NETWORK**
LIFETIME MAXIMUM	5,000,000
COMMENTS	Underwritten Rates
FINANCIAL SUMMARY	PPO
Employee Only (15)	\$660.46
Employee + Spouse (4)	\$1,342.37
Employee + Child/Children (1)	\$1,298.25
Family (14)	\$1,980.17
MONTHLY PREMIUM STATUS	\$44,297.01
PERCENTAGE OF INCREASE (DECREASE) OVER CURRENT RATES	0.12%

YEARLY PREMIUM TOTALS	\$531,564.12
EMPLOYERS H.S.A. CONTRIBUTION	---
PERCENTAGE OF INCREASE (DECREASE) OVER CURRENT RATES	0.12%

To keep the 10/20/35 Rx copays and 90/70 coinsurance, the current plan will have to be "grandfathered" and renewal rates are as stated above. The "grandfathered" plans are not subject to the Preventive Care reform.

Blue Cross Blue Shield Plan RPP43323 Alternate Renewal Option eff 1-1-2012	Blue Cross Blue Shield HMO Plan RHHHB103	Blue Cross Blue Shield BlueEdge HSA RPSC1807
250 Ind/750 Fam	None	2500 Ind/5000 Fam
500 Ind/1500 Fam	None	2500 Ind/5000 Fam
80/60	100/0	100/80
1250 Ind/3750 Fam	1500 Ind/3000 Fam	5000 Ind/10000 Fam
2500 Ind/7500 Fam	N/A	5000 Ind/10000 Fam
20/40 Spec	20/40 Spec	0% after deductible
15/30/50	15/30/50	0% after deductible
30/60/100	30/60/100	0% after deductible
150	150	0% after deductible
IN/OUT NETWORK	**IN NETWORK**	**IN/OUT NETWORK**
Unlimited	None	Unlimited
Underwritten Rates	Underwritten Rates	Underwritten Rates
PPO	HMO	HSA
\$638.86	\$510.48	\$491.41
\$1,298.48	\$1,037.54	\$998.79
\$1,255.80	\$1,003.43	\$965.97
\$1,915.42	\$1,530.48	\$1,473.34
\$42,848.50	\$34,237.51	\$32,959.04
-3.15%	-22.62%	-25.50%

\$514,182.00	\$410,850.12	\$395,508.48
---	---	\$106,000.00
-3.15%	-22.62%	-5.54%

RENEWAL RATES

Coverage	Current Rates	New Rates Effective January 1, 2012	Volume/Lives	Monthly Costs
Group Term Life				
ALL ELIGIBLE MEMBERS				
	\$0.168 per \$1000	\$0.168 per \$1000		
	Renewal Premium Percent of Change			No rate change.
Accidental Death & Dismemberment				
Active members only				
	Renewal Premium Percent of Change			No rate change.
Dependent Life				
ALL ELIGIBLE MEMBERS				
	Renewal Premium Percent of Change			No rate change.
Dental				
ALL ELIGIBLE MEMBERS				
Employee	\$32.55	\$34.47	15	\$517.05
Employee & Spouse	\$67.60	\$71.59	4	\$286.36
Employee & Child(ren)	\$64.88	\$68.71	0	\$0.00
Family	\$103.16	\$109.25	17	\$1,857.25
	Total Monthly Cost			\$2,660.66
	Renewal Premium Percent of Change			5.9% increase

Renewal Premium Percent of Change. The renewal premium percent of change is based on information presented in this letter.



SUMMARY OF BENEFITS
(effective January 1, 2011)

DENTAL EXPENSE INSURANCE

This section highlights the benefits provided under this insurance. The purpose is to give you quick access to the information you will most often want to review. **Please read the other sections of this booklet for a more detailed explanation of benefits and any limitations or restrictions that might apply.**

If you or one of your Dependents receive dental Treatment or Service listed under the Schedule of Dental Procedures, Scheduled Benefits then in force will be payable. Scheduled Benefits are based on your class and the status of your Dependents:

Class	Scheduled Benefit
Members and their Dependents	All benefits for Covered Charges under Dental Care Units 1, 2, and 3.

However, benefits for Covered Charges under Dental Care Units 2 and 3 will be limited if you or if any of your Dependents become insured under the Benefit Waiting Period provision described on page GH 1107.

Preferred Provider Organization (PPO) Plan

Your Policyholder participates in a Preferred Provider Organization (PPO) Plan administered by Us.

As you may know, Preferred Provider Organization (PPO) Plans are arrangements whereby Dentists are contracted to furnish, at negotiated costs, dental care for the employees and their Dependents of participating Policyholders.

It is expected that your Policyholder's participation in the PPO will result in significant savings of funds needed to maintain your insurance. These savings are to be passed on to you in the form of higher plan benefits payable for services received by you or a Dependent from Preferred Providers.

Please note that your Policyholder's participation in the PPO does not mean that your choice of provider will be restricted. You may still seek needed dental care from any Dentist you wish. However, in order to avoid higher charges and reduced benefits payments, you are urged to obtain such care from Preferred Providers whenever possible.

A current listing of the participating providers is available through an on-line Preferred Provider directory. By accessing the Principal Life Insurance Company website www.principal.com, you can review preferred provider directories for your PPO Network. Click on "Provider Directory," then "Search for a Dental Provider," then you can continue to follow the prompts to find your PPO network. If you do not have Internet access, you can request a paper copy of the provider directory for your PPO network from (800) 554-3392 for dental providers. Whether using the Internet or a paper directory, we recommend that you (1) verify your provider's participation in the network before seeking treatment and (2) confirm PPO participation with your provider when making your appointment.

Dental Care Units

The type of Treatment or Service covered under each of the Dental Care Units is:

Preventive Procedures	Unit 1
Basic Procedures	Unit 2
Major Procedures	Unit 3

Benefits Payable

Benefits payable for each insured person will be the percent of Covered Charges shown below, and will vary depending upon

whether or not needed care is received from a Preferred Provider.

Covered Charges will be the actual cost charged to you or your Dependent for Treatment or Service for the listed procedures shown in the SCHEDULE OF DENTAL PROCEDURES Section but only to the extent that the actual cost charged does not exceed Prevailing Charges.

Dental benefits payable for Treatment or Services received will be:

Service	PPO Providers	Non-PPO Providers
<u>Dental Care Unit 1</u>		
Preventive Procedures		
Coinsurance	100%	100%
Individual Deductible	None	\$25 per calendar year (Units 1, 2, and 3 combined)
Family Maximum Deductible	None	\$50 per Calendar Year (Units 1, 2, and 3 combined)
<u>Dental Care Unit 2</u>		
Basic Procedures		
Coinsurance	100%	80%
Individual Deductible	None	\$25 per Calendar Year (Units 1, 2, and 3 combined)
Family Maximum Deductible	None	\$50 per Calendar Year (Units 1, 2, and 3 combined)
<u>Dental Care Unit 3</u>		
Major Procedures		
Coinsurance	50%	50%
Individual Deductible	None	\$25 per Calendar Year (Units 1, 2, and 3 combined)
Family Maximum Deductible	None	\$50 per Calendar Year (Units 1, 2, and 3 combined)

Dental Emergency

If you or one of your Dependents requires Emergency Treatment either within the PPO Service Area or outside the PPO Service Area and cannot reach a Preferred Provider, benefits for such Treatment or Service received will be paid as if the Treatment or Service had been provided by a Preferred Provider.

Deductible Amount(s)

- You pay an individual Deductible Amount for each insured person for dental Treatment or Service received under each Dental Care Unit for a Calendar Year. The individual Deductible Amount will be the amount shown above. After you satisfy the Deductibles, We will pay Covered Charges at the rate indicated for each Dental Care Unit.
- For each Dental Care Unit, Covered Charges used to satisfy the Deductible that is applicable when care is received from Non-Preferred Providers for the Calendar Year will be counted toward satisfaction of the Deductible that is applicable when care is received from Preferred Providers for the Calendar Year, and vice versa.
- In no event will the individual Deductible for combined Preferred Providers and Non-Preferred Providers be more than the Non-Preferred Providers Deductible Amount for the Calendar Year.
- Charges are applied to the Deductible Amount in the order in which they are incurred. However, if Covered Charges are incurred for Units 2 and 3 on the same date, the charges will be applied to the Deductible Amount in the following order:
 - first, to Unit 2 charges; and
 - then, to Unit 3 charges.

Maximum Payment Limit

(Applies to combined charges for Treatment or Service received from Preferred Providers and Non-Preferred Providers.)

The Dental Maximum Payment Limits for you and for each of your Dependents will be:

- Dental Care Units 1, 2, and 3 \$2,000 each Calendar Year for dental care received from Preferred Providers and \$1,500 for Non-Preferred Providers (in combination).

Covered Charges used to satisfy the maximum that applies when care is received from Preferred Providers will be used in combination with care received from Non-Preferred Providers to satisfy the maximum.

For Dental Care Unit(s) 1, 2 and 3, at the end of each Calendar Year, if you or your Dependent have:

- received at least one procedure performed during that Calendar Year; and
- used \$750 or less of benefits during the Calendar Year;

the balance of any unused benefits or any difference between paid claims and up to 50% of \$750 for each insured person will carry-over ("roll-over") into the next Calendar Year. These benefits will be combined with the Maximum Payment Limit for the current Calendar Year and will be payable at the same level up to a maximum amount of \$1,500. In the event that an insured person does not receive at least one procedure in any year, any current or previous amount carried over for that insured person would be forfeited.

This carry-over provision does not apply:

- during the first Calendar Year for any individual having an initial coverage effective date in October, November or December; or
- until all waiting periods have been satisfied.

Benefit Advice

A benefit consulting service is available for you and your Dependents to provide information about the best use of your dental benefits. Examples of information you may find helpful include:

- general information on types of services offered by various dental care providers; and
- specific information such as benefits available for a particular dental procedure.

Call Our toll-free number (see your ID card or your employer for the number to call) if you wish to discuss dental benefits with Our benefit consultants.

SUMMARY OF BENEFITS
(effective January 1, 2011)

This section highlights the benefits provided under this insurance. The purpose is to give you quick access to the information you will most often want to review. **Please read the other sections of this booklet for a more detailed explanation of benefits and any limitations or restrictions that might apply.**

MEMBER LIFE INSURANCE

If you die, your beneficiary will be paid the Scheduled Benefit then in force for you (however, see the exception noted below). The Scheduled Benefit is based on your class:

Class	*Scheduled Benefit
ALL MEMBERS	The amount that is equal to 1.5 times your Annual Compensation (this amount will be rounded to the next higher \$1,000, if it is not already an exact multiple of \$1,000). The Maximum Scheduled Benefit amount will be \$225,000 and the Minimum Scheduled Benefit amount will be \$10,000, subject to the provisions below.

Member Life Insurance benefits are subject to all reductions provided in the Group Policy including reductions due to salary changes, age changes, and receipt of Accelerated Benefit payment.

*The Scheduled Benefit is subject to the Proof of Good Health requirements as described in the booklet on GH 110. If, because of these Proof of Good Health requirements, We approve an amount of insurance that is different than the Scheduled Benefit, the approved amount will be paid.

For the age(s) shown below, the amount of insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

Age	% of Scheduled Benefit (or approved amount, whichever applies)
Age 65 but less than age 70	65%
Age 70 and Over	50%

We may rely on the Policyholder for certification of the amount of compensation or insurance.

MEMBER ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

If you are injured and otherwise qualify, We will pay the following percentages of your Scheduled Benefit (or approved amount, if applicable) in force:

- 50% if you lose a hand, a foot, or the sight of one eye; or
- 100% if more than one of the above listed losses results from the same accident; or
- 25% for loss of thumb and index finger on the same hand; or
- 100% if you lose your life.

Payment for loss of life will be to your beneficiary or as otherwise provided in the Death Benefit provision. Payment for any other loss will be to you. Your Scheduled Benefit is based on your class:

Class	*Scheduled Benefit
ALL MEMBERS	The amount that is equal to 1.5 times your Annual Compensation (this amount will be rounded to the next higher \$1,000, if it is not already an exact multiple of \$1,000). The Maximum Scheduled Benefit amount will be \$225,000 and the Minimum Scheduled Benefit amount will be \$10,000, subject to the provisions below.

*The Scheduled Benefit is subject to the Proof of Good Health requirements as described in the booklet on GH 110. If, because of these Proof of Good Health requirements, We approve an amount of insurance that is different than the Scheduled Benefit, the approved amount will be paid.

For the age(s) shown below, the amount of insurance will be the percentage of the Scheduled Benefit (or approved amount, if applicable) as shown below.

Age	% of Scheduled Benefit (or approved amount, whichever applies)
Age 65 but less than age 70	65%
Age 70 and Over	50%

We may rely on the Policyholder for certification of the amount of compensation or insurance.

DEPENDENT LIFE INSURANCE

Unless a Beneficiary has been designated, if one of your Dependents dies, you will be paid the Scheduled Benefit (or approved amount, if applicable) then in force for that Dependent. The Scheduled Benefit is based on the status of your Dependent:

Class	*Scheduled Benefit
ALL MEMBERS	
Dependent	
Spouse	\$5,000
Children (age at death)	
0 days old but less than 6 months	\$1,000
6 months and older	\$2,500

*The Scheduled Benefit is subject to the Proof of Good Health requirements as described in the booklet on GH 111. If, because of these Proof of Good Health requirements, We approve an amount of insurance that is different than the Scheduled Benefit, the approved amount will be paid.

In no event will a Dependent's Scheduled Benefit be more than 50% of your Scheduled Benefit amount. If you elect a Dependent Life benefit in excess of 50% of your Scheduled Benefit amount, the Dependent will be given the highest amount available, not to exceed 50%.

DUPAGE WATER COMMISSION

RESOLUTION NO. R-49-11

A RESOLUTION APPROVING EMPLOYEE
INSURANCE BENEFITS FOR CALENDAR YEAR 2012

WHEREAS, the Commission annually determines employee insurance benefits to be provided commencing January 1 of each year; and

WHEREAS, in consultation with Dato Pistorio Financial Group, Inc., Commission staff recommended approval of the employee insurance benefits for calendar year 2012 summarized in Exhibit 1 attached hereto and by this reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are incorporated herein and made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: The calendar year 2012 employee insurance benefits and associated premium costs and administrative fees to be paid by the Commission, all as summarized in Exhibit 1 attached hereto, shall be and they hereby are approved for calendar year 2012. The General Manager shall be and hereby is authorized and directed to provide the insurance coverages and pay the associated premium costs and administrative fees to be paid by the Commission as summarized in Exhibit 1 attached hereto without further act.

SECTION THREE: Notwithstanding any restrictions contained in Resolution No. R-27-90, as modified by Resolution Nos. R-34-90, R-34-96 as amended, R-46-04 as amended, R-5-05 as amended, R-6-08 as amended, R-54-08, and as amended by Resolution No. R-14-00, which prohibit, except in specified circumstances, the wire

Resolution No. R-49-11

transfer of Commission funds to financial institutions not listed on the approved Depository List and to accounts not held in the name of the Commission, the Chairman, the Treasurer, the Finance Committee Chairman, the General Manager, the Financial Administrator, or the Staff Attorney shall be and they hereby are authorized to direct the electronic transfer of Commission funds out of any Account held in the name of the Commission for the remittance of the Commission's contributions to the Health Savings Accounts established by the Commission for eligible employees that elect coverage under the Blue Cross Blue Shield HSA-Qualified High Deductible Health Plan as provided in Exhibit 1 attached hereto. In furtherance thereof, the General Manager shall be and hereby is authorized and directed to execute any agreements required to establish the Health Savings Accounts for eligible employees that elect coverage under the Blue Cross Blue Shield HSA-Qualified High Deductible Health Plan as provided in Exhibit 1 attached hereto as well as any agreement required to effectuate the electronic transfers hereinabove provided for. Upon execution by the General Manager, the agreements, and all things provided for therein, shall be deemed accepted by the DuPage Water Commission without further act.

SECTION FOUR: This Resolution shall be in full force and effect from and after its adoption, the Board of Commissioners of the DuPage Water Commission having determined, by a two-thirds majority vote, to suspend the purchasing provisions of the Commission's By-Laws.

AYES:

NAYS:

ABSENT:

ADOPTED THIS ____ DAY OF _____, 2011.

Chairman

ATTEST:

Clerk

EXHIBIT 1

CALENDAR YEAR 2012 EMPLOYEE INSURANCE BENEFITS

Calendar Year 2012 Health Insurance Plans

The following health insurance plans shall be made available to Eligible Commission Employees/Retirees for Calendar Year 2012 at the following rates:

Blue Cross Blue Shield 80/60 PPO Plan RPP43323 with Prescription Drug benefit \$15/\$30/\$50

Employee	\$638.86
Employee & Spouse	\$1,298.48
Employee & Children	\$1,255.80
Family	\$1,915.42

Blue Cross Blue Shield HMO Plan RHHHB103 with Prescription Drug benefit \$15/\$30/\$50

Employee	\$510.48
Employee & Spouse	\$1,037.54
Employee & Children	\$1,003.43
Family	\$1,530.48

Blue Cross Blue Shield 100/80 HSA Plan RPSC1807 with Prescription Drug benefit 0% after deductible

Employee	\$491.41
Employee & Spouse	\$998.79
Employee & Children	\$965.97
Family	\$1,473.34

The Commission's contribution for health insurance for Calendar Year 2012 shall be 80% of the premium for eligible employees and their covered dependents for the selected health insurance plan.

Employees shall continue to pay 20% of the selected health insurance plan premium for themselves and their covered dependents.

For each eligible employee selecting the High Deductible Health Plan \$2,500/\$5,000 HSA Plan, the Commission shall establish a Health Savings Account funded in the following amounts:

Employee only	\$2,000.00
Family (employee + 1)	\$4,000.00

The Commission shall not establish, nor contribute to, Health Savings Accounts for retirees selecting the High Deductible Health Plan \$2,500/\$5,000 HSA Plan.

The Commission-established Employee Health Savings Accounts shall be administered by Mellon Bank as the Commission's third party administrator for Calendar Year 2012 at a rate not-to-exceed \$3.00/account/month, in addition to a onetime \$15.00/account setup fee. Due to the uncertainty as to how many employees will elect this option, the Commission's annual not-to-exceed cost is \$3,000.00.

Calendar Year 2012 Life Insurance

The life insurance benefit program for Eligible Commission Employees shall be through Principle Financial Group for Calendar Year 2012 at a rate of \$0.168 per \$1,000 of coverage per employee per month. The life insurance benefit is in the amount of one and one-half times the eligible employee's annual base pay rounded to the nearest \$1,000. The premium shall be paid in full by the Commission.

Calendar Year 2012 Dental Insurance

The dental insurance benefit program for Eligible Commission Employees shall be through Principle Financial Group for Calendar Year 2012 at the following rates:

Employee	\$34.47
Employee & Spouse	\$71.59
Employee & Children	\$68.71
Family	\$109.25

The Commission's contribution for dental insurance for Calendar Year 2012 shall be 80% of the dental insurance plan premium for eligible employees and their covered dependents.

Employees shall continue to pay 20% of the dental insurance plan premium for themselves and their covered dependents.



DuPage Water Commission

MEMORANDUM

TO: John Spatz, General Manager

FROM: Baker Tilly, Consultant

DATE: December 8, 2011

SUBJECT: Accounts Payable Listings

Following is a summary of the Accounts Payable to be considered at the December, 2011 Commission meeting:

November 11, 2011 to December 8, 2011 A/P Report	\$4,030,760.31
Accrued and estimated payments required before January 2012 Commission meeting	<u>1,052,980.00</u>
Total	<u>\$5,083,740.31</u>

cc: Chairman and Commissioners

**DUPAGE WATER COMMISSION
ITEMS TO BE PAID BY 1-19-12**

Board Meeting Date: December 15, 2011

Estimate Amount	Description	Check Number	Payment Date	Payment Amount
60,000.00	Blue Cross Blue Shield - Health Insurance			
6,000.00	Principal - Dental Insurance			
10,000.00	Illinois Public Risk Fund - Workers Comp.			
220.00	Envision Health Care - Administration Fees			
500,000.00	Exelon Energy for - Utility Charges			
20,000.00	ComEd - Utility Charges			
30,000.00	City of Chicago - Lexington. Labor			
180,000.00	City of Chicago - Lexington. Electric			
60,000.00	City of Chicago - Lexington. Repairs & Maint			
2,000.00	City of Naperville -Meter Station Electric Bills			
15,000.00	Nicor - Gas			
200.00	Comcast - Internet Service			
2,000.00	AT & T - Telephone Charges			
2,000.00	Nextel - Cell Phone Charges			
1,800.00	Fed - Ex - Postage/Delivery			
1,500.00	Business Card - Toll Charges			
1,000.00	Home Depot - Maintenance Supplies			
500.00	Waste Management - Disposal Services			
1,000.00	Mels - Maintenance Supplies			
1,000.00	Menards - Maintenance Supplies			
20,000.00	Fleet Matics - GPS System			
600.00	Grainger - Supplies			
1,000.00	Konica Minolta - Copy Charges			
65.00	Kara Company, Inc - Telephone Air time			
4,000.00	Amazon.com GPS			
800.00	Data Pistorio Broker Fees			
106,500.00	BNY Mellon - HSA			
500.00	PCS Industries			
23,970.00	Baker Tilly - Accounting Services			
100.00	Verizon - Internet			
200.00	HD Supple Waterworks - Supplies			
1,025.00	Ground Pro's - Landscaping Services			
<u>1,052,980.00</u>				

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1786 ABC COMMERCIAL MAINTENANCE

INV	2011-10		10/31/11	10/31/11		N		JANITORIAL SVC: OCT 2011		2,281.00	
DISB			11/22/11					PO: 13373		2,281.00	
						01	-60-6290	JANITORIAL SVC: OCT 2011			2,281.00

***** TOTALS: GROSS: 2,281.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 2,281.00 *****

01-1516 ARAMARK REFRESHMENT SERVIC

INV	270376		11/01/11	11/01/11		N		COFFEE SUPPLIES		148.86	
DISB			11/18/11					PO: 13343		148.86	
						01	-60-6521	COFFEE SUPPLIES			148.86

INV	530823		11/11/11	11/11/11		N		COFFEE SUPPLIES		60.52	
DISB			11/18/11					PO: 13338		60.52	
						01	-60-6521	COFFEE SUPPLIES			60.52

***** TOTALS: GROSS: 209.38 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 209.38 *****

01-1802 BAKER TILLY VIRCHOW KRAUSE

INV	BT553720		10/31/11	10/31/11		N		OCT 2011 PROFESSIONAL SERV		20,790.00	
DISB			11/15/11					PO: 13337		20,790.00	
						01	-60-6290	OCT 2011 PROFESSIONAL SERV			20,790.00

***** TOTALS: GROSS: 20,790.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 20,790.00 *****

01-1692 BRIDGEPOINT TECHNOLOGIES

INV	17135		11/08/11	11/08/11		N		WTR CONSRV-FILE SHARE NOV 2011		75.00	
DISB			11/15/11					PO: 13340		75.00	
						01	-60-6290	WTR CONSRV-FILE SHARE NOV 2011			75.00

INV	17136		11/08/11	11/08/11		N		WTR CONSRV-HOSTING-NOV 2011		50.00	
DISB			11/15/11					PO: 13342		50.00	
						01	-60-6290	WTR CONSRV-HOSTING-NOV 2011			50.00

INV	17220		12/01/11	12/01/11		N		WTR CONSRV-FILE SHARING		75.00	
DISB			12/08/11					PO: 13435		75.00	
						01	-60-6290	WTR CONSRV-FILE SHARING			75.00

INV	17223		12/01/11	12/01/11		N		WTR CONSRV-HOSTING		50.00	
DISB			12/08/11					PO: 13435		50.00	
						01	-60-6290	WTR CONSRV-HOSTING			50.00

***** TOTALS: GROSS: 250.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 250.00 *****

01-1829 CAPITAL PAINTING

O P E N I T E M R E P O R T

D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	DESCRIPTION	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#			BALANCE	

01-1829	CAPITAL PAINTING		** CONTINUED **						
	INV	02565	11/28/11	11/28/11		N	PARKING LOT STRIPING	1,455.00	
	DISB		11/30/11				PO: 13281	1,455.00	
						01	-60-6560 PARKING LOT STRIPING		1,455.00
===== TOTALS: GROSS: 1,455.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 1,455.00 =====									
01-1135	CITY OF CHICAGO SUPERINTEN								
	INV	201112063326	11/30/11	11/30/11		N	WATER BILLING: NOVEMBER 2011	3,631,770.00	
	DISB		11/30/11				PO:	3,631,770.00	
						01	-1398 WATER BILLING: NOVEMBER 2011		403,530.00CR
						01	-60-6611.01 WATER BILLING: NOVEMBER 2011		4,035,300.00
===== TOTALS: GROSS: 3,631,770.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 3,631,770.00 =====									
01-1179	CHICAGO TRIBUNE								
	INV	262632	10/31/11	11/15/11		N	CLASSIFIED LISTING	4,675.00	
	DISB		11/22/11				PO: 13361	4,675.00	
						01	-60-6253 CLASSIFIED LISTING		4,675.00
===== TOTALS: GROSS: 4,675.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 4,675.00 =====									
01-1091	CINTAS FIRST AID & SAFETY								
	INV	0343747290	11/16/11	11/16/11		N	FIRST AID SUPPLIES	216.00	
	DISB		11/22/11				PO: 13374	216.00	
						01	-60-6627 FIRST AID SUPPLIES		216.00
===== TOTALS: GROSS: 216.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 216.00 =====									
01-1377	CLC LUBRICANTS CO.								
	INV	45376	11/28/11	12/28/11		N	CLC MOTOR OIL FOR PUMPS	2,333.60	
	DISB		11/30/11				PO: 13355	2,333.60	
						01	-60-6621 CLC MOTOR OIL FOR PUMPS		2,333.60
===== TOTALS: GROSS: 2,333.60 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 2,333.60 =====									
01-1828	COM ED								
	INV	07NBD130 FINAL	11/29/11	11/29/11		N	LEXINGTON GENERATION PROJECT	182,838.13	
	DISB		11/29/11				PO: 13396	182,838.13	
						01	-60-8201.01 LEXINGTON GENERATION PROJECT		182,838.13
	INV	08NBD060 FINAL	11/29/11	11/29/11		N	DUPAGE/ELMHURST GENERATOR PROJ	117,479.18	
	DISB		11/29/11				PO: 13396	117,479.18	

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-			
		BANK	POST DT	DISC DT	CHECK#					BALANCE				
01-1828	COM	ED	** CONTINUED **											
							01	-60-7213.01	DUPAGE/ELMHURST GENERATOR PROJ		117,479.18			
===== TOTALS:			GROSS:	300,317.31	PAYMENTS:		0.00	DISCS:	0.00	ADJS:	0.00	BAL:	300,317.31	=====
01-1830	CREATE	CUT INVENT												
	INV	DCWC3EXT	9/22/11	9/22/11		N		CUSTOM VALVE EXTENSIONS		2,600.00				
	DISB		11/30/11					PO: 13100		2,600.00				
						01	-60-6631	CUSTOM VALVE EXTENSIONS			2,600.00			
===== TOTALS:			GROSS:	2,600.00	PAYMENTS:		0.00	DISCS:	0.00	ADJS:	0.00	BAL:	2,600.00	=====
01-1513	DUKES OIL SERVICE, INC.													
	INV	66940	11/18/11	12/18/11		N		MAINTENANCE SUPPLIES		50.00				
	DISB		11/22/11					PO: 13357		50.00				
						01	-60-6560	MAINTENANCE SUPPLIES			50.00			
===== TOTALS:			GROSS:	50.00	PAYMENTS:		0.00	DISCS:	0.00	ADJS:	0.00	BAL:	50.00	=====
01-1569	EDWARD COUGHLIN													
	INV	201112013318	11/17/11	11/17/11		Y		SECURITY: 11/17/11		100.00				
	DISB		11/30/11					PO: 13413		100.00				
						01	-60-6191	SECURITY: 11/17/11			100.00			
	INV	201112013319	9/15/11	9/15/11		Y		SECURITY: 9/15/11		100.00				
	DISB		11/30/11					PO: 13413		100.00				
						01	-60-6191	SECURITY: 9/15/11			100.00			
===== TOTALS:			GROSS:	200.00	PAYMENTS:		0.00	DISCS:	0.00	ADJS:	0.00	BAL:	200.00	=====
01-1241	ELECTRIC MACHINERY CO., IN													
	INV	30007441	11/29/11	12/29/11		N		PUMPING SERVICES		500.00				
	DISB		11/30/11					PO: 13263		500.00				
						01	-60-6621	PUMPING SERVICES			500.00			
	INV	30007442	11/29/11	12/29/11		N		PUMPING SERVICES		6,400.00				
	DISB		11/30/11					PO: 13336		6,400.00				
						01	-60-6621	PUMPING SERVICES			6,400.00			
===== TOTALS:			GROSS:	6,900.00	PAYMENTS:		0.00	DISCS:	0.00	ADJS:	0.00	BAL:	6,900.00	=====
01-1446	EN ENGINEERING, LLC													
	INV	0031048	11/04/11	12/04/11		N		CRCUC REPRESENT		636.40				
	DISB		11/29/11					PO: 13404		636.40				

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	DESCRIPTION	GROSS/	-DISTRIBUTION-				
		BANK	POST DT	DISC DT	CHECK#			BALANCE					
01-1446	EN	ENGINEERING, LLC	** CONTINUED **										
						01	-60-6632 CRCUC REPRESENT		636.40				
	INV	0031050	11/04/11	12/04/11		N	ANNUAL TEST POINT READS	4,137.62					
	DISB		11/29/11				PO: 13403	4,137.62					
						01	-60-6632 ANNUAL TEST POINT READS		4,137.62				
	INV	0031051	11/04/11	12/04/11		N	CIS	2,938.02					
	DISB		11/29/11				PO: 13400	2,938.02					
						01	-60-6632 CIS		2,938.02				
===== TOTALS:			GROSS:	7,712.04	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	7,712.04	*****
01-1792	ENCAP, INC												
	INV	22906	10/26/11	10/26/11		Y	LANDSCAPE CONS SVCS - PMT #7	2,143.76					
	DISB		11/22/11				PO: 13348	2,143.76					
						01	-60-6290 LANDSCAPE CONS SVCS - PMT #7		2,143.76				
===== TOTALS:			GROSS:	2,143.76	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	2,143.76	*****
01-1570	FIVE STAR SAFETY EQUIPMENT												
	INV	2442259	11/10/11	12/10/11		N	CALGAS FOR NEW GAS METERS	370.00					
	DISB		11/18/11				PO: 13231	370.00					
						01	-60-6627 CALGAS FOR NEW GAS METERS		370.00				
===== TOTALS:			GROSS:	370.00	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	370.00	*****
01-1628	GE CONSUMER & INDUSTRIAL												
	INV	175-184516	11/25/11	11/25/11		N	PUMP REPAIRS	2,036.85					
	DISB		11/30/11				PO: 13267	2,036.85					
						01	-60-6621 PUMP REPAIRS		2,036.85				
===== TOTALS:			GROSS:	2,036.85	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	2,036.85	*****
01-1055	GRAINGER												
	INV	9677882194	11/04/11	12/04/11		N	MAINTENANCE SUPPLIES	163.76					
	DISB		11/30/11				PO: 13285	163.76					
						01	-60-6560 MAINTENANCE SUPPLIES		163.76				
	INV	9678046294	11/04/11	12/04/11		N	MAINTENANCE SUPPLIES	84.77					
	DISB		11/18/11				PO: 13285	84.77					
						01	-60-6560 MAINTENANCE SUPPLIES		84.77				
	INV	9680917383	11/08/11	12/08/11		N	MAINTENANCE SUPPLIES	764.96					
	DISB		11/30/11				PO: 13224	764.96					

O P E N I T E M R E P O R T

D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-			
		BANK	POST DT	DISC DT	CHECK#					BALANCE				
01-1055	GRAINGER		** CONTINUED **											
						01	-60-6560	MAINTENANCE SUPPLIES			764.96			
INV	9688831602		11/17/11	12/17/11		N		MAINTENANCE SUPPLIES		289.04				
	DISB		11/22/11					PO: 13356		289.04				
						01	-60-6560	MAINTENANCE SUPPLIES			289.04			
INV	9695322579		11/29/11	12/29/11		N		MAINTENANCE SUPPLIES		37.04				
	DISB		11/30/11					PO: 13397		37.04				
						01	-60-6560	MAINTENANCE SUPPLIES			37.04			
INV	9695551805		11/29/11	12/29/11		N		MAINTENANCE SUPPLIES		19.26				
	DISB		11/30/11					PO: 13397		19.26				
						01	-60-6560	MAINTENANCE SUPPLIES			19.26			
INV	9696844597		11/30/11	12/30/11		N		PIPELINE SUPPLIES		244.80				
	DISB		12/08/11					PO: 13359		244.80				
						01	-60-6637	PIPELINE SUPPLIES			244.80			
INV	9696844605		11/30/11	12/30/11		N		PIPELINE SUPPLIES		41.36				
	DISB		12/08/11					PO: 13359		41.36				
						01	-60-6641	PIPELINE SUPPLIES			41.36			
INV	9697855238		12/01/11	12/31/11		N		METER STATION SUPPLIES		2,249.46				
	DISB		12/08/11					PO: 13417		2,249.46				
						01	-60-6633	METER STATION SUPPLIES			959.60			
						01	-60-6633	METER STATION SUPPLIES			1,272.40			
						01	-60-6623	METER STATION SUPPLIES			17.46			
===== TOTALS: GROSS:			3,894.45	PAYMENTS:			0.00	DISCS:	0.00	ADJS:	0.00	BAL:	3,894.45	=====
01-1809	GROUND FROS INC													
INV	60999		10/31/11	10/31/11		N		LANDSCAPE MAINT OCT 2011		2,580.00				
	DISB		11/15/11					PO: 13346		2,580.00				
						01	-60-6290	LANDSCAPE MAINT OCT 2011			2,580.00			
INV	61000		10/31/11	10/31/11		N		LANDSCAPE MAINT OCT 2011		1,150.00				
	DISB		11/18/11					PO: 13370		1,150.00				
						01	-60-6290	LANDSCAPE MAINT OCT 2011			1,150.00			
===== TOTALS: GROSS:			3,730.00	PAYMENTS:			0.00	DISCS:	0.00	ADJS:	0.00	BAL:	3,730.00	=====
01-1197	HD SUPPLY WATERWORKS, LTD.													
INV	3991697		11/04/11	11/04/11		N		MAINTENANCE SUPPLIES		29.05				
	DISB		11/15/11					PO: 13181		29.05				
						01	-60-6560	MAINTENANCE SUPPLIES			29.05			
===== TOTALS: GROSS:			29.05	PAYMENTS:			0.00	DISCS:	0.00	ADJS:	0.00	BAL:	29.05	=====

O P E N I T E M R E P O R T

D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-		
		BANK	POST DT	DISC DT	CHECK#					BALANCE			

01-1837	K.	HOVING RECYCLING & DISP**	CONTINUED **										
	INV	127014	12/02/11	12/02/11		N		11 YARD DUMPSTER		368.05			
	DISB		12/08/11					PO: 13418		368.05			
						01	-60-6631	11 YARD DUMPSTER			368.05		
===== TOTALS:			GROSS:	368.05	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	368.05	=====
01-1196	KARA COMPANY, INC.												
	INV	277682	11/30/11	12/30/11		N		PAINTING SUPPLIES		529.18			
	DISB		11/30/11					PO: 13392		529.18			
						01	-60-6634	PAINTING SUPPLIES			529.18		
===== TOTALS:			GROSS:	529.18	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	529.18	=====
01-1831	KEN LAFIN												
	INV	20112013320	10/20/11	10/20/11		Y		SECURITY: 10/20/11		100.00			
	DISB		11/30/11					PO: 13416		100.00			
						01	-60-6191	SECURITY: 10/20/11			100.00		
===== TOTALS:			GROSS:	100.00	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	100.00	=====
01-1025	KONICA MINOLTA BUSINESS SO												
	INV	190487579	11/13/11	12/13/11		N		COPIER USAGE: 11/13/11		950.96			
	DISB		11/30/11					PO: 13405		950.96			
						01	-60-6550	COPIER USAGE: 11/13/11			950.96		
	INV	219531378	11/24/11	12/24/11		N		COPIER USAGE: 11/24/11		354.10			
	DISB		12/08/11					PO: 13449		354.10			
						01	-60-6550	COPIER USAGE: 11/24/11			354.10		
===== TOTALS:			GROSS:	1,305.06	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	1,305.06	=====
01-1235	LAB SAFETY SUPPLY, INC.												
	INV	1018193798	11/23/11	12/23/11		N		REFLECTIVE ALUMINUM TAPE		151.58			
	DISB		11/30/11					PO: 13040/13		151.58			
						01	-60-6560	REFLECTIVE ALUMINUM TAPE			151.58		
===== TOTALS:			GROSS:	151.58	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	151.58	=====
01-1753	LANER MUCHIN												
	INV	389729	11/22/11	11/22/11		Y		LEGAL SVS: THROUGH 11/20/11		1,444.21			
	DISB		11/30/11					PO: 13437		1,444.21			
						01	-60-6253	LEGAL SVS: THROUGH 11/20/11			1,444.21		
===== TOTALS:			GROSS:	1,444.21	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	1,444.21	=====

OPEN ITEM REPORT

DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1054 MCMASTER-CARR SUPPLY COMPA

INV	10008529		11/04/11	12/04/11		N		MAINTENANCE SUPPLIES		36.58	
DISB			11/15/11					PO: 13309		36.58	
						01	-60-6560	MAINTENANCE SUPPLIES			36.58
INV	10804365		11/14/11	12/14/11		N		PIPELINE SUPPLIES		488.03	
DISB			11/29/11					PO: 13299		488.03	
						01	-60-6631	PIPELINE SUPPLIES			488.03
INV	11166380		11/17/11	12/17/11		N		PIPELINE SUPPLIES		7,227.70	
DISB			11/30/11					PO: 13299		7,227.70	
						01	-60-6631	PIPELINE SUPPLIES			7,227.70
INV	11628562		11/23/11	12/23/11		N		PIPELINE SUPPLIES		2,132.15	
DISB			11/30/11					PO: 13299		2,132.15	
						01	-60-6631	PIPELINE SUPPLIES			2,132.15
INV	11753388		11/28/11	12/28/11		N		PIPELINE SUPPLIES		1,216.24	
DISB			11/30/11					PO: 13299		1,216.24	
						01	-60-6631	PIPELINE SUPPLIES			1,216.24

***** TOTALS: GROSS: 11,100.70 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 11,100.70 *****

01-1775 MCWILLIAMS ELECTRIC COMPAN

INV	69560		9/30/11	9/30/11		N		REPAIR METER SOCKETS		2,110.00	
DISB			11/30/11					PO: 13424		2,110.00	
						01	-60-6633	REPAIR METER SOCKETS			2,110.00

***** TOTALS: GROSS: 2,110.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 2,110.00 *****

01-1836 MICHAEL LADEGAARD

INV	201112063329		11/30/11	11/30/11		N		AWWA CLASS REIMBURSEMENT		195.00	
DISB			11/30/11					PO: 13121		195.00	
						01	-60-6132	AWWA CLASS REIMBURSEMENT			195.00

***** TOTALS: GROSS: 195.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 195.00 *****

01-1835 MID CENTRAL WATER WORKS AS

INV	201112063328		11/22/11	11/22/11		N		2011 MEMBERSHIP DUES		100.00	
DISB			11/30/11					PO:		100.00	
						01	-60-6540	2011 MEMBERSHIP DUES			100.00

***** TOTALS: GROSS: 100.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 100.00 *****

01-1801 NICHOLAS NARDUCCI

O P E N I T E M R E P O R T

D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1801 NICHOLAS NARDUCCI ** CONTINUED **

INV	201111183306		11/18/11	11/18/11		Y		SERV AS TREAS:11/15-12/14/11		833.33	
DISB			11/18/11					PO: 13352		833.33	
						01	-60-6591	SERV AS TREAS:11/15-12/14/11			833.33

***** TOTALS: GROSS: 833.33 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 833.33 *****

01-1748 NATIONAL PUMP & COMPRESSOR

INV	619710-0001		11/30/11	11/30/11		Y		MAINTENANCE SUPPLIES		170.57	
DISB			11/30/11					PO: 13395		170.57	
						01	-60-6560	MAINTENANCE SUPPLIES			170.57

***** TOTALS: GROSS: 170.57 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 170.57 *****

01-1373 NEUCO INC.

INV	162750		11/07/11	12/07/11		N		MAINTENANCE SUPPLIES		331.97	
DISB			11/15/11					PO: 13323		331.97	
						01	-60-6560	MAINTENANCE SUPPLIES			331.97

***** TOTALS: GROSS: 331.97 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 331.97 *****

01-1110 NEWARK

INV	21437571		11/29/11	12/29/11		N		METER STATION SUPPLIES		74.29	
DISB			11/30/11					PO: 13401		74.29	
						01	-60-6624	METER STATION SUPPLIES			67.48
						01	-60-6633	METER STATION SUPPLIES			6.81

***** TOTALS: GROSS: 74.29 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 74.29 *****

01-1825 OCV CONTROL VALVES, LLC

INV	0000201922		11/08/11	11/08/11		N		SPOOL ASSEMBLY		2,351.77	
DISB			11/18/11					PO: 13321		2,351.77	
						01	-60-6623	SPOOL ASSEMBLY			2,351.77

***** TOTALS: GROSS: 2,351.77 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 2,351.77 *****

01-1780 PAULSON OIL COMPANY

INV	90134862		11/21/11	11/21/11		N		OIL		853.85	
DISB			11/30/11					PO: 13367		853.85	
						01	-60-6621	OIL			853.85

***** TOTALS: GROSS: 853.85 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 853.85 *****

01-1279 PETERS & ASSOCIATES

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-		
		BANK	POST DT	DISC DT	CHECK#					BALANCE			
01-1279	PETERS & ASSOCIATES		** CONTINUED **										
	INV	CW2852	11/08/11	11/18/11		N		TMG WORKGROUP		1,675.00			
	DISB		11/15/11					PO: 13213		1,675.00			
						01	-60-6514.02	TMG WORKGROUP			1,675.00		
***** TOTALS:			GROSS:	1,675.00	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	1,675.00	*****
01-1664	PROGRAM ONE PROFESSIONAL B												
	INV	37925	11/30/11	11/30/11		N		WINDOW CLEANING: 11/24/11		454.28			
	DISB		11/30/11					PO: 13432		454.28			
						01	-60-6290	WINDOW CLEANING: 11/24/11			454.28		
***** TOTALS:			GROSS:	454.28	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	454.28	*****
01-1059	RED WING SHOE STORE												
	INV	450000004635	10/08/11	11/07/11		N		SAFETY CLOTHING: HUGHES		813.02			
	DISB		11/30/11					PO: 13441		813.02			
						01	-60-6626	SAFETY CLOTHING: HUGHES			813.02		
	INV	450000004766	11/15/11	12/15/11		N		SAFETY CLOTHING: NOLAN		388.42			
	DISB		11/30/11					PO: 13369		388.42			
						01	-60-6626	SAFETY CLOTHING: NOLAN			388.42		
***** TOTALS:			GROSS:	1,201.44	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	1,201.44	*****
01-1043	SOOPER LUBE												
	INV	202096	11/04/11	11/04/11		N		VEHICLE MAINT: M78556		41.45			
	DISB		12/08/11					PO: 13399		41.45			
						01	-60-6641	VEHICLE MAINT: M78556			41.45		
	INV	202340	11/10/11	11/10/11		N		VEHICLE MAINT: M169815		41.45			
	DISB		11/30/11					PO: 13431		41.45			
						01	-60-6641	VEHICLE MAINT: M169815			41.45		
	INV	203294	11/30/11	11/30/11		N		VEHICLE MAINT: M80328		34.45			
	DISB		11/30/11					PO: 13430		34.45			
						01	-60-6641	VEHICLE MAINT: M80328			34.45		
***** TOTALS:			GROSS:	117.35	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	117.35	*****
01-1040	SPECIALTY MAT SERVICE												
	INV	600657	11/10/11	12/10/11		N		MAT SERVICES: 11/10/11		475.72			
	DISB		11/22/11					PO: 13310/13		475.72			
						01	-60-6290	MAT SERVICES: 11/10/11			125.72		

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-			
	BANK		POST DT	DISC DT	CHECK#					BALANCE				
01-1040	SPECIALTY MAT SERVICE		** CONTINUED **											
						01	-60-6560	CLEANING RAGS			350.00			
INV	601577		11/17/11	12/10/11		N		MAT SERVICES: 11/17/11		125.72				
DISB			11/22/11					PO: 13372		125.72				
						01	-60-6290	MAT SERVICES: 11/17/11			125.72			
INV	602518		11/24/11	12/10/11		N		MAT SERVICES: 11/24/11		125.72				
DISB			11/30/11					PO: 13415		125.72				
						01	-60-6290	MAT SERVICES: 11/24/11			125.72			
***** TOTALS: GROSS:			727.16	PAYMENTS:			0.00	DISCS:	0.00	ADJS:	0.00	BAL:	727.16	*****
01-1080	TYLER TECHNOLOGIES													
INV	33164		11/15/11	11/15/11		N		INCODE MAINTENANCE		1,186.50				
DISB			11/30/11					PO: 13406		1,186.50				
						01	-60-6590	INCODE MAINTENANCE			1,186.50			
***** TOTALS: GROSS:			1,186.50	PAYMENTS:			0.00	DISCS:	0.00	ADJS:	0.00	BAL:	1,186.50	*****
01-1221	USA BLUE BOOK													
INV	542187		11/28/11	12/28/11		N		PIPELINE SUPPLIES		346.92				
DISB			12/08/11					PO: 13360		346.92				
						01	-60-6637	PIPELINE SUPPLIES			346.92			
***** TOTALS: GROSS:			346.92	PAYMENTS:			0.00	DISCS:	0.00	ADJS:	0.00	BAL:	346.92	*****

O P E N I T E M R E P O R T

D E T A I L

T O T A L S

	GROSS	PAYMENTS	BALANCE
PAID ITEMS	0.00	0.00	0.00
PARTIALLY PAID	0.00	0.00	0.00
UNPAID ITEMS	4,030,760.31	0.00	4,030,760.31
** TOTALS **	4,030,760.31	0.00	4,030,760.31

O P E N I T E M R E P O R T

D E T A I L

** PRE-PAID INVOICES **

P R E P A I D T O T A L S

	GROSS	PAYMENTS	BALANCE
PAID ITEMS	0.00	0.00	0.00
PARTIALLY PAID	0.00	0.00	0.00
UNPAID ITEMS	0.00	0.00	0.00
** TOTALS **	0.00	0.00	0.00

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

R E P O R T T O T A L S

	GROSS	PAYMENTS	BALANCE
PAID ITEMS	0.00	0.00	0.00
PARTIALLY PAID	0.00	0.00	0.00
UNPAID ITEMS	4,030,760.31	0.00	4,030,760.31
VOIDED ITEMS	0.00	0.00	0.00
** TOTALS **	4,030,760.31	0.00	4,030,760.31

U N P A I D R E C A P

NUMBER OF HELD INVOICES	0
UNPAID INVOICE TOTALS	4,030,760.31
UNPAID DEBIT MEMO TOTALS	0.00
UNAPPLIED CREDIT MEMO TOTALS	0.00
** UNPAID TOTALS **	4,030,760.31

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
01 1398	OTHER RECEIVABLES	403,530.00CR
01 60-6132	TRAINING	195.00
01 60-6191	OTHER PERSONNEL COSTS	300.00
01 60-6253	LEGAL SERVICES- SPECIAL	6,119.21
01 60-6280	CONSULTING SERVICES	720.00
01 60-6290	CONTRACTUAL SERVICES	30,026.20
01 60-6415	WORKER'S COMPENSATION	6,672.00
01 60-6514.02	CELL PHONE & CORR. TELEMETRY	1,675.00
01 60-6521	OFFICE SUPPLIES	209.38
01 60-6540	PROFESSIONAL DUES	371.00
01 60-6550	REPAIRS & MAINT- OFFICE EQUI	1,325.78
01 60-6560	REPAIRS & MAINT- BLDGS & GRN	3,933.58
01 60-6590	COMPUTER/SOFTWARE MAINTENANCE	1,186.50
01 60-6591	OTHER ADMINISTRATIVE EXPENSE	833.33
01 60-6611.01	WATER BILLING	4,035,300.00
01 60-6621	PUMPING SERVICES	12,124.30
01 60-6623	METER TESTING & REPAIRS	2,369.23
01 60-6624	SCADA / INSTRUMENTATION	67.48

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
01 60-6625	EQUIPMENT RENTAL	900.00
01 60-6626	UNIFORMS	1,201.44
01 60-6627	SAFETY	1,070.94
01 60-6631	PIPELINE REPAIRS	14,032.17
01 60-6632	COR TESTING & MITIGATION	7,712.04
01 60-6633	REMOTE FACILITIES MAINTENANCE	4,348.81
01 60-6634	PLAN REVIEW- PIPELINE CONFLI	529.18
01 60-6637	PIPELINE SUPPLIES	591.72
01 60-6641	REPAIRS & MAINT- VEHICLES	158.71
01 60-7213.01	EMERGENCY GEN CONSTRUCTION	117,479.18
01 60-8201.01	EMERG GEN - CONSTRUCT	182,838.13
	** FUND TOTAL **	4,030,760.31

** TOTAL ** 4,030,760.31

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

DEPARTMENT TOTALS

DEPARTMENT	DEPARTMENT NAME	AMOUNT
01	NON-DEPARTMENTAL	403,530.00CR
01 60	ADMINISTRATION	4,434,290.31
	** FUND TOTAL **	4,030,760.31

	** TOTAL **	4,030,760.31

0 ERRORS
0 WARNINGS

SELECTION CRITERIA

VENDOR SET: 01-DUPAGE WATER COMMISSION
 VENDOR: THRU ZZZZZZ
 VENDOR CLASS: ALL
 BANK CODES: Include: DISB , IL
 1099 BOX: All
 COMMENT CODES: All
 HOLD STATUS: Both
 AP BALANCE AS OF: 0/00/0000
 ADVANCED SELECTION: YES

ITEM SELECTION: UNPAID ITEMS
 FUNDS: All
 ACCOUNT RANGE: THRU ZZZZZZZZZZZZZZZZZ
 ITEM AMOUNT: 9,999,999.00CR THRU 9,999,999.00

PRINT OPTIONS:

SEQUENCE: VENDOR SORT KEY
 REPORT TYPE: DETAIL
 SORT TRANSACTIONS BY DATE: NO
 G/L ACCOUNTS/PROJECTS: YES
 ONE VENDOR PER PAGE: NO
 ONE DEPARTMENT PER PAGE: NO
 PRINT STUB COMMENTS: NO
 PRINT COMMENT CODES: None
 PRINT W/ PO ONLY: NO

DATE SELECTION:

PAYMENT DATE: 0/00/0000 THRU 99/99/9999
 ITEM DATE: 0/00/0000 THRU 99/99/9999
 POSTING DATE: 11/09/2011 THRU 12/08/2011



DuPage Water Commission

MEMORANDUM

TO: Interested News Medium

FROM: John F. Spatz
General Manager

DATE: December 9, 2012

SUBJECT: 2012 Schedule of Meetings

As required in 5 ILCS 120/2.03 the following is a list of regular board meetings for the DuPage Water Commission:

January 19, 2012
February 16, 2012
March 15, 2012
April 19, 2012
May 17, 2012
June 21, 2012
July 19, 2012
August 16, 2012
September 20, 2012
October 18, 2012
November 15, 2012
December 20, 2012

The regular Commission meetings begin at 7:30 p.m., and are held at the Commission Offices at 600 East Butterfield Road, Elmhurst, Illinois 60126. Administration Committee to begin at 7:00 P.M., the Engineering and Construction Committee to begin at 6:30 P.M., and the Finance Committee to begin at 6:00 P.M. prior to the regular Board meetings.



DuPage Water Commission

MEMORANDUM

TO: Chairman Zay and Commissioners

FROM: Maureen A. Crowley *MAC*
Staff Attorney

DATE: December 8, 2012

SUBJECT: Recent Open Meetings Act Legislation of Interest

- Public Act 097-0318 Closed Session Audit(or) Discussions

This legislation (copy attached) amends the Open Meetings Act, effective January 1, 2012, to add another exception to the requirement that all meeting of public bodies must be open to the public. The new exception allows public bodies to go into closed session to conduct meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.

- Public Act 097-0504 Board Member Training

This legislation (copy attached) amends the Open Meetings Act, effective January 1, 2012, to require elected and appointed members of all public bodies to successfully complete the Open Meetings Act electronic training curriculum developed and administered by the Public Access Counselor. For elected and appointed members in office as of January 1, 2012, the training must be completed by December 31, 2012. For those members first elected or appointed after January 1, 2012, the training must be completed within 90 days of taking office. Upon completion, a copy of the certificate of completion must be filed with the public body.

It is important to note that completion of the required training as a member of a public body will only additionally satisfy the requirements of the legislation with regard to the member's service on a committee or subcommittee of the public body and the member's ex officio service on any other public body. In other words, the legislation requires that the training be completed separately for each main public body on which an individual serves.

On the other hand, it is also important to note that the failure of one or more members of a public body to complete the training required by the new legislation will not affect the validity of an action taken by the public body.

- Public Act 097-0609 Posting of Compensation Packages

This legislation, among other things, amends the Open Meetings Act, effective January 1, 2012, to require employers participating in the Illinois Municipal Retirement Fund such as the Commission to post, either on the employer's website or at the employer's principal place of business, the following information:

- The total compensation package of each employee having a total compensation package that exceeds \$75,000 per year. This information must be posted within six business days after adoption of the employer's annual budget.
- The total compensation package of each employee that is proposed to equal or exceed \$150,000 per year. This information must be posted at least six business days before approval.

For purposes of this legislation, the "total compensation package" includes all payments by the employer to the employee for salary, health insurance, a housing allowance, a vehicle allowance, a clothing allowance, bonuses, loans, vacation days granted, and sick days granted.

Only an excerpted copy of the legislation is attached because the entire Public Act, most of which is devoted to pension reform including potential pension impact statements for raises in excess of 12%, is 87 pages long.

AN ACT concerning government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Open Meetings Act is amended by changing Sections 1.05 and 4 as follows:

(5 ILCS 120/1.05)

Sec. 1.05. Training.

(a) Every public body shall designate employees, officers, or members to receive training on compliance with this Act. Each public body shall submit a list of designated employees, officers, or members to the Public Access Counselor. Within 6 months after the effective date of this amendatory Act of the 96th General Assembly, the designated employees, officers, and members must successfully complete an electronic training curriculum, developed and administered by the Public Access Counselor, and thereafter must successfully complete an annual training program. Thereafter, whenever a public body designates an additional employee, officer, or member to receive this training, that person must successfully complete the electronic training curriculum within 30 days after that designation.

(b) Except as otherwise provided in this Section, each elected or appointed member of a public body subject to this

Act who is such a member on the effective date of this amendatory Act of the 97th General Assembly must successfully complete the electronic training curriculum developed and administered by the Public Access Counselor. For these members, the training must be completed within one year after the effective date of this amendatory Act.

Except as otherwise provided in this Section, each elected or appointed member of a public body subject to this Act who becomes such a member after the effective date of this amendatory Act of the 97th General Assembly shall successfully complete the electronic training curriculum developed and administered by the Public Access Counselor. For these members, the training must be completed not later than the 90th day after the date the member:

(1) takes the oath of office, if the member is required to take an oath of office to assume the person's duties as a member of the public body; or

(2) otherwise assumes responsibilities as a member of the public body, if the member is not required to take an oath of office to assume the person's duties as a member of the governmental body.

Each member successfully completing the electronic training curriculum shall file a copy of the certificate of completion with the public body.

Completing the required training as a member of the public body satisfies the requirements of this Section with regard to

the member's service on a committee or subcommittee of the public body and the member's ex officio service on any other public body.

The failure of one or more members of a public body to complete the training required by this Section does not affect the validity of an action taken by the public body.

An elected or appointed member of a public body subject to this Act who has successfully completed the training required under this subsection (b) and filed a copy of the certificate of completion with the public body is not required to subsequently complete the training required under this subsection (b).

(c) An elected school board member may satisfy the training requirements of this Section by participating in a course of training sponsored or conducted by an organization created under Article 23 of the School Code. The course of training shall include, but not be limited to, instruction in:

(1) the general background of the legal requirements for open meetings;

(2) the applicability of this Act to public bodies;

(3) procedures and requirements regarding quorums, notice, and record-keeping under this Act;

(4) procedures and requirements for holding an open meeting and for holding a closed meeting under this Act;

and

(5) penalties and other consequences for failing to

comply with this Act.

If an organization created under Article 23 of the School Code provides a course of training under this subsection (c), it must provide a certificate of course completion to each school board member who successfully completes that course of training.

(Source: P.A. 96-542, eff. 1-1-10.)

(5 ILCS 120/4) (from Ch. 102, par. 44)

Sec. 4. Any person violating any of the provisions of this Act, except subsection (b) or (c) of Section 1.05, shall be guilty of a Class C misdemeanor.

(Source: P. A. 77-2549.)

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Open Meetings Act is amended by adding Section 7.3 as follows:

(5 ILCS 120/7.3 new)

Sec. 7.3. Duty to post information pertaining to benefits offered through the Illinois Municipal Retirement Fund.

(a) Within 6 business days after an employer participating in the Illinois Municipal Retirement Fund approves a budget, that employer must post on its website the total compensation package for each employee having a total compensation package that exceeds \$75,000 per year. If the employer does not maintain a website, the employer must post a physical copy of this information at the principal office of the employer. If an employer maintains a website, it may choose to post a physical copy of this information at the principal office of the employer in lieu of posting the information directly on the website; however, the employer must post directions on the website on how to access that information.

(b) At least 6 days before an employer participating in the Illinois Municipal Retirement Fund approves an employee's total compensation package that is equal to or in excess of

\$150,000 per year, the employer must post on its website the total compensation package for that employee. If the employer does not maintain a website, the employer shall post a physical copy of this information at the principal office of the employer. If an employer maintains a website, it may choose to post a physical copy of this information at the principal office of the employer in lieu of posting the information directly on the website; however, the employer must post directions on the website on how to access that information.

(c) For the purposes of this Section, "total compensation package" means payment by the employer to the employee for salary, health insurance, a housing allowance, a vehicle allowance, a clothing allowance, bonuses, loans, vacation days granted, and sick days granted.

Section 10. The Illinois Pension Code is amended by changing Sections 1-160, 7-109, 7-116, 7-135, 7-137, 7-141, 7-141.1, 7-142.1, 7-144, 7-145.1, 7-172, 7-205, 14-103.05, 22-101, and 22-103 and by adding Section 7-225 as follows:

(40 ILCS 5/1-160)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement

not affect or impair the right of any contributing employer or its employees to collectively bargain the amount or level of employee contributions to an affected pension plan, to the extent that the plan includes employees subject to collective bargaining.

(g) Notwithstanding any other provision of this Article or any law to the contrary, a person who, on or after the effective date of this amendatory Act of the 97th General Assembly, first becomes a director on the Suburban Bus Board, the Commuter Rail Board, or the Board of Directors of the Regional Transportation Authority shall not be eligible to participate in an affected pension plan.

(Source: P.A. 94-839, eff. 6-6-06.)

Section 15. The State Mandates Act is amended by adding Section 8.35 as follows:

(30 ILCS 805/8.35 new)

Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.

Section 99. Effective date. This Section and the changes made to Sections 7-109, 7-141.1, 7-142.1, and 7-145.1 take effect upon becoming law. The remainder of this Act takes effect on January 1, 2012.

AN ACT concerning government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Open Meetings Act is amended by changing Section 2 as follows:

(5 ILCS 120/2) (from Ch. 102, par. 42)

Sec. 2. Open meetings.

(a) Openness required. All meetings of public bodies shall be open to the public unless excepted in subsection (c) and closed in accordance with Section 2a.

(b) Construction of exceptions. The exceptions contained in subsection (c) are in derogation of the requirement that public bodies meet in the open, and therefore, the exceptions are to be strictly construed, extending only to subjects clearly within their scope. The exceptions authorize but do not require the holding of a closed meeting to discuss a subject included within an enumerated exception.

(c) Exceptions. A public body may hold closed meetings to consider the following subjects:

(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint

lodged against an employee of the public body or against legal counsel for the public body to determine its validity.

(2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees.

(3) The selection of a person to fill a public office, as defined in this Act, including a vacancy in a public office, when the public body is given power to appoint under law or ordinance, or the discipline, performance or removal of the occupant of a public office, when the public body is given power to remove the occupant under law or ordinance.

(4) Evidence or testimony presented in open hearing, or in closed hearing where specifically authorized by law, to a quasi-adjudicative body, as defined in this Act, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.

(5) The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired.

(6) The setting of a price for sale or lease of property owned by the public body.

(7) The sale or purchase of securities, investments, or investment contracts.

(8) Security procedures and the use of personnel and equipment to respond to an actual, a threatened, or a reasonably potential danger to the safety of employees, students, staff, the public, or public property.

(9) Student disciplinary cases.

(10) The placement of individual students in special education programs and other matters relating to individual students.

(11) Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.

(12) The establishment of reserves or settlement of claims as provided in the Local Governmental and Governmental Employees Tort Immunity Act, if otherwise the disposition of a claim or potential claim might be prejudiced, or the review or discussion of claims, loss or risk management information, records, data, advice or communications from or with respect to any insurer of the public body or any intergovernmental risk management association or self insurance pool of which the public body

is a member.

(13) Conciliation of complaints of discrimination in the sale or rental of housing, when closed meetings are authorized by the law or ordinance prescribing fair housing practices and creating a commission or administrative agency for their enforcement.

(14) Informant sources, the hiring or assignment of undercover personnel or equipment, or ongoing, prior or future criminal investigations, when discussed by a public body with criminal investigatory responsibilities.

(15) Professional ethics or performance when considered by an advisory body appointed to advise a licensing or regulatory agency on matters germane to the advisory body's field of competence.

(16) Self evaluation, practices and procedures or professional ethics, when meeting with a representative of a statewide association of which the public body is a member.

(17) The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals for a hospital, or other institution providing medical care, that is operated by the public body.

(18) Deliberations for decisions of the Prisoner Review Board.

(19) Review or discussion of applications received

under the Experimental Organ Transplantation Procedures Act.

(20) The classification and discussion of matters classified as confidential or continued confidential by the State Government Suggestion Award Board.

(21) Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.

(22) Deliberations for decisions of the State Emergency Medical Services Disciplinary Review Board.

(23) The operation by a municipality of a municipal utility or the operation of a municipal power agency or municipal natural gas agency when the discussion involves (i) contracts relating to the purchase, sale, or delivery of electricity or natural gas or (ii) the results or conclusions of load forecast studies.

(24) Meetings of a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(25) Meetings of an independent team of experts under Brian's Law.

(26) ~~(25)~~ Meetings of a mortality review team appointed under the Department of Juvenile Justice Mortality Review Team Act.

(27) ~~(25)~~ Confidential information, when discussed by one or more members of an elder abuse fatality review team, designated under Section 15 of the Elder Abuse and Neglect Act, while participating in a review conducted by that team of the death of an elderly person in which abuse or neglect is suspected, alleged, or substantiated; provided that before the review team holds a closed meeting, or closes an open meeting, to discuss the confidential information, each participating review team member seeking to disclose the confidential information in the closed meeting or closed portion of the meeting must state on the record during an open meeting or the open portion of a meeting the nature of the information to be disclosed and the legal basis for otherwise holding that information confidential.

(28) Meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.

(d) Definitions. For purposes of this Section:

"Employee" means a person employed by a public body whose relationship with the public body constitutes an employer-employee relationship under the usual common law rules, and who is not an independent contractor.

"Public office" means a position created by or under the Constitution or laws of this State, the occupant of which is charged with the exercise of some portion of the sovereign power of this State. The term "public office" shall include members of the public body, but it shall not include organizational positions filled by members thereof, whether established by law or by a public body itself, that exist to assist the body in the conduct of its business.

"Quasi-adjudicative body" means an administrative body charged by law or ordinance with the responsibility to conduct hearings, receive evidence or testimony and make determinations based thereon, but does not include local electoral boards when such bodies are considering petition challenges.

(e) Final action. No final action may be taken at a closed meeting. Final action shall be preceded by a public recital of the nature of the matter being considered and other information that will inform the public of the business being conducted.

(Source: P.A. 95-185, eff. 1-1-08; 96-1235, eff. 1-1-11; 96-1378, eff. 7-29-10; 96-1428, eff. 8-11-10; revised 9-2-10.)