



DuPage Water Commission

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AGENDA

FINANCE COMMITTEE

**THURSDAY, MARCH 15, 2012
6:00 P.M.**

**600 EAST BUTTERFIELD ROAD
ELMHURST, IL 60126**

COMMITTEE MEMBERS

P. Suess, Chair

C. Janc

J. Pruyn

D. Russo

- I. Roll Call
- II. Approval of Minutes for Regular Committee Meeting of February 16, 2012, January 19, 2012, December 19, 2011, and November 17, 2011.
- III. Approval of Reconciliations
- IV. Treasurer's Report – February 2012
- V. Financial Statements – February 2012
- VI. R-11-12: A Resolution Amending and Restating the Investment Policy of the DuPage Water Commission
- VII. R-12-12: A Resolution Conditionally Settling Disputes Concerning Capital Cost Recovery Charge Payments Under the DuPage County Subsequent Customer Contract
- VIII. Election of Interest Period under Northern Trust Certificate of Debt
- IX. Update on the Financial Administrator Search
- X. Update on the Legal Review of Financial Contracts
- XI. Draft Capital Asset Policy
- XII. Discussion of Tentative Draft Fiscal Year 2012-2013 Budget
- XIII. Accounts Payable
- XIV. Other
- XV. Adjournment

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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.

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DuPAGE WATER COMMISSION
HELD ON THURSDAY, FEBRUARY 16, 2012
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:18 P.M.

Committee members in attendance: P. Suess, J. Pruyn, and J. Zay (*ex officio*)

Committee members absent: C. Janc and D. Russo

Also in attendance: R. Furstenau, J. Spatz, T. McGhee, N. Narducci, S. Lux of Baker Tilly, and J. Nesbitt

Minutes

No minutes were approved since there was no quorum.

Approval of Reconciliations

Treasurer Narducci noted that the reconciliations were approved.

Treasurer's Report – January 2012

Mr. Lux provided the Committee with a summary of the January Treasurer's Report.

Financial Statements – January 2012

Mr. Lux provided the Committee with a summary of the January Financial Statements.

Commissioner Pruyn asked if the Commission will have a \$300,000 cash increase since the Commission is seeing gross profit generated from water sales. General Manager Spatz responded that the Commission will not see this difference until February when the new water rate increases will be collected. Mr. Lux added that it also depends on the water usage.

Mr. Lux noted that the unrestricted net assets amount was previously a negative number which was generated from borrowings for the certificates for operations that drove the number negative. He added that since there was a payment last month in operations now it is a positive number which is a good sign of stability and strength.

Mr. Lux also noted that last month the fixed asset balance was \$470M and the accumulated depreciation balance was \$125M. He added that from review of the fixed assets records, many fixed assets were fully depreciated and he wrote them off which was recommended by the auditors.

General Manager Spatz noted that account 6611-03 – the maintenance account for Lexington Pumping Station – the Commission's share will, after this month, have exceeded the budgeted amount in the management budget because of the City of Chicago's inability to fill vacant positions and they have been covering shifts with overtime. He added that he has talked to the Deputy Commissioner, First Deputy Commissioner and the Commissioner for the Water Department about reducing these overtime amounts. He noted that a solution that has been discussed is to pay the city a set fee at the beginning of the year for Lexington O&M. He added that in addition to covering shifts with overtime, that the city has also hired a chief which is an additional expense. Commission staff feels that they don't need a full-time chief at Lexington Pumping Station. He noted that the City of Chicago has acknowledged these items and they are working on the issues. Manager of Operations McGhee added that this is not the appropriation budget.

Committee Chairman Suess asked if there has been any operational savings from the photovoltaic cells at Lexington Pumping Station. General Manager Spatz replied that it is around 5% electrical savings.

Board Chairman Zay stated that the City of Chicago seems receptive to these issues.

Review of Construction in Progress

Mr. Lux stated he reviewed the construction in progress balances for various projects and there are four or five projects that have been ongoing for a long time and have costs going back to 2004-2003. He stated that one had \$1.1M for a lot of engineering costs for a 30 million gallon reservoir that was going to be built in the back of the Commission Pumping Station and it was going to cost over \$30M to build. He added that because of the work that was done at the Lexington Pumping Station there is a feeling that it is not needed and the \$1.1M of engineering studies is not going to be needed since the project is going to be abandoned. He added that next month he is going to write off that amount and it will hit the Commission's bottom line.

Commissioner Pruyne asked if Mr. Lux is going to put this amount in a special account. Mr. Lux responded that he is going to put this amount into the loss on fixed assets account. He added that there is a small gain in this account because the Commission traded in two trucks and received some value for those that were fully depreciated when the two new vehicles were purchased. He added that it will not skew the operations since it is a non-operating type item. He noted that he wanted to bring this to the committee's attention so that next month when the numbers are low they will know why and from an accounting standpoint this needed to be done.

Commissioner Pruyne asked what the other projects were that he mentioned. Mr. Lux responded that there are three or four other projects that add up to around \$15,000.

Draft Annual Budget

Manager of Operations McGhee stated that there will be a presentation on the draft budget at the Committee of the Whole meeting. Board Chairman Zay stated that he wanted to have a Committee of the Whole meeting to answer any questions as a whole. He added that if there are any questions, it can be brought back to the Finance Committee.

Quarterly Budget Review

Manager of Operations McGhee stated that the committee has been reviewing the budget monthly. Mr. Lux stated that in the past staff has put together a bar graph but since the committee has been going through the budget-to-actual statements each month, it has been covered with that.

Election of Interest Period under Northern Trust Certificate of Debt

General Manager Spatz informed the committee that the one month Libor is 0.25% and the three month Libor is 0.50%. He added that last month the one month Libor rate was at 0.28%. Manager of Operations McGhee added that staff would recommend that the Commission stays with the one month Libor rate at 0.25%. Mr. Lux added that Commissioner Janc had thought that the one month Libor would stay pretty consistent.

After some discussion, the committee was in agreement to lock in for one month Libor.

Update on the Financial Administrator Search

General Manager Spatz informed the committee that staff has closed the period for accepting résumés for the Financial Administrator position and received about 410 résumés. He stated that one of the preferred items was a CPA and out of the 410 résumés sixty seven candidates had a CPA. He added that he would like to sit down with Manager of Operations McGhee, Mr. Lux, and Treasurer Narducci and narrow the sixty seven candidates down to thirty then, possibly, set up some Skype interviews. He added that from there narrow that number down to ten or twelve candidates to come to the Commission offices for interviews and pick out the top three candidates and have the Finance committee talk to those candidates and make a selection from there.

The committee was in agreement with General Manager Spatz's plan for selecting a candidate for the Financial Administrator position.

Update on the Legal Review of Financial Contracts

Manager of Operations McGhee stated that last month the Harris Bank agreement was approved but before it was signed the committee wanted to have outside counsel review it. He added that the review has not been completed yet because there were some issues with waivers for the legal firm since they also have business with Harris Bank. General Manager Spatz stated that he had spoken with Board Chairman Zay about using Holland & Knight for this review. He added that Holland & Knight had

initially suggested \$5,000 and he lowered it to \$3,000 and it is roughly fifteen hours. He added that they do a lot of banking agreements and they need to get waivers from the Commission and Harris Bank. He also added that he didn't think it would take much longer to review the banking agreement once the waivers are in place.

Accounts Payable

Mr. Lux presented the Accounts Payable to the committee members.

January 11, 2012 – February 7, 2012	\$4,876,012.42
<u>Estimated</u>	<u>\$1,564,337.00</u>
Total	\$6,440,349.42

Other

Manager of Operation McGhee reminded to the committee members that all public officials need to take the online Open Meetings Act (OMA) training by December 31, 2012. Committee Chairman Suess asked if a Commissioner has already taken the training for another government entity if they need to take the training again for the Commission. Manager of Operations McGhee stated that he would ask Staff Attorney Crowley. He stated that once the training is completed there is a test at the end then each Commissioner receives a certificate and a copy needs to be submitted to the Commission to keep on file.

At this time, Manager of Operation McGhee left the meeting.

General Manager Spatz thanked Committee Chairman Suess for his comments on the investment agreement and that General Manager Spatz and The PFM Group signed off on the agreement. He stated that next week he is going to send out the amended investment policy to the committee and update the benchmarks on that policy. He added that he thinks it is important that the policy is voted on next month because The PFM Group is now doing the investing and would like to have an updated investment policy.

General Manager Spatz stated that the amended investment policy has changes incorporated from Mr. Lux, Staff Attorney Crowley, Treasurer Narducci, and Committee Chairman Suess. He added that Committee Chairman Suess added that some benchmarks based upon the duration of the investment and staff is working with The PFM Group to establish these benchmarks. Mr. Lux added there will probably be a stratified benchmark for the different accounts based on the fact that some will longer and some will be shorter. General Manager Spatz added that once these changes have been incorporated he will send a new draft out and it can be reviewed by the committee members. Committee Chairman Suess stated that he thinks it is important that we need to have some criteria documented by which the Commission evaluates The PFM Group.

General Manager Spatz stated that Standard & Poor's and Moody's Investor Services

will be coming into the Commission next week and on March 1st for a bond presentation to see if they will review the Commission again and may have to pay a small fee since the Commission is not doing a bond deal but would like to get our bond rating back up again. Mr. Lux added that the Commission has a great story to tell since the Commission's cash investments are back in order and the four year rate increases are significant items.

Commissioner Pruyn asked if this would give the Commission an immediate savings or the next time the Commission wants to borrow. General Manager Spatz stated that the current interest rates are not dependent on the audit rating. Board Chairman Zay stated that Northern Trust worked with the Commission because it was going to cost the Commission higher interest rates.

Commissioner Pruyn asked how much it would cost to have the bonding agencies review the Commission. Mr. Lux replied that staff has not finalized the amount and that an annual review is around \$5,000-\$6,000 where he used to work.

Committee Chairman Suess stated that it is important to have outside verification that the Commission has a good story to tell and has turned the corner.

General Manager Spatz stated that Treasurer Narducci, Mr. Lux, and he are going to compile a press release dictating what the Commission has done to address, and what safeguards are in place, the Jenner & Block's forensic audit.

General Manager Spatz stated that at the Commission meeting he will be asking Board Chairman Zay to go into executive session regarding DuPage County's subsequent costs and infrastructure buy in.

Adjournment

The meeting concluded at 6:45 P.M.

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DuPAGE WATER COMMISSION
HELD ON THURSDAY, JANUARY 19, 2012
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:07 P.M.

Committee members in attendance: P. Suess, C. Janc, J. Pruyn, D. Russo (arrived at 6:15 P.M.), and J. Zay (*ex officio*) (arrived at 6:45 P.M.)

Committee members absent: none

Also in attendance: R. Furstenau, T. McGhee, N. Narducci, S. Lux of Baker Tilly, J. Nesbitt

Minutes

Manager of Operations McGhee informed the committee that the discussion notes from December 15, 2011 would become minutes upon committee approval at next month's meeting since Board Chairman Zay was present and is a committee member.

Treasurer Narducci asked that the December 15, 2011 discussion notes reflect that he approved the reconciliations since it was only noted that he was reviewing the reconciliations at that time.

Commissioner Furstenau asked why a Commissioner recused himself twice in the November 17, 2011 minutes. Commissioner Janc responded that he works for JP Morgan Chase and it was one of the banks under discussion for investment advisors and banking relationships.

Commissioner Janc moved to approve the Minutes of the November 17, 2011 Finance Committee meeting as presented. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

Approval of Reconciliations

Treasurer Narducci noted that the reconciliations were approved.

Committee Chairman Suess asked for a total amount for the reconciliations. Treasurer Narducci responded that the reconciliations are presented according to bank account. Mr. Lux added that the totals are on the Treasurer's Report.

Treasurer's Report – December 2011

Mr. Lux provided the Committee with a summary of the December Treasurer's Report.

Mr. Lux commented about the increase in cash and investments even though the Commission paid \$3MM in principal and \$300,000 of interest to West Suburban Bank.

At this time Commissioner Russo arrived at the meeting.

Committee Chairman Suess asked about the Commission's ability to pay off the 2003 revenue bond. Mr. Lux responded that the call date on that bond is not until 2013 and because they had been once refunded there is nothing that the Commission can do until that time.

Financial Statements – December 2011

Mr. Lux provided the Committee with a summary of the December Financial Statements.

Commissioner Janc asked why there was a significant decrease year over year for water sales in a winter month rather than a summer month. Mr. Lux responded that this might be because of water conservation and he has seen this decreasing trend at the City of Chicago especially after water increases.

Commissioner Pruyn asked what percentage General Manager Spatz factored into his rate model. Mr. Lux responded that General Manager Spatz factored in a 2% decrease.

Commissioner Russo asked if the decreasing trend works with the year-to-date running decline to General Manager Spatz's 2% decrease. Mr. Lux responded that usage year-to-date for the Commission is 1.9% below where it was versus 2010 and that there are one or two months with slight increases.

Commissioner Russo asked Manager of Operations McGhee if he has seen a 6% decrease in water use over one month's time previously. Manager of Operations McGhee responded that the Commission has seen this decrease previously but added that it would be better to look at usage annually rather than monthly since demand in the winter months are low and summer months are high. He added that water usage in the winter is usually attributed to water main breaks and since it has not been very cold this year, our customers haven't had many breaks. Mr. Lux added that although the percentage is larger than recent months the actual quantity is small since it is the winter.

Commissioner Russo asked if there will be an upward trend if there are no main breaks since there is a 6% decline in December. He added that he was concerned if this was a continuing declining trend that there would be no way to recoup since the season for water is the next fiscal year. Manager of Operations McGhee responded that there might still be a decrease since the rates are increasing which might force conservation because residents don't want to pay a higher water bill. He added that typically after a water rate increase water sales decrease for a short duration for a few billing cycles then pick up again. He also added that General Manager Spatz and he were reviewing the past year to see if 2% is a good number to use for revenues going forward.

Commissioner Janc asked if the favorable variances in our expenses would continue through the year or if there are some outlying expenses. Mr. Lux responded that there were some outlying expenses that he was going to discuss later in the meeting.

Mr. Lux informed the committee members that the management budget did not have the adjustment for the \$2,000 of interest expense from the certificates for the leased copiers that the appropriation budget had. He added that staff is going to reclassify the \$2,000 for interest expense. Committee Chairman Suess asked what the interest expense was for the copiers. Mr. Lux responded that the interest payment is approximately \$200 per month with a five year lease. Commissioner Pruyn asked if there was a separate charge for usage. Mr. Lux responded that there is a separate charge for usage which is \$200-\$300.

There was a brief discussion on the type of bond payment for the bond payable line.

Mr. Lux discussed with the Commissioners the larger items that have variances on the year-to-date schedule on the Revenue and Expense Report.

Commissioner Pruyn asked for a breakdown of the \$7M budgeted for the income for the water fund general in the tax area since it stated that 0% had been collected. Mr. Lux responded that the sales tax was on two separate lines for revenue and if they are combined then they show the correct amount. Commissioner Pruyn then asked what the contributions are for \$331,000. Mr. Lux responded that when the Commission builds a pressure adjusting station for a town, it is not the Commission's asset; the town pays the Commission to build it. He added that the Commission has an expense when it is built and then the contributions cover that cost. Commissioner Pruyn asked if it was paid a certain time of year. Mr. Lux responded that it would be recognized as revenue as it gets built.

Committee Chairman Suess asked where the Commission was with the dispute with DuPage County. Manager of Operations McGhee responded that staff is waiting on a response from the county. He added that General Manager Spatz spoke with some representatives from the county and they are working out what they would like to do. Committee Chairman Suess then asked if DuPage County still owes the Commission money. Manager of Operations responded in the affirmative.

Commissioner Russo asked to describe the Administrative overtime. Manager of Operations McGhee stated that, as an example, it is used for board packet preparation once a month and the accountant preparing the month-end closings. Commissioner Russo asked if the overtime is for the non-salary Administrative staff. Manager of Operations responded in the affirmative.

Ordinance O-1-12

The Committee discussed the ordinance and Committee Chairman Suess asked if the Commission was going to continue funding the employees' Health Savings Account going forward. Manager of Operations McGhee stated that, if finances allow, the

Commission will continue funding the employees' accounts at \$2,000 for a single and \$4,000 for a married couple.

At this time, Board Chairman Zay arrived at the meeting.

Commissioner Pruyn asked what percentage of the IRS maximum is the Commission funding. Mr. Lux responded that the Commission is funding around two-thirds. He added that overall there is savings for the Commission. Committee Chairman Suess asked if the employee does not use the entire amount in the account, if it carries over. Manager of Operations McGhee responded in the affirmative and added that it is similar to an IRA account.

Treasurer Narducci discussed with the committee how the appropriation is classified.

The committee then recommended the ordinance for approval.

Resolution R-3-12

The committee discussed the resolution and, after confirming that Baker Tilly will be available to overlap with the new Financial Administrator during the audit, recommended approval.

Resolution R-4-12

The committee discussed the resolution and Committee Chairman Suess asked if the Commission would keep the lockbox with MB Financial. Manager of Operations McGhee stated that the lockbox with MB Financial would be terminated.

Committee Chairman Suess stated that Sikich's approval has language that limits their liability and asked if the Commission, as a public entity, is able to agree to their limited liability. Mr. Lux responded that this is a standard proposal relating to indemnifying Sikich for errors that the Commission makes in providing them data. Committee Chairman Suess stated that a lot of public entities will not agree to limits of liability. He asked staff to research if there are any restrictions on the Commission's ability to agree to limits of liability. Mr. Lux stated that Staff Attorney Crowley would have to respond to his question.

At this time, Board Chairman Zay left the meeting.

After some discussion, the committee was in agreement to recommend approval subject to review of outside council. The committee was also in agreement to use this opportunity for staff to obtain a resource for outside council to review financial documents.

Election of Interest Period under Northern Trust Certificate of Debt

Manager of Operations McGhee informed the committee that the three month Libor rate is 0.56% and the one month Libor is 0.28%.

After some discussion, the committee was in agreement to lock in for one month Libor.

ComEd Capacity-Based Load Response (CLR) Program Compensation

Manager of Operations McGhee informed the committee that about a year ago when the Commission installed the generators, ComEd signed the Commission to a load response compensation program wherein ComEd would reimburse the Commission for operating its generators in the event of a load demand service interruption request from ComEd. He added that even though the Commission has never been asked to use it by ComEd, they gave the Commission \$339,000. Commissioner Pruyn asked if the Commission could sign up with this program again. Manager of Operations McGhee stated that ComEd is not offering this program again but he is looking into finding another program.

Accounts Payable

Mr. Lux presented the Accounts Payable to the committee members.

December 8, 2011 – January 12, 2012	\$3,857,325.33
<u>Estimated</u>	<u>\$921,120.00</u>
Total	\$4,778,445.33

Mr. Lux informed the committee that the INFOR Purchase Order for \$33,000 was being left on the Accounts Payable but the check was not being issued until after the next meeting since it is a sole source and over \$20,000 it needed to be brought before the board with a Request for Board Action.

Other

Treasurer Narducci commented that to comply with Jenner & Block's forensic audit and once the new Financial Administrator starts, everyone on the financial committee should have their qualifications posted on dpwc.org. He asked who had completed the continuing disclosure. Mr. Lux responded that he had completed the continuing disclosure and Staff Attorney Crowley posted it online.

After some discussion, the committee members were in agreement to recommend that Treasurer Narducci meets with staff prior to the Finance Committee meetings and present recommendations at the meetings.

Manager of Operations McGhee stated that there are many résumés that have been submitted for the Financial Administrator position; he asked the committee how they want to go about selecting a candidate. Commissioner Janc stated that General Manager Spatz should select a few candidates to see who he can work with then seek input from the committee.

Commissioner Russo asked to have a copy of staff job descriptions and an organization chart because he wanted to see where the Commission is in respect to percent of administration staff as well as operations staff. Mr. Lux stated that there are currently 33 employees, several of which are in the Administration department and the rest are in the Operations department.

Adjournment

The meeting concluded at 7:25 P.M.

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, DECEMBER 15, 2011
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:12 P.M.

Committee members in attendance: C. Janc, J. Pruyn, and J. Zay (*ex officio*)

Committee members absent: D. Russo and P. Suess

Also in attendance: J. Spatz, T. McGhee, J. Nesbitt, N. Narducci, S. Lux of Baker Tilly, and Representatives from PFM Asset Management LLC J. Schroeder and D. Nelson.

Minutes

The Regular Committee Minutes of November 17, 2011 were not approved since there was no quorum.

Approval of Reconciliations

Treasurer Narducci was still reviewing the reconciliations at this time. He approved the reconciliations later in the meeting.

Treasurer's Report – November 2011

Mr. Lux provided the Committee with a summary of the November Treasurer's Report.

Financial Statements – November 2011

Mr. Lux provided the Committee with a summary of the November Financial Statements.

Commissioner Pruyn asked why there is a difference in receivables. Mr. Lux responded that the water quality loans make up the difference.

Commissioner Janc asked to have the net monthly budget numbers provided through the end of the fiscal year in May.

Commissioner Pruyn asked why there is \$4MM less in the year-to-date actual than the year-to-date budget in the water operation account. Mr. Lux replied that the variance is comprised of several accounts including water billing, pump station, and corrosion testing and mitigation.

Commissioner Pruyn asked about the \$1.4MM variance in the water billing account. Mr. Lux stated that that the usage budgeted versus actual is down.

General Manager Spatz stated that there are some capital projects that have a year-to-date balance of \$700,000 and only \$7,000 was spent; such as the corrosion testing and mitigation project; and for the valve stem replacement project, parts are being ordered so in-house replacement can be manufactured. He added that the corrosion testing and mitigation project has been delayed because of ComEd and the majority of the project will go into next year since it is the cold season. General Manager Spatz added that remote facilities will have tank painting and protection ladders that will be added onto the budget and in the future staff will break out the capital budget so it is separate from the operating budget.

Commissioner Pruyn asked if water billing reimbursement was done through the City of Chicago. Mr. Lux responded that the Commission pays 10% reduced off of the bills and the balance remaining is recorded in other receivables.

Resolution R-47-11 and R-48-11

Mr. Lux stated that the Illinois institutional funds are similar to a holding place. Commissioner Janc asked if The PFM Group is going to make investments limited. Mr. Schroeder responded that the Illinois Institutional Funds is a pass-through platform similar to Illinois Funds but The PFM Group will utilize a longer term investments based on cash flow.

Commissioner Janc asked how many basis points the Illinois Institutional Funds would be yielding. Mr. Schroeder responded that there could be five or six basis points. Commissioner Janc asked if there would be fees on the basis points. Mr. Schroeder responded that The PFM Group would be waiving fees.

Draft Investment Policy

Commissioner Pruyn asked if this was an amendment to the Commission's existing investment policy. Mr. Lux responded that this is a new draft and the older policy was from 1993. After more discussion, it was decided that the Commissioners would receive the old investment policy as well as the engagement letter.

Mr. Schroeder outlined how The PFM Group would review the draft investment policy. General Manager Spatz stated that the Commission could get out of the contract with The PFM Group at any point, if needed.

Discussion of Financial Administrator

General Manager Spatz reported that the job description for the Financial Administrator was revised. He added that Treasurer Narducci handed out a list of suggested sites to advertise for the position. Treasurer Narducci suggested advertising on the Illinois Municipal League, Illinois Government Finance Officers Association, and the International City/County Management Association, and one of the big name job advertisements such as monster.com or careerbuilder.com.

General Manager Spatz stated that he would like to have the advertising, interviewing, and hiring of a Financial Administrator completed by March to overlap with Baker Tilly.

Selection of Auditor

General Manager Spatz stated that Sikich LLP had submitted a contract for three more years of auditing the Commission. He added that staff would like to use Sikich LLP one more year before looking at hiring a new firm.

Accounts Payable

Mr. Lux presented the Accounts Payable to the committee members.

November 11, 2011 – December 8, 2011	\$4,030,760.31
<u>Estimated</u>	<u>\$1,052,980.00</u>
Total	\$5,083,740.31

Commissioner Pruyn inquired about the BNY Mellon- HSA amount on the Items to be Paid List. Mr. Lux responded that the BNY Mellon- HSA amount is for the possible HSA accounts if the employees decide to choose that insurance plan.

Commissioner Pruyn inquired about the Ground Pro’s amount and asked if it was for plowing services. Mr. Lux responded that this amount is for the landscape conversion project.

Adjournment

The meeting concluded at 6:53 P.M.

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

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

Committee members in attendance: C. Janc , J. Pruyn, D. Russo, P. Suess, and J. Zay
(*ex officio*)

Committee members absent:

Also in attendance: M. Scheck, D. Loftus, J. Spatz, T. McGhee, N. Narducci, S. Lux of Baker Tilly, J. Grabowski City of Elmhurst, Kevin York City of Elmhurst, Representatives from Harris Bank and Representatives from PFM Asset Management LLC.

Minutes

Commissioner Pruyn moved to approve the Minutes of the October 20, 2011 Finance Committee meeting as presented. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

Approval of Reconciliations

Treasurer Narducci noted that the reconciliations were approved.

Financial Statements – October 2011

Mr. Lux provided the Committee with a summary of the October Financial Statements.

Committee Chairman Suess asked staff about the difference between the 49% of budget and the 90.3% of expenditure budget. General Manager Spatz explained that the 49% was the actual expenditure through the first six months of the budget year and the 90.3% was the expected portion of the six month budget based on the past three years adjusted for seasonally.

Committee Chairman Suess asked staff if they were confident that the Commission would sustain the 90.3% expectation for the rest of the year. General Manager Spatz reported that he was. Mr. Lux added that the Commission was under budget due to reduction in personnel, lower insurance costs, and lower project costs due to staff's contribution on some projects.

Treasurer's Report – October 2011

Mr. Lux provided the Committee with a summary of the October Treasurer's Report.

Commissioner Pruyun asked why the restricted depreciation cash account was under the targeted amount in previous months. Mr. Lux reported that the accounts target amount reflects the current month's requirement which increases by \$175,000 each month, so the previous months will always be less than the current month's requirement.

Commissioner Pruyun asked why the Revenue Bond account has a \$7,133,342 when the target is \$14,289,188. Mr. Lux responded that under the Revenue Bond Ordinance the Commission funds the revenue Bond account at 1/12 of the required amount per month and we are at the six month mark. Mr. Lux added that the six month interest payment on the revenue bond would be made next month.

Commissioner Pruyun asked why the October balance of the lockbox was so much higher than the September balance. Mr. Lux stated that it was a timing issue on when amounts are transferred to the Illinois Fund. Once checks are cleared they are transferred out leaving a \$1,000 balance in the account.

Quarterly Budget Review

Mr. Lux provided the Committee with the status of the budget at the six month mark and reported that the Commission had not exceeded any of the budgeted accounts and was on track to reach its year end budget.

Commissioner Pruyun asked why the balance in the general ledger for Accounts Payable was different than the Accounts Payable register shows today. Mr. Lux reported that a number of checks from the prior approved estimated A.P. list had been cut in that time frame and additional items relating to November were added.

Ordinance O-15-11

The Committee discussed the ordinance and Committee Chairman Suess asked if any of the Commission's customers had contacted the Commission with questions or complaints. General Manager Spatz reported that he had not received any direct comments from our customers, but he had met with some of the Mayors and the City of Chicago to discuss the rate increase. He also stated that the City would be providing documentation to show how the increased revenue would be used by the Chicago water department.

Commissioner Pruyun added that the City stated that water rates after 2015 would be tied to the CPI with a 5% cap.

Workers' Compensation and Employer's Liability Insurance

The committee discussed the renewal policy and recommended approval.

Northern Trust/West Suburban Bank Prepayment(s)

General Manager Spatz recommended that the Commission make a \$3,000,000 prepayment on the West Suburban loan in December if the Commission financial

position allowed. The Committee agreed that if the Commission is in a position to make the prepayment, the General Manger should make the \$3,000,000 payment.

Discussion of Investment Advisor

Mr. Lux gave a report on the proposals that the Commission received from firms offering their services as the Commission investment advisor. General Manager Spatz added that the staff and Treasurer Narducci agreed that PFM Asset Management LLC would be the best firm to assist the Commission with its investment needs at this time. The Committee discussed the services and fees that PFM offered and agreed with the recommendation. The Committee also stated that in the future they would like to have a presentation with Q/A in addition to a recommendation.

Commissioner Janc recused himself from the process due to a possible conflict with his employer.

Discussion of Banking Relationships

Mr. Lux gave a report on the proposals that the Commission received from firms offering their banking services to the Commission. General Manager Spatz added that the staff and Treasurer Narducci agreed that Harris Bank had the most favorable proposal to provide banking services to the Commission. The Committee discussed the services and fees that Harris offered and agreed with recommendation. The Committee reiterated their request for additional input in future selection processes.

Commissioner Janc recued himself from the process due to a possible conflict with his employer.

Discussion of Financial Administrator

General Manager Spatz reported that the Administration Committee requested the opportunity to review the job qualifications for this position. General Manager Spatz also commented that they should have their review completed quickly so he can advertise the position in December.

Accounts Payable

Mr. Lux presented the Accounts Payable to the committee members.

October 12, 2011 – November 10, 2011	\$4,379,249.15
<u>Estimated</u>	<u>\$4,993,540.00</u>
Total	\$9,372,789.15

Commissioner Pruyin inquired about a \$1,500 Business card charge on the estimated A.P. list. Manager of Operations McGhee informed him that this item was to cover all of the Commissions I-Pass devices.

Other

Treasurer Narducci passed out a project list and discussed various items that he thought should be priorities and which items he would attend to at a later date.

Commissioner Pruyun asked if the Commission could lower the interest rate on either of our Certificate of Debt by having our Bond Rating restored. Manager of Operations McGhee reported that the interest rates were no longer tied to our bond rating. Mr. Lux added there might be a possibility of lowering the rates on the Revenue Bonds if the Commission decided to refund the bonds, but to due to the fact that the bonds are close to their retirement date the majority has already been paid and it probably would not be beneficial to refund the bonds at this time.

Commissioner Russo asked when the F.A. position would be advertised. Manager of Operations McGhee stated that once the Administration Committee finishes their review the General Manger would allow the entire Board one final review before advertising the position.

Committee Chairman Suess asked Mr. Lux for an update on Baker Tilly's project list. Mr. Lux gave an update on their list

Adjournment

Commissioner Russo moved to adjourn the meeting at 7:10P.M. Seconded by Commissioner Pruyun and unanimously approved by a Voice Vote.



DuPage Water Commission

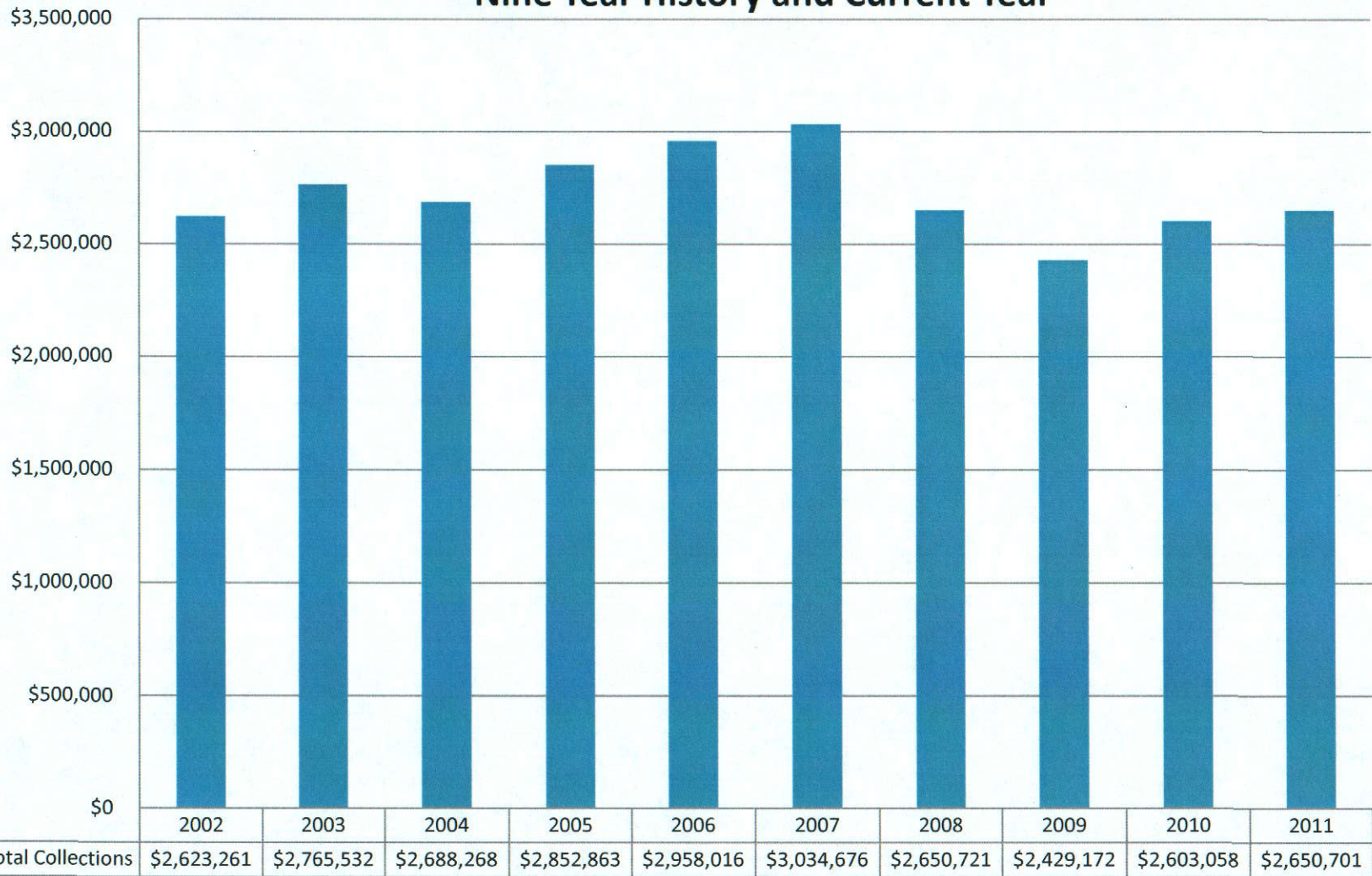
MEMORANDUM

TO: John Spatz, General Manager
FROM: Baker Tilly, Consultant
DATE: March 8, 2012
SUBJECT: Financial Report – February 29, 2012

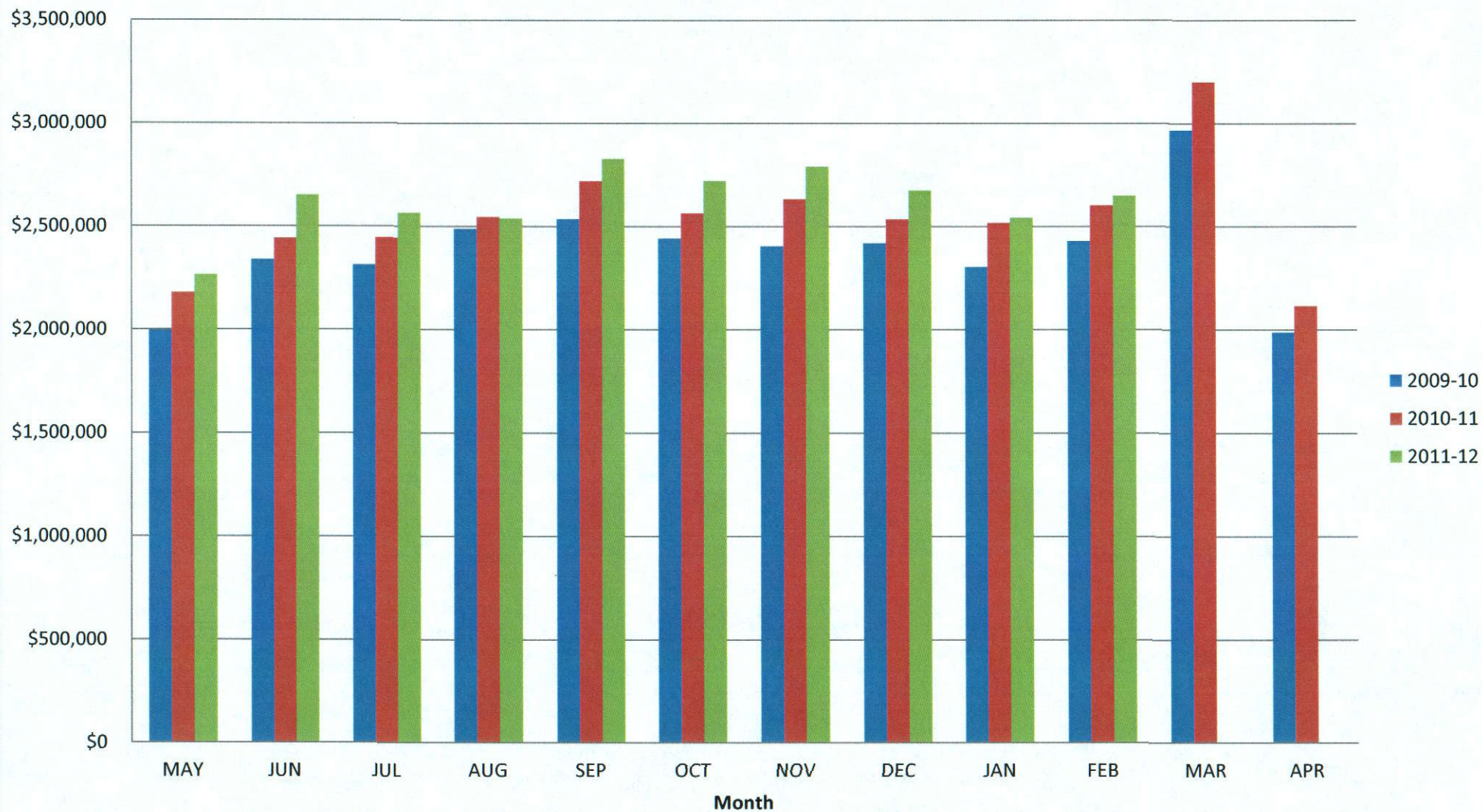
- Water sales to Commission customers for February were 34.8 million gallons (1.8%) less than February 2011 and 147.5 million gallons less than January 2012. Year to date water sold to customers is 2.14% less than the prior year. Water billings to customers was \$5.258 million and water purchases from the City of Chicago was \$4.950 million.
- February sales tax collections (November) were \$2.65 million or 1.83% more than the same period last fiscal year. Cumulatively, sales tax is \$1,051,904 greater compared to prior year (4.18%).
- Water billing receivables at the January month end (\$9.4 million) increased from the prior month (\$7.9 million) by \$1.5 million. This increase is due to the timing of collections.
- The Commission is ten months through the fiscal year. At the end of February \$82.9 million of the \$97.1 million revenue budget has been realized, this accounts for 85.4% of the revenue budget, \$68.2 million of the \$87.2 million expenditure budget has been realized, this accounts for 78.1% of the expenditure budget. The Commission's year to date balances for revenues and expenditures are in line with the budgeted amounts.
- Adjusted for seasonality based on a monthly trend for the last three fiscal years impacting water service, sales tax revenues, water billing from Chicago, electricity and pumping operations, year to date revenues are 101.4% percent of budget and expenses are 92.2% of budget.
- The Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts are fully funded as of February 29, 2012.
- The General Account and the Sales Tax Subaccount have balances of \$20.8 million and \$10.4 million, respectively.

cc: Chairman and Commissioners

DuPage Water Commission - Sales Tax Collections - Month of Feb. - Nine Year History and Current Year



Three Year Sales Tax Analysis



DuPage Water Commission

Summary of Specific Account Requirement Compliance and Summary of Net Assets

February 29, 2012

Revenue Bond Ordinance/Commission Policy Account Requirements	Account Net Assets Balance	Specific Account Requirement	Status
Operations and Maintenance Account	\$ 6,182,616.25	\$ 6,182,616.25	Fully Funded
Revenue Bond Interest Account	\$ 5,339.00	Positive Balance	Compliant
Revenue Bond Principal Account	\$ 3,231.96	Positive Balance	Compliant
Bond Reserve Account	\$ -	Insured	Compliant
Operations and Maintenance Reserve Account	\$ 12,370,895.55	\$ 12,365,232.50	Fully Funded
Depreciation Account	\$ 6,577,531.71	\$ 6,575,000.00	Fully Funded
General Account	\$ 20,754,842.00	\$ 13,000,000.00	Fully Funded

Other Accounts - No Requirement

Sales Tax Subaccount \$ 7,049,328.21

Total Net Assets - All Commission Accounts

Unrestricted	\$ 2,482,643.58
Restricted	\$ 35,017,453.05
Invested in Capital Assets, net	\$ 300,236,592.41
 Total	 \$ 337,736,689.04

BALANCE SHEET

AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND

	2010-2011 BALANCE	2011-2012 BALANCE
<u>ASSETS</u>		
<u>CURRENT</u>		
CASH	1,073,755.49	705,621.20
INVESTMENTS	79,766,674.82	71,290,331.38
ACCOUNTS RECEIVABLE		
WATER SALES	6,701,861.25	9,394,310.57
INTEREST RECEIVABLE	159,526.28	34,216.66
SALES TAX RECEIVABLE	7,063,636.00	7,346,181.00
OTHER RECEIVABLE	5,850,504.29	84,102.84
INVENTORY	167,080.00	167,080.00
PREPAIDS	383,548.11	338,394.56
UNAMORTIZED ISSUANCE COST	162,218.80	119,025.13
TOTAL CURRENT ASSETS	<u>101,328,805.04</u>	<u>89,479,263.34</u>
<u>NONCURRENT ASSETS</u>		
FIXED ASSETS	469,495,238.76	492,797,975.50
LESS: ACCUMULATED DEPRECIATION	(118,858,872.50)	(120,549,213.32)
CONSTRUCTION WORK IN PROGRESS	29,071,146.27	506,434.54
LONG TERM RECEIVABLES	5,425,568.54	637,568.54
DEFERRED WATER SUPPLY CONTRACTS	0.00	0.00
TOTAL NONCURRENT ASSETS	<u>385,133,081.07</u>	<u>373,392,765.26</u>
TOTAL ASSETS	486,461,886.11	462,872,028.60
	=====	=====
<u>LIABILITIES</u>		
=====		
<u>CURRENT LIABILITIES</u>		
ACCOUNTS PAYABLE	6,188,594.06	5,148,313.74
ACCOUNTS PAYABLE CAPITAL	5,423.44	1,109,647.55
ACCRUED PAYROLL LIABILITIES	277,873.41	309,236.70
NOTES PAYABLE	70,000,000.00	54,000,000.00
NOTES PAYABLE DISCOUNT	(20,100.31)	(83,333.30)
BONDS PAYABLE	23,030,000.00	11,090,000.00
DUE TO THE COUNTY	0.00	0.00
ACCRUED INTEREST	1,975,278.39	1,365,997.17
CONTRACT RETENTION	1,576,290.07	1,560,674.02
DEFERRED REVENUE	1,828,164.02	1,687,258.52
TOTAL CURRENT LIABILITIES	<u>104,861,523.08</u>	<u>76,187,794.40</u>
<u>NONCURRENT LIABILITIES</u>		
CAPITAL LEASE PAYABLE	0.00	35,967.35
REVENUE BONDS	61,465,000.00	50,375,000.00
UNAMORTIZED PREMIUM	(2,154,996.66)	(1,510,801.90)
GENERAL OBLIGATION BONDS	0.00	0.00
OTHER POST EMPLOYMENT BENEFITS LIAB.	44,637.00	46,766.00
DUE TO THE COUNTY	0.00	0.00
TOTAL NONCURRENT LIABILITIES	<u>59,354,640.34</u>	<u>48,946,931.45</u>
TOTAL LIABILITIES	164,216,163.42	125,134,725.85
	=====	=====

BALANCE SHEET

AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND

	2010-2011	2011-2012
ASSETS	BALANCE	BALANCE
BEGINNING EQUITY/RESERVES	<u>321,957,531.32</u>	<u>323,015,378.24</u>
TOTAL REVENUE	76,624,971.22	82,877,014.00
TOTAL EXPENSES	<u>76,336,779.85</u>	<u>68,155,089.49</u>
NET CHANGE	<u>288,191.37</u>	<u>14,721,924.51</u>
TOTAL EQUITY/RESERVES	<u>322,245,722.69</u>	<u>337,737,302.75</u>
NET ASSETS	486,461,886.11	462,872,028.60
	=====	=====

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DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 83.33

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
WATER SERVICE	65,469,684	5,928,787.27	0.00	57,376,570.77	0.00	8,093,113.23	87.64
TAXES	31,014,000	2,650,701.05	0.00	26,231,971.76	0.00	4,782,028.24	84.58
OTHER INCOME	584,862	(1,141,469.52)	0.00	(731,528.53)	0.00	1,316,390.53	125.08-
TOTAL REVENUES	97,068,546	7,438,018.80	0.00	82,877,014.00	0.00	14,191,532.00	85.38
<u>EXPENDITURE SUMMARY</u>							
<u>OPERATIONS</u>							
REBATE/ALW BAD DEBT STLM	0	0.00	0.00	0.00	0.00	0.00	0.00
PERSONNEL SERVICES	4,257,437	251,644.73	0.00	2,925,386.51	0.00	1,332,050.49	68.71
CONTRACT SERVICES	826,500	9,073.57	0.00	548,221.28	0.00	278,278.72	66.33
INSURANCE	740,044	43,989.93	0.00	457,549.36	0.00	282,494.64	61.83
OPERATIONAL SUPPORT SRVS	999,745	61,161.25	0.00	296,399.44	0.00	703,345.56	29.65
WATER OPERATION	67,430,919	5,155,779.58	0.00	53,496,954.76	0.00	13,933,964.24	79.34
BOND INTEREST	5,973,115	419,453.83	0.00	4,296,186.75	0.00	1,676,928.25	71.93
LAND & LAND RIGHTS	31,750	2,150.00	0.00	2,270.79	0.00	29,479.21	7.15
CAPITAL EQUIP/DEPREC	6,961,405	575,878.24	0.00	6,080,948.23	0.00	880,456.77	87.35
CONSTRUCTION IN PROGRESS	0	(8,724.50)	0.00	500.00	0.00	(500.00)	0.00
CHGO CONSTR GRANT	0	3,877.22	0.00	50,672.37	0.00	(50,672.37)	0.00
CONTINGENCY	0	0.00	0.00	0.00	0.00	0.00	0.00
BOND PRINCIPAL	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OPERATIONS	87,220,915	6,514,283.85	0.00	68,155,089.49	0.00	19,065,825.51	78.14
TOTAL EXPENDITURES	87,220,915	6,514,283.85	0.00	68,155,089.49	0.00	19,065,825.51	78.14
REVENUE OVER/(UNDER) EXPENDITURES	9,847,631	923,734.95	0.00	14,721,924.51	0.00	(4,874,293.51)	149.50

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND

% OF YEAR COMPLETED: 83.33

REVENUES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>WATER SERVICE</u>							
01-5111 O&M PAYMENTS- GOVERNMENTAL	55,717,939	5,116,610.05	0.00	49,424,292.22	0.00	6,293,646.78	88.70
01-5112 O&M PAYMENTS- PRIVATE	1,627,437	133,789.11	0.00	1,224,791.64	0.00	402,645.36	75.26
01-5121 FIXED COST PAYMENTS- GOVT	6,962,662	580,219.03	0.00	5,802,190.30	0.00	1,160,471.70	83.33
01-5122 FIXED COST PAYMENTS-PRIVATE	181,932	15,163.83	0.00	151,638.30	0.00	30,293.70	83.35
01-5131 SUBSEQUENT CUSTOMER - GO	402,980	28,154.50	0.00	283,535.64	0.00	119,444.36	70.36
01-5132 SUBSEQUENT CUSTOMER - PRIVAT	564,409	47,505.91	0.00	478,759.24	0.00	85,649.76	84.82
01-5141 EMERGENCY WATER SERVICE- GOV	12,325	7,344.84	0.00	11,363.43	0.00	961.57	92.20
01-5142 EMERGENCY WATER SERVICE	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL WATER SERVICE	65,469,684	5,928,787.27	0.00	57,376,570.77	0.00	8,093,113.23	87.64
<u>TAXES</u>							
01-5200 PROPERTY TAX	0	0.00	0.00	0.00	0.00	0.00	0.00
01-5300 SALES TAX	0	0.00	0.00	0.00	0.00	0.00	0.00
01-5300.SALES TAXES - WATER REVENUE	24,107,746	526,475.29	0.00	24,107,746.00	0.00	0.00	100.00
01-5300.WATER FUND - GENERAL	6,906,254	2,124,225.76	0.00	2,124,225.76	0.00	4,782,028.24	30.76
TOTAL TAXES	31,014,000	2,650,701.05	0.00	26,231,971.76	0.00	4,782,028.24	84.58
<u>OTHER INCOME</u>							
01-5400 RENTAL INCOME	0	0.00	0.00	0.00	0.00	0.00	0.00
01-5810 NET INC(DEC) IN FV OF INVEST	253,862	5,604.58	0.00	44,654.63	0.00	209,207.37	17.59
01-5900 OTHER INCOME	0	(7,231.10)	0.00	349,409.84	0.00	(349,409.84)	0.00
01-5901 SALE OF EQUIPMENT	0	(1,159,843.00)	0.00	(1,145,593.00)	0.00	1,145,593.00	0.00
01-5920 CONTRIBUTIONS	331,000	20,000.00	0.00	20,000.00	0.00	311,000.00	6.04
01-5999 DG Settlement - Appropriation	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER INCOME	584,862	(1,141,469.52)	0.00	(731,528.53)	0.00	1,316,390.53	125.08-
** TOTAL REVENUES **	97,068,546	7,438,018.80	0.00	82,877,014.00	0.00	14,191,532.00	85.38

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DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 - WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
REBATE/ALW BAD DEBT STLM							
01-60-6001 ALW BAD DEBT / SETTLEMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REBATE/ALW BAD DEBT STLM	0	0.00	0.00	0.00	0.00	0.00	0.00
PERSONNEL SERVICES							
01-60-6111 ADMIN SALARIES	1,294,447	84,647.09	0.00	885,558.32	0.00	408,888.68	68.41
01-60-6112 OPERATIONS SALARIES	1,485,894	104,437.54	0.00	1,113,284.39	0.00	372,609.61	74.92
01-60-6112.01 OPER. SALARIES - AWWA BOARD	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6112.02 AWWARF - ASSET MANAGEMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6112.03 AWWARF CORRISON CONTROL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6113 SUMMER INTERNS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6116 ADMIN OVERTIME	7,400	248.80	0.00	2,682.61	0.00	4,717.39	36.25
01-60-6117 OPERATIONS OVERTIME	209,000	3,345.56	0.00	85,814.11	0.00	123,185.89	41.06
01-60-6121 PENSION	336,568	22,447.64	0.00	222,903.44	0.00	113,664.56	66.23
01-60-6122 MEDICAL/LIFE BENEFITS	601,000	19,320.51	0.00	446,414.35	0.00	154,585.65	74.28
01-60-6123 FEDERAL PAYROLL TAXES	234,068	14,397.99	0.00	142,101.15	0.00	91,966.85	60.71
01-60-6128 STATE UNEMPLOYMENT	10,400	0.00	0.00	1,549.98	0.00	8,850.02	14.90
01-60-6131 TRAVEL	14,300	1,105.00	0.00	11,993.74	0.00	2,306.26	83.87
01-60-6131.01 TRAVEL - AWWA BOARD	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6131.02 TRAVEL - ASSET MGMNT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6131.03 TRAVEL - AWWARF COR CONTROL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6132 TRAINING	23,750	0.00	0.00	3,378.62	0.00	20,371.38	14.23
01-60-6133 PROFESSIONAL DEVELOPMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6133.01 CONFERENCES	13,310	1,594.60	0.00	6,669.30	0.00	6,640.70	50.11
01-60-6133.02 TUITION REIMBURSEMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6191 OTHER PERSONNEL COSTS	27,300	100.00	0.00	3,036.50	0.00	24,263.50	11.12
TOTAL PERSONNEL SERVICES	4,257,437	251,644.73	0.00	2,925,386.51	0.00	1,332,050.49	68.71
CONTRACT SERVICES							
01-60-6210 WATER CONSERVATION PROGRAM	25,000	387.00	0.00	13,002.50	0.00	11,997.50	52.01
01-60-6232 BOND ISSUE ADVISORY SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6233 TRUST SERVICES & BANK CHARGE	25,100	523.26	0.00	13,701.10	0.00	11,398.90	54.59
01-60-6239 OTHER FINANCIAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6251 LEGAL SERVICES- GENERAL	50,000	0.00	0.00	347.50	0.00	49,652.50	0.70
01-60-6252 BOND COUNSEL	21,000	0.00	0.00	0.00	0.00	21,000.00	0.00
01-60-6253 LEGAL SERVICES- SPECIAL	50,000	2,251.88	0.00	22,850.18	0.00	27,149.82	45.70
01-60-6258 LEGAL NOTICES	5,000	0.00	0.00	3,680.10	0.00	1,319.90	73.60
01-60-6259 OTHER LEGAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6260 AUDIT SERVICES	45,500	0.00	0.00	43,200.00	0.00	2,300.00	94.95
01-60-6280 CONSULTING SERVICES	127,500	24,223.50	0.00	76,666.81	0.00	50,833.19	60.13
01-60-6290 CONTRACTUAL SERVICES	477,400	30,134.93	0.00	374,773.09	0.00	102,626.91	78.50
TOTAL CONTRACT SERVICES	826,500	9,073.57	0.00	548,221.28	0.00	278,278.72	66.33

DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND
OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
INSURANCE							
01-60-6411 GENERAL LIABILITY INSURANCE	52,744	3,132.42	0.00	37,160.21	0.00	15,583.79	70.45
01-60-6412 PUBLIC OFFICIAL LIABILITY	107,000	2,632.75	0.00	18,839.83	0.00	88,160.17	17.61
01-60-6413 TEMPORARY BONDS	300	0.00	0.00	0.00	0.00	300.00	0.00
01-60-6415 WORKER'S COMPENSATION	90,000	6,667.00	0.00	67,461.00	0.00	22,539.00	74.96
01-60-6416 EXCESS LIABILITY COVERAGE	58,000	2,822.25	0.00	35,316.00	0.00	22,684.00	60.89
01-60-6421 PROPERTY INSURANCE	367,000	27,695.76	0.00	288,107.84	0.00	78,892.16	78.50
01-60-6422 AUTOMOBILE INSURANCE	15,000	1,039.75	0.00	10,664.48	0.00	4,335.52	71.10
01-60-6491 SELF INSURANCE PROPERTY	50,000	0.00	0.00	0.00	0.00	50,000.00	0.00
TOTAL INSURANCE	740,044	43,989.93	0.00	457,549.36	0.00	282,494.64	61.83
OPERATIONAL SUPPORT SRVS							
01-60-6512 GENERATOR DIESEL FUEL	200,000	0.00	0.00	702.36	0.00	199,297.64	0.35
01-60-6513 NATURAL GAS	42,000	3,649.94	0.00	18,042.80	0.00	23,957.20	42.96
01-60-6514.01 TELEPHONE	28,540	1,583.60	0.00	15,569.72	0.00	12,970.28	54.55
01-60-6514.02 CELL PHONE & CORR. TELEMETRY	35,980	1,418.34	0.00	22,088.08	0.00	13,891.92	61.39
01-60-6514.03 RADIOS	8,400	0.00	0.00	7,980.00	0.00	420.00	95.00
01-60-6514.04 REPAIRS & EQUIPMENT	15,200	3,074.63	0.00	3,847.65	0.00	11,352.35	25.31
01-60-6521 OFFICE SUPPLIES	22,600	913.31	0.00	15,653.86	0.00	6,946.14	69.26
01-60-6522 BOOKS & PUBLICATIONS	10,273	1,997.84	0.00	5,784.68	0.00	4,488.32	56.31
01-60-6531 PRINTING- GENERAL	12,050	468.25	0.00	2,924.94	0.00	9,125.06	24.27
01-60-6532 POSTAGE & DELIVERY	16,800	761.02	0.00	7,047.08	0.00	9,752.92	41.95
01-60-6540 PROFESSIONAL DUES	14,755	7,897.93	0.00	12,793.26	0.00	1,961.74	86.70
01-60-6550 REPAIRS & MAINT- OFFICE EQUI	17,952	0.00	0.00	3,454.63	0.00	14,497.37	19.24
01-60-6560 REPAIRS & MAINT- BLDGS & GRN	404,300	13,256.23	0.00	111,954.79	0.00	292,345.21	27.69
01-60-6580 COMPUTER SOFTWARE	75,200	24,223.50	0.00	40,873.49	0.00	34,326.51	54.35
01-60-6590 COMPUTER/SOFTWARE MAINTENANCE	80,795	250.00	0.00	18,617.55	0.00	62,177.45	23.04
01-60-6591 OTHER ADMINISTRATIVE EXPENSE	14,900	1,666.66	0.00	9,064.55	0.00	5,835.45	60.84
TOTAL OPERATIONAL SUPPORT SRVS	999,745	61,161.25	0.00	296,399.44	0.00	703,345.56	29.65
WATER OPERATION							
01-60-6611.01 WATER BILLING	58,895,164	4,950,356.25	0.00	50,013,018.75	0.00	8,882,145.25	84.92
01-60-6611.02 ELECTRICITY	1,540,000	57,418.40	0.00	917,563.43	0.00	622,436.57	59.58
01-60-6611.03 OPERATIONS & MAINTENANCE	252,000	26,227.20	0.00	266,592.76	0.00	(14,592.76)	105.79
01-60-6611.04 MAJOR MAINTENANCE	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6611.05 MAJOR MAINTENANCE BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6612 ELECTRIC- DuPAGE	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6612.01 PUMP STATION	3,300,000	70,435.94	0.00	1,684,388.58	0.00	1,615,611.42	51.04
01-60-6612.02 METER STATION, ROV, TANK SITE	125,000	12,572.84	0.00	68,173.55	0.00	56,826.45	54.54
01-60-6613 WATER CHEMICALS	25,200	0.00	0.00	16,824.41	0.00	8,375.59	66.76
01-60-6614 WATER TESTING	11,000	1,768.18	0.00	5,848.78	0.00	5,151.22	53.17
01-60-6614.03 WATER TESTING - COR CONTROL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6620 PUMP STATION - OPERATING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6621 PUMPING SERVICES	275,300	6,057.00	0.00	96,206.71	0.00	179,093.29	34.95
01-60-6623 METER TESTING & REPAIRS	62,600	110.00	0.00	54,862.96	0.00	7,737.04	87.64
01-60-6624 SCADA / INSTRUMENTATION	58,200	4,540.31	0.00	16,314.64	0.00	41,885.36	28.03
01-60-6625 EQUIPMENT RENTAL	12,900	0.00	0.00	2,928.00	0.00	9,972.00	22.70
01-60-6626 UNIFORMS	34,000	454.72	0.00	22,109.14	0.00	11,890.86	65.03
01-60-6627 SAFETY	75,730	(6,558.16)	0.00	9,332.40	0.00	66,397.60	12.32

DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND
OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-6631 PIPELINE REPAIRS	750,000	0.00	0.00	68,984.62	0.00	681,015.38	9.20
01-60-6631.01 REPAIRS - 75TH & WASHINGTON	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6632 COR TESTING & MITIGATION	1,358,000	10,383.58	0.00	82,249.75	0.00	1,275,750.25	6.06
01-60-6633 REMOTE FACILITIES MAINTENANCE	456,625	19,499.28	0.00	49,523.65	0.00	407,101.35	10.85
01-60-6634 PLAN REVIEW- PIPELINE CONFLI	74,350	35.88	0.00	60,417.33	0.00	13,932.67	81.26
01-60-6635 PIPELINE EQUIPMENT RENTAL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6637 PIPELINE SUPPLIES	22,500	77.04	0.00	15,356.67	0.00	7,143.33	68.25
01-60-6640 MACHINERY & EQUIP- NON CAP	0	666.60	0.00	40.00	0.00	40.00	0.00
01-60-6641 REPAIRS & MAINT- VEHICLES	33,500	1,861.72	0.00	15,408.71	0.00	18,091.29	46.00
01-60-6642 FUEL- VEHICLES	67,200	0.00	0.00	29,462.92	0.00	37,737.08	43.84
01-60-6643 LICENSES- VEHICLES	1,650	1,206.00	0.00	1,347.00	0.00	303.00	81.64
TOTAL WATER OPERATION	67,430,919	5,155,779.58	0.00	53,496,954.76	0.00	13,933,964.24	79.34
BOND INTEREST							
01-60-6721 BOND INTEREST- GO BONDS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6722 BOND INTEREST- REV BONDS	3,916,265	326,188.13	0.00	3,261,881.35	0.00	654,383.65	83.29
01-60-6723 NOTE INTEREST - DEBT CERT.	2,054,850	93,058.67	0.00	1,033,015.06	0.00	1,021,834.94	50.27
01-60-6724 INTEREST EXPENSE	2,000	207.03	0.00	1,290.34	0.00	709.66	64.52
TOTAL BOND INTEREST	5,973,115	419,453.83	0.00	4,296,186.75	0.00	1,676,928.25	71.93
LAND & LAND RIGHTS							
01-60-6810 LEASES	21,000	0.00	0.00	0.00	0.00	21,000.00	0.00
01-60-6820 PERMITS & FEES	10,750	2,150.00	0.00	2,270.79	0.00	8,479.21	21.12
01-60-6830 EASEMENTS	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LAND & LAND RIGHTS	31,750	2,150.00	0.00	2,270.79	0.00	29,479.21	7.15
CAPITAL EQUIP/DEPREC							
01-60-6851 COMPUTERS	21,400	0.00	0.00	16,259.29	0.00	5,140.71	75.98
01-60-6852 OFFICE FURNITURE & EQUIPMT	33,575	0.12	0.00	230.11	0.00	33,344.89	0.69
01-60-6856 MACHINERY & EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6858 CAPITALIZED EQUIP PURCHASES	(54,975)	0.00	0.00	(12,405.97)	0.00	(42,569.03)	22.57
01-60-6860 VEHICLES	99,000	2,649.12	0.00	97,446.80	0.00	1,553.20	98.43
01-60-6868 CAPITALIZED VEHICLE PURCHASES	(99,000)	0.00	0.00	(90,372.00)	0.00	(8,628.00)	91.28
01-60-6880 CAPITALIZED FIXED ASSETS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6920 DEPRECIATION- TRANS MAINS	4,547,970	378,997.00	0.00	3,789,970.00	0.00	758,000.00	83.33
01-60-6930 DEPRECIATION- BUILDINGS	2,075,022	173,565.00	0.00	2,073,150.00	0.00	1,872.00	99.91
01-60-6940 DEPRECIATION-PUMPING EQUIPMENT	170,484	14,816.00	0.00	148,160.00	0.00	22,324.00	86.91
01-60-6952 DEPRECIATION- OFFICE FURN &	57,422	2,392.00	0.00	23,920.00	0.00	33,502.00	41.66
01-60-6956 DEPRECIATION- OFFICE EQUIP	25,164	0.00	0.00	0.00	0.00	25,164.00	0.00
01-60-6960 DEPRECIATION- VEHICLES	85,343	3,459.00	0.00	34,590.00	0.00	50,753.00	40.53
TOTAL CAPITAL EQUIP/DEPREC	6,961,405	575,878.24	0.00	6,080,948.23	0.00	880,456.77	87.35
CONSTRUCTION IN PROGRESS							
01-60-7110 METERING STATIONS-CONSTRUCTI	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7111.01 DPC DC MS-CONSTR (MS19/9C)	287,000	0.00	0.00	0.00	0.00	287,000.00	0.00
01-60-7111.02 DPC DC MS-ENG (MS19-9C)	34,000	4,213.19	0.00	20,000.00	0.00	14,000.00	58.82
01-60-7111.03 DPC GEH PA-CONSTR (MS18/9A)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7111.04 DPC GEH PA-ENG (MS18/9A)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7111.09 DPC GLEN ELLYN HEIGHTS BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.01 DPC HOB MS-CONSTR (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00

DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND
OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-7112.02 DPC HOB MS-ENG (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.03 DPC HOB PA-CONSTR (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.04 DPC HOB PA-ENG (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.09 DPC HOBSON VALLEY BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7113.01 WINFIELD MS27B CONSTR	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7113.02 WINFIELD MS27B ENG	10,000	0.00	0.00	0.00	0.00	10,000.00	0.00
01-60-7113.09 WINFIELD MS27B BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7114.02 IAWC - BOLINGBROOK ENG	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211 CADWELL AVE REALINGMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211.01 CADWELL AVE CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211.02 CADWELL AVE ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211.03 CADWELL AVE OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7212.01 MAT & EQUIP CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7212.02 MAT & EQUIP ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7212.03 MAT & EQUIP OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7213.01 EMERGENCY GEN CONSTRUCTION	0	0.00	0.00	2,663.09	0.00 (	2,663.09}	0.00
01-60-7213.02 EMERGENCY GEN ENGINEERING	0	0.00	0.00 (	2,663.09}	0.00	2,663.09	0.00
01-60-7213.03 EMERGENCY GEN OTHER SERV	0	0.00	0.00	500.00	0.00 (	500.00}	0.00
01-60-7214.01 SITE IMPROVEMENTS CONST	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7214.02 SITE IMPROVEMENTS - ENG	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7215.01 GARAGE/OFFICE BUILD - CONSTR	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7215.02 GARAGE/OFFICE BUILD - ENG	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7220 DPS - PROFESSIONAL SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7410 REMOTE FAC	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7510 TRANSMISSION MAINS- CONSTRU	0	0.00	0.00	167,408.69	0.00 (	167,408.69}	0.00
01-60-7511.02 TIB ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7610 STANDPIPE IMPROVEMENTS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7611.01 STANDPIPE IMPR CONSTRUCT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7611.02 STANDPIPE IMPR ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7611.03 STANDPIPE IMPR OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7910 BUILDINGS/BLDG IMPROV- CONST	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7915 ENGINEERING SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7919 MISC CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7920 PROFESSIONAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7940 PROFESSIONAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7950 LEGAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7970 LAND & ROW	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7980 CAPITALIZED FIXED ASSETS	(331,000)	(12,937.69)	0.00	(187,408.69)	0.00 (	143,591.31)	56.62
TOTAL CONSTRUCTION IN PROGRESS	0	(8,724.50)	0.00	500.00	0.00 (	500.00)	0.00
CHGO CONSTR GRANT							
01-60-8000.00 CAPITALIZED LEXINGTON F/A	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8201.01 EMERG GEN - CONSTRUCT	0	0.00	0.00 (	15,161.87)	0.00	15,161.87	0.00
01-60-8201.02 EMERG GEN - ENGINEERING	0	3,877.22	0.00	57,891.93	0.00 (	57,891.93)	0.00
01-60-8201.03 EMERG GEN - OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8201.04 EMERG GEN - BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8202.01 P V - CONSTRUCT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8202.02 P V - ENGINEERING	0	0.00	0.00	79,528.45	0.00 (	79,528.45)	0.00
01-60-8202.03 P V - OTHER SERVICES	0	0.00	0.00	207.00	0.00 (	207.00)	0.00
01-60-8202.04 P V - BILLED	0	0.00	0.00 (	72,128.13)	0.00	72,128.13	0.00

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 - WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-8203.01 VFD - CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8203.02 VFD - ENGINEERING	0	0.00	0.00	669.98	0.00	(669.98)	0.00
01-60-8203.03 VFD - OTHER SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8203.04 VFD - BILLED	0	0.00	0.00	(334.99)	0.00	334.99	0.00
TOTAL CHGO CONSTR GRANT	0	3,877.22	0.00	50,672.37	0.00	(50,672.37)	0.00
<u>CONTINGENCY</u>							
01-60-9000 CONTINGENCY	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CONTINGENCY	0	0.00	0.00	0.00	0.00	0.00	0.00
<u>BOND PRINCIPAL</u>							
01-60-9231 Debt Certificate Principal	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9234 Revenue Bond Principal	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9235 GO Bond Principal	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9236 CAP LEASE PRINCIPAL - APP	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9237 CAPITAL LEASE INTEREST	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL BOND PRINCIPAL	0	0.00	0.00	0.00	0.00	0.00	0.00
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TOTAL OPERATIONS	87,220,915	6,514,283.85	0.00	68,155,089.49	0.00	19,065,825.51	78.14
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TOTAL EXPENDITURES	87,220,915	6,514,283.85	0.00	68,155,089.49	0.00	19,065,825.51	78.14
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*** END OF REPORT ***

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 83.33

	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
WATER SERVICE	55,675,039	5,928,787.27	0.00	57,376,570.77	0.00	(1,701,531.83)	103.06
TAXES	25,816,054	2,650,701.05	0.00	26,231,971.76	0.00	(415,918.16)	101.61
OTHER INCOME	211,552	(1,141,469.52)	0.00	(731,528.53)	0.00	943,080.19	345.79-
TOTAL REVENUES	81,702,644	7,438,018.80	0.00	82,877,014.00	0.00	(1,174,369.80)	101.44
<u>EXPENDITURE SUMMARY</u>							
<u>OPERATIONS</u>							
REBATE/ALW BAD DEBT STLM	0	0.00	0.00	0.00	0.00	0.00	0.00
PERSONNEL SERVICES	3,556,424	251,644.73	0.00	2,925,386.51	0.00	631,037.65	82.26
CONTRACT SERVICES	700,933	9,073.57	0.00	548,221.28	0.00	152,712.04	78.21
INSURANCE	616,703	43,989.93	0.00	457,549.36	0.00	159,153.98	74.19
OPERATIONAL SUPPORT SRVS	833,121	61,161.25	0.00	296,399.44	0.00	536,721.38	35.58
WATER OPERATION	57,445,891	5,155,779.58	0.00	53,496,954.76	0.00	3,948,935.95	93.13
BOND INTEREST	4,977,596	419,453.83	0.00	4,296,186.75	0.00	681,409.07	86.31
LAND & LAND RIGHTS	26,458	2,150.00	0.00	2,270.79	0.00	24,187.55	8.58
CAPITAL EQUIP/DEPRECIATION	5,801,171	575,878.24	0.00	6,080,948.23	0.00	(279,777.41)	104.82
CONSTRUCTION IN PROGRESS	0	(8,724.50)	0.00	500.00	0.00	(500.00)	0.00
CHGO CONSTR GRANT	0	3,877.22	0.00	50,672.37	0.00	(50,672.37)	0.00
CONTINGENCY	0	0.00	0.00	0.00	0.00	0.00	0.00
BOND PRINCIPAL	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OPERATIONS	73,958,297	6,514,283.85	0.00	68,155,089.49	0.00	5,803,207.84	92.15
TOTAL EXPENDITURES	73,958,297	6,514,283.85	0.00	68,155,089.49	0.00	5,803,207.84	92.15
REVENUE OVER/ (UNDER) EXPENDITURES	7,744,347	923,734.95	0.00	14,721,924.51	0.00	(6,977,577.64)	190.10

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 - WATER FUND

% OF YEAR COMPLETED: 83.33

REVENUES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>WATER SERVICE</u>							
01-5111 O&M PAYMENTS- GOVERNMENTAL	47,527,402	5,116,610.05	0.00	49,424,292.22	0.00	(1,896,890.26)	103.99
01-5112 O&M PAYMENTS- PRIVATE	1,388,204	133,789.11	0.00	1,224,791.64	0.00	163,412.12	88.23
01-5121 FIXED COST PAYMENTS- GOVT	5,802,190	580,219.03	0.00	5,802,190.30	0.00	(0.30)	100.00
01-5122 FIXED COST PAYMENTS-PRIVATE	151,640	15,163.83	0.00	151,638.30	0.00	1.70	100.00
01-5131 SUBSEQUENT CUSTOMER - GO	315,090	28,154.50	0.00	283,535.64	0.00	31,554.36	89.99
01-5132 SUBSEQUENT CUSTOMER - PRIVAT	480,000	47,505.91	0.00	478,759.24	0.00	1,240.76	99.74
01-5141 EMERGENCY WATER SERVICE- GOV	10,513	7,344.84	0.00	11,363.43	0.00	(850.21)	108.09
01-5142 EMERGENCY WATER SERVICE	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL WATER SERVICE	55,675,039	5,928,787.27	0.00	57,376,570.77	0.00	(1,701,531.83)	103.06
<u>TAXES</u>							
01-5200 PROPERTY TAX	0	0.00	0.00	0.00	0.00	0.00	0.00
01-5300 SALES TAX	0	0.00	0.00	0.00	0.00	0.00	0.00
01-5300.SALES TAXES - WATER REVENUE	20,067,288	526,475.29	0.00	24,107,746.00	0.00	(4,040,458.23)	120.13
01-5300.WATER FUND - GENERAL	5,748,766	2,124,225.76	0.00	2,124,225.76	0.00	3,624,540.07	36.95
TOTAL TAXES	25,816,054	2,650,701.05	0.00	26,231,971.76	0.00	(415,918.16)	101.61
<u>OTHER INCOME</u>							
01-5400 RENTAL INCOME	0	0.00	0.00	0.00	0.00	0.00	0.00
01-5810 NET INC(DEC) IN FV OF INVEST	211,552	5,604.58	0.00	44,654.63	0.00	166,897.03	21.11
01-5900 OTHER INCOME	0	(7,231.10)	0.00	349,409.84	0.00	(349,409.84)	0.00
01-5901 SALE OF EQUIPMENT	0	(1,159,843.00)	0.00	(1,145,593.00)	0.00	1,145,593.00	0.00
01-5920 CONTRIBUTIONS	0	20,000.00	0.00	20,000.00	0.00	(20,000.00)	0.00
01-5999 DG Settlement - Appropriation	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER INCOME	211,552	(1,141,469.52)	0.00	(731,528.53)	0.00	943,080.19	345.79-
** TOTAL REVENUES **	81,702,644	7,438,018.80	0.00	82,877,014.00	0.00	(1,174,369.80)	101.44

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 - WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
REBATE/ALW BAD DEBT STLM							
01-60-6001 ALW BAD DEBT / SETTLEMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REBATE/ALW BAD DEBT STLM	0	0.00	0.00	0.00	0.00	0.00	0.00
PERSONNEL SERVICES							
01-60-6111 ADMIN SALARIES	1,078,706	84,647.09	0.00	885,558.32	0.00	193,147.52	82.09
01-60-6112 OPERATIONS SALARIES	1,238,245	104,437.54	0.00	1,113,284.39	0.00	124,960.61	89.91
01-60-6112.01 OPER. SALARIES - AWWA BOARD	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6112.02 AWWARF - ASSET MANAGEMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6112.03 AWWARF CORRISON CONTROL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6113 SUMMER INTERNS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6116 ADMIN OVERTIME	6,167	248.80	0.00	2,682.61	0.00	3,484.05	43.50
01-60-6117 OPERATIONS OVERTIME	174,167	3,345.56	0.00	85,814.11	0.00	88,352.55	49.27
01-60-6121 PENSION	280,473	22,447.64	0.00	222,903.44	0.00	57,569.90	79.47
01-60-6122 MEDICAL/LIFE BENEFITS	500,833	19,320.51	0.00	446,414.35	0.00	54,418.99	89.13
01-60-6123 FEDERAL PAYROLL TAXES	195,057	14,397.99	0.00	142,101.15	0.00	52,955.51	72.85
01-60-6128 STATE UNEMPLOYMENT	8,667	0.00	0.00	1,549.98	0.00	7,116.68	17.88
01-60-6131 TRAVEL	14,300	1,105.00	0.00	11,993.74	0.00	2,306.26	83.87
01-60-6131.01 TRAVEL - AWWA BOARD	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6131.02 TRAVEL - ASSET MGMT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6131.03 TRAVEL - AWWARF COR CONTROL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6132 TRAINING	23,750	0.00	0.00	3,378.62	0.00	20,371.38	14.23
01-60-6133 PROFESSIONAL DEVELOPMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6133.01 CONFERENCES	13,310	1,594.60	0.00	6,669.30	0.00	6,640.70	50.11
01-60-6133.02 TUITION REIMBURSEMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6191 OTHER PERSONNEL COSTS	22,750	100.00	0.00	3,036.50	0.00	19,713.50	13.35
TOTAL PERSONNEL SERVICES	3,556,424	251,644.73	0.00	2,925,386.51	0.00	631,037.65	82.26
CONTRACT SERVICES							
01-60-6210 WATER CONSERVATION PROGRAM	25,000	387.00	0.00	13,002.50	0.00	11,997.50	52.01
01-60-6232 BOND ISSUE ADVISORY SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6233 TRUST SERVICES & BANK CHARGE	20,917	523.26	0.00	13,701.10	0.00	7,215.56	65.50
01-60-6239 OTHER FINANCIAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6251 LEGAL SERVICES- GENERAL	41,667	0.00	0.00	347.50	0.00	41,319.16	0.83
01-60-6252 BOND COUNSEL	17,500	0.00	0.00	0.00	0.00	17,500.00	0.00
01-60-6253 LEGAL SERVICES- SPECIAL	41,667	2,251.88	0.00	22,850.18	0.00	18,816.48	54.84
01-60-6258 LEGAL NOTICES	4,600	0.00	0.00	3,680.10	0.00	919.90	80.00
01-60-6259 OTHER LEGAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6260 AUDIT SERVICES	45,500	0.00	0.00	43,200.00	0.00	2,300.00	94.95
01-60-6280 CONSULTING SERVICES	106,250	24,223.50	0.00	76,666.81	0.00	29,583.19	72.16
01-60-6290 CONTRACTUAL SERVICES	397,833	30,134.93	0.00	374,773.09	0.00	23,060.25	94.20
TOTAL CONTRACT SERVICES	700,933	9,073.57	0.00	548,221.28	0.00	152,712.04	78.21

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DU PAGE WATER COMMISSION
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AS OF: FEBRUARY 29TH, 2012

01 -WATER FUND
OPERATIONS

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DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>INSURANCE</u>							
01-60-6411 GENERAL LIABILITY INSURANCE	43,953	3,132.42	0.00	37,160.21	0.00	6,793.13	84.54
01-60-6412 PUBLIC OFFICIAL LIABILITY	89,167	2,632.75	0.00	18,839.83	0.00	70,326.83	21.13
01-60-6413 TEMPORARY BONDS	250	0.00	0.00	0.00	0.00	250.00	0.00
01-60-6415 WORKER'S COMPENSATION	75,000	6,667.00	0.00	67,461.00	0.00	7,539.00	89.95
01-60-6416 EXCESS LIABILITY COVERAGE	48,333	2,822.25	0.00	35,316.00	0.00	13,017.34	73.07
01-60-6421 PROPERTY INSURANCE	305,833	27,695.76	0.00	288,107.84	0.00	17,725.50	94.20
01-60-6422 AUTOMOBILE INSURANCE	12,500	1,039.75	0.00	10,664.48	0.00	1,835.52	85.32
01-60-6491 SELF INSURANCE PROPERTY	41,667	0.00	0.00	0.00	0.00	41,666.66	0.00
TOTAL INSURANCE	616,703	43,989.93	0.00	457,549.36	0.00	159,153.98	74.19
<u>OPERATIONAL SUPPORT SRVS</u>							
01-60-6512 GENERATOR DIESEL FUEL	166,667	0.00	0.00	702.36	0.00	165,964.30	0.42
01-60-6513 NATURAL GAS	35,000	3,649.94	0.00	18,042.80	0.00	16,957.20	51.55
01-60-6514.01 TELEPHONE	23,783	1,583.60	0.00	15,569.72	0.00	8,213.62	65.46
01-60-6514.02 CELL PHONE & CORR. TELEMTRY	29,983	1,418.34	0.00	22,088.08	0.00	7,895.26	73.67
01-60-6514.03 RADIOS	7,000	0.00	0.00	7,980.00	0.00	(980.00)	114.00
01-60-6514.04 REPAIRS & EQUIPMENT	12,667	3,074.63	0.00	3,847.65	0.00	8,819.01	30.38
01-60-6521 OFFICE SUPPLIES	18,833	913.31	0.00	15,653.86	0.00	3,179.48	83.12
01-60-6522 BOOKS & PUBLICATIONS	8,561	1,997.84	0.00	5,784.68	0.00	2,776.16	67.57
01-60-6531 PRINTING- GENERAL	10,042	468.25	0.00	2,924.94	0.00	7,116.72	29.13
01-60-6532 POSTAGE & DELIVERY	14,000	761.02	0.00	7,047.08	0.00	6,952.92	50.34
01-60-6540 PROFESSIONAL DUES	12,296	7,897.93	0.00	12,793.26	0.00	(497.42)	104.05
01-60-6550 REPAIRS & MAINT- OFFICE EQUI	14,960	0.00	0.00	3,454.63	0.00	11,505.37	23.09
01-60-6560 REPAIRS & MAINT- BLDGS & GRN	336,917	13,256.23	0.00	111,954.79	0.00	224,961.87	33.23
01-60-6580 COMPUTER SOFTWARE	62,667	24,223.50	0.00	40,873.49	0.00	21,793.17	65.22
01-60-6590 COMPUTER/SOFTWARE MAINTENANCE	67,329	250.00	0.00	18,617.55	0.00	48,711.61	27.65
01-60-6591 OTHER ADMINISTRATIVE EXPENSE	12,417	1,666.66	0.00	9,064.55	0.00	3,352.11	73.00
TOTAL OPERATIONAL SUPPORT SRVS	833,121	61,161.25	0.00	296,399.44	0.00	536,721.38	35.58
<u>WATER OPERATION</u>							
01-60-6611.01 WATER BILLING	50,237,575	4,950,356.25	0.00	50,013,018.75	0.00	224,556.14	99.55
01-60-6611.02 ELECTRICITY	1,313,620	57,418.40	0.00	917,563.43	0.00	396,056.57	69.85
01-60-6611.03 OPERATIONS & MAINTENANCE	210,000	26,227.20	0.00	266,592.76	0.00	(56,592.76)	126.95
01-60-6611.04 MAJOR MAINTENANCE	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6611.05 MAJOR MAINTENANCE BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6612 ELECTRIC- DuPAGE	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6612.01 PUMP STATION	2,814,900	70,435.94	0.00	1,684,388.58	0.00	1,130,511.42	59.84
01-60-6612.02 METER STATION, ROV, TANK SITE	104,167	12,572.84	0.00	68,173.55	0.00	35,993.11	65.45
01-60-6613 WATER CHEMICALS	21,000	0.00	0.00	16,824.41	0.00	4,175.59	80.12
01-60-6614 WATER TESTING	9,167	1,768.18	0.00	5,848.78	0.00	3,317.88	63.80
01-60-6614.03 WATER TESTING - COR CONTROL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6620 PUMP STATION - OPERATING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6621 PUMPING SERVICES	229,417	6,057.00	0.00	96,206.71	0.00	133,209.95	41.94
01-60-6623 METER TESTING & REPAIRS	52,167	110.00	0.00	54,862.96	0.00	(2,696.30)	105.17
01-60-6624 SCADA / INSTRUMENTATION	48,500	4,540.31	0.00	16,314.64	0.00	32,185.36	33.64
01-60-6625 EQUIPMENT RENTAL	10,750	0.00	0.00	2,928.00	0.00	7,822.00	27.24
01-60-6626 UNIFORMS	28,333	454.72	0.00	22,109.14	0.00	6,224.20	78.03
01-60-6627 SAFETY	63,108	(6,558.16)	0.00	9,332.40	0.00	53,775.94	14.79

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DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
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01 -WATER FUND
OPERATIONS

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DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-6631 PIPELINE REPAIRS	625,000	0.00	0.00	68,984.62	0.00	556,015.38	11.04
01-60-6631.01 REPAIRS - 75TH & WASHINGTON	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6632 COR TESTING & MITIGATION	1,131,667	10,383.58	0.00	82,249.75	0.00	1,049,416.91	7.27
01-60-6633 REMOTE FACILITIES MAINTENANCE	380,521	19,499.28	0.00	49,523.65	0.00	330,997.19	13.01
01-60-6634 PLAN REVIEW- PIPELINE CONFLI	61,958	35.88	0.00	60,417.33	0.00	1,541.01	97.51
01-60-6635 PIPELINE EQUIPMENT RENTAL	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6637 PIPELINE SUPPLIES	18,750	77.04	0.00	15,356.67	0.00	3,393.33	81.90
01-60-6640 MACHINERY & EQUIP- NON CAP	0	666.60	0.00	40.00	0.00	40.00	0.00
01-60-6641 REPAIRS & MAINT- VEHICLES	27,917	1,861.72	0.00	15,408.71	0.00	12,507.95	55.20
01-60-6642 FUEL- VEHICLES	56,000	0.00	0.00	29,462.92	0.00	26,537.08	52.61
01-60-6643 LICENSES- VEHICLES	1,375	1,206.00	0.00	1,347.00	0.00	28.00	97.96
TOTAL WATER OPERATION	57,445,891	5,155,779.58	0.00	53,496,954.76	0.00	3,948,935.95	93.13
BOND INTEREST							
01-60-6721 BOND INTEREST- GO BONDS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6722 BOND INTEREST- REV BONDS	3,263,554	326,188.13	0.00	3,261,881.35	0.00	1,672.81	99.95
01-60-6723 NOTE INTEREST - DEBT CERT.	1,712,375	93,058.67	0.00	1,033,015.06	0.00	679,359.94	60.33
01-60-6724 INTEREST EXPENSE	1,667	207.03	0.00	1,290.34	0.00	376.32	77.42
TOTAL BOND INTEREST	4,977,596	419,453.83	0.00	4,296,186.75	0.00	681,409.07	86.31
LAND & LAND RIGHTS							
01-60-6810 LEASES	17,500	0.00	0.00	0.00	0.00	17,500.00	0.00
01-60-6820 PERMITS & FEES	8,958	2,150.00	0.00	2,270.79	0.00	6,687.55	25.35
01-60-6830 EASEMENTS	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LAND & LAND RIGHTS	26,458	2,150.00	0.00	2,270.79	0.00	24,187.55	8.58
CAPITAL EQUIP/DEPREC							
01-60-6851 COMPUTERS	21,400	0.00	0.00	16,259.29	0.00	5,140.71	75.98
01-60-6852 OFFICE FURNITURE & EQUIPMT	33,575	0.12	0.00	230.11	0.00	33,344.89	0.69
01-60-6856 MACHINERY & EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6858 CAPITALIZED EQUIP PURCHASES	54,975	0.00	0.00	12,405.97	0.00	42,569.03	22.57
01-60-6860 VEHICLES	99,000	2,649.12	0.00	97,446.80	0.00	1,553.20	98.43
01-60-6868 CAPITALIZED VEHICLE PURCHASES	99,000	0.00	0.00	90,372.00	0.00	8,628.00	91.28
01-60-6880 CAPITALIZED FIXED ASSETS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-6920 DEPRECIATION- TRANS MAINS	3,789,975	378,997.00	0.00	3,789,970.00	0.00	5.00	100.00
01-60-6930 DEPRECIATION- BUILDINGS	1,729,185	173,565.00	0.00	2,073,150.00	0.00	343,965.00	119.89
01-60-6940 DEPRECIATION-PUMPING EQUIPMENT	142,070	14,816.00	0.00	148,160.00	0.00	6,090.00	104.29
01-60-6952 DEPRECIATION- OFFICE FURN &	47,852	2,392.00	0.00	23,920.00	0.00	23,931.66	49.99
01-60-6956 DEPRECIATION- OFFICE EQUIP	20,970	0.00	0.00	0.00	0.00	20,970.00	0.00
01-60-6960 DEPRECIATION- VEHICLES	71,119	3,459.00	0.00	34,590.00	0.00	36,529.16	48.64
TOTAL CAPITAL EQUIP/DEPREC	5,801,171	575,878.24	0.00	6,080,948.23	0.00	279,777.41	104.82
CONSTRUCTION IN PROGRESS							
01-60-7110 METERING STATIONS-CONSTRUCTI	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7111.01 DPC DC MS-CONSTR (MS19/9C)	239,167	0.00	0.00	0.00	0.00	239,166.66	0.00
01-60-7111.02 DPC DC MS-ENG (MS19-9C)	28,333	4,213.19	0.00	20,000.00	0.00	8,333.34	70.59
01-60-7111.03 DPC GEH PA-CONSTR (MS18/9A)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7111.04 DPC GEH PA-ENG (MS18/9A)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7111.09 DPC GLEN ELLYN HEIGHTS BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.01 DPC HOB MS-CONSTR (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00

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01-60-7112.02 DPC HOB MS-ENG (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.03 DPC HOB PA-CONSTR (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.04 DPC HOB PA-ENG (MS18/9B)	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7112.09 DPC HOBSON VALLEY BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7113.01 WINFIELD MS27B CONSTR	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7113.02 WINFIELD MS27B ENG	8,333	0.00	0.00	0.00	0.00	8,333.34	0.00
01-60-7113.09 WINFIELD MS27B BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7114.02 IAWC - BOLINGBROOK ENG	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211 CADWELL AVE REALINGMENT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211.01 CADWELL AVE CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211.02 CADWELL AVE ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7211.03 CADWELL AVE OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7212.01 MAT & EQUIP CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7212.02 MAT & EQUIP ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7212.03 MAT & EQUIP OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7213.01 EMERGENCY GEN CONSTRUCTION	0	0.00	0.00	2,663.09	0.00 (	2,663.09)	0.00
01-60-7213.02 EMERGENCY GEN ENGINEERING	0	0.00	0.00 (	2,663.09)	0.00	2,663.09	0.00
01-60-7213.03 EMERGENCY GEN OTHER SERV	0	0.00	0.00	500.00	0.00 (	500.00)	0.00
01-60-7214.01 SITE IMPROVEMENTS CONST	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7214.02 SITE IMPROVEMENTS - ENG	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7215.01 GARAGE/OFFICE BUILD - CONSTR	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7215.02 GARAGE/OFFICE BUILD - ENG	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7220 DPS - PROFESSIONAL SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7410 REMOTE FAC	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7510 TRANSMISSION MAINS- CONSTRUC	0	0.00	0.00	167,408.69	0.00 (	167,408.69)	0.00
01-60-7511.02 TIB ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7610 STANDPIPE IMPROVEMENTS	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7611.01 STANDPIPE IMPR CONSTRUCT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7611.02 STANDPIPE IMPR ENGINEERING	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7611.03 STANDPIPE IMPR OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7910 BUILDINGS/BLDG IMPROV- CONST	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7915 ENGINEERING SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7919 MISC CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7920 PROFESSIONAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7940 PROFESSIONAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7950 LEGAL SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7970 LAND & ROW	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-7980 CAPITALIZED FIXED ASSETS	(275,833)	(12,937.69)	0.00	(187,408.69)	0.00 (	88,424.65)	67.94
TOTAL CONSTRUCTION IN PROGRESS	0	(8,724.50)	0.00	500.00	0.00 (	500.00)	0.00
CHGO CONSTR GRANT							
01-60-8000.00 CAPITALIZED LEXINGTON F/A	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8201.01 EMERG GEN - CONSTRUCT	0	0.00	0.00 (	15,161.87)	0.00	15,161.87	0.00
01-60-8201.02 EMERG GEN - ENGINEERING	0	3,877.22	0.00	57,891.93	0.00 (	57,891.93)	0.00
01-60-8201.03 EMERG GEN - OTHER SERV	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8201.04 EMERG GEN - BILLED	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8202.01 P V - CONSTRUCT	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8202.02 P V - ENGINEERING	0	0.00	0.00	79,528.45	0.00 (	79,528.45)	0.00
01-60-8202.03 P V - OTHER SERVICES	0	0.00	0.00	207.00	0.00 (	207.00)	0.00
01-60-8202.04 P V - BILLED	0	0.00	0.00 (	72,128.13)	0.00	72,128.13	0.00

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2012

01 - WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-8203.01 VFD - CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8203.02 VFD - ENGINEERING	0	0.00	0.00	669.98	0.00	(669.98)	0.00
01-60-8203.03 VFD - OTHER SERVICES	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-8203.04 VFD - BILLED	0	0.00	0.00	(334.99)	0.00	334.99	0.00
TOTAL CHGO CONSTR GRANT	0	3,877.22	0.00	50,672.37	0.00	(50,672.37)	0.00
<u>CONTINGENCY</u>							
01-60-9000 CONTINGENCY	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CONTINGENCY	0	0.00	0.00	0.00	0.00	0.00	0.00
<u>BOND PRINCIPAL</u>							
01-60-9231 Debt Certificate Principal	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9234 Revenue Bond Principal	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9235 GO Bond Principal	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9236 CAP LEASE PRINCIPAL - APP	0	0.00	0.00	0.00	0.00	0.00	0.00
01-60-9237 CAPITAL LEASE INTEREST	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL BOND PRINCIPAL	0	0.00	0.00	0.00	0.00	0.00	0.00
<hr/>							
TOTAL OPERATIONS	73,958,297	6,514,283.85	0.00	68,155,089.49	0.00	5,803,207.84	92.15
=====							
TOTAL EXPENDITURES	73,958,297	6,514,283.85	0.00	68,155,089.49	0.00	5,803,207.84	92.15
=====							

*** END OF REPORT ***

DRAFT

DuPage Water Commission

Investment Policy

December 6, 2011

INVESTMENT POLICY

This policy authorizes the Commission to invest funds in certain authorized classes of securities. All persons from the Commission involved in the investment of public funds are to comply with the provisions relating to the deposit and investment of public funds. The purpose of this Statement of Investment Policy and Guidelines (this “Policy”) is to establish cash management and investment guidelines for the Commission. This Policy has been prepared in accordance with the Public Funds Investment Act (30 ILCS 235), Exhibit A.

1.0 POLICY

The Commission is responsible for the management of daily receipt and investment of cash and related accounting operations. The Treasurer is the Chief Investment Officer of the Commission and investments may be directed by the Treasurer, General Manager, Office designees, or outside professional fund managers, in accordance with this Policy.

It is the policy of the Commission to invest all funds under the control in a manner that provides the highest investment return using authorized instruments while meeting the Commission’s daily cash flow demands in conformance with this policy, its objectives, applicable ordinances and laws.

2.0 SCOPE OF POLICY:

This Policy applies to all investments held within and made on behalf of the Commission.

3.0 OBJECTIVES:

The primary objective in the investment of funds under control of the Commission is to ensure the safety of principal, while managing liquidity requirements of debt service and other financial obligations of the Commission, providing the highest investment return using authorized investment instruments.

3.1 Safety.

The safety of principal is the foremost objective of the investment program. Commission investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To attain this objective, diversification is required to ensure that the Commission prudently manages market, interest rate and credit risk. Each investment purchase shall be limited to those defined as eligible under the Policy.

3.2 Liquidity.

The investment portfolio shall remain sufficiently liquid to enable the Commission to meet all operating requirements that might be reasonably anticipated. Except as otherwise authorized by the Board, all investments shall be fully payable as to principal and interest within five years from the date of purchase.

3.3 Return on Investments.

The investment portfolio shall be designed to obtain the highest available return, taking into account the Commission’s investment risk constraints and cash flow needs. The Commission shall seek to obtain the highest available return using authorized investments.

4.0 STANDARD OF CARE:

To accomplish the objectives of the Commission, all authorized persons engaged in the investment process will perform their duties responsibly in accordance with the following standard:

“Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the Commission, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Commission.”

The standard of care to be used by the Commission shall be the “prudent investor” standard and shall be applied in the context of managing an overall portfolio. Those involved in investing shall: (i) act in accordance with written procedures and this Policy, (ii) exercise due diligence, (iii) prepare all reports in a timely fashion and (iv) exercise appropriate action to control adverse developments.

5.0 OPERATIONAL GUIDELINES:

5.1 Particular Fund Investments:

The Commission requires that any investments of a particular restricted account be credited to that account. Principal and interest shall be credited to the particular restricted account so invested. Any two of the following four officials, 1)General Manager, 2)Treasurer, 3)Finance Committee Chairman, and 4) Commission Chairman, may transfer ownership of any security purchased with monies of a particular restricted account to another restricted or unrestricted account of the Commission. The particular restricted account originally invested shall be credited with the amount of the principal and accrued interest up to the date of the transfer of ownership of such security from that particular restricted account to the other restricted/unrestricted account.

5.2 Competitive Bidding:

At least three (3) competitive bids are to be solicited on most investment transactions made by the Commission. Bids/quotes and markups or discounts need to be consistent with prevailing institutional trades at the time of each transaction and are to be compared to market quotations for the same type and maturity investment. In certain emergency circumstances, the Commission may solicit less than three (3) competitive bids. The guiding principle with choosing any bid for any investment transaction made by the Commission is the quality of the bid and the assurance that the bidder can complete the investment transaction.

6.0 ETHICS AND CONFLICT OF INTEREST:

It is the policy of the Commission that no person acting on behalf of the investment function in shall, in any manner, have any interest, either directly or indirectly, in any investments in which the Commission is authorized to invest; or receive in any manner, compensation of any kind, from any investments from the sellers, sponsors or managers of such investments. Officers and other staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED INVESTMENTS:

The Board has authorized the following types of investments subject to the provisions of the Public Funds Investment Act (30 ILCS 235):

The investment portfolio will be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution or maturities.

- a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed as to the payment of principal and interest by the full faith and credit of the United States of America.

Maximum Aggregate Position No Limit

- b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies and its instrumentalities.

Maximum Aggregate Position No Limit

- c. Interest-bearing savings accounts, certificates of deposit, time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the deposits of which are insured by the Federal Deposit Insurance Corporation. Any such investments made in excess of such deposit insurance shall be secured as provided in Section 10.0.

Maximum Aggregate Position 50% of total portfolio

- d. Short-term obligations of corporations (Commercial Paper) organized in the United States of America with assets exceeding \$500,000,000; obligations must be rated at the time of purchase A1/P1 or better by Standard & Poor's and Moody's, respectively, and must mature not later than 210 days from the date of purchase; the Board's investment in the short-term obligations of a single issuer shall not exceed 10% of that corporation's outstanding obligations.

Maximum Position with Single Issuer 5% of total portfolio
Maximum Aggregate Position 33% of total portfolio

- e. Money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended; the portfolio of any such money market fund must be limited to obligations specified in subsection [a] or [b] of this section and to agreements to repurchase such obligations. All underlying securities of the fund must mature within twelve months or less, and the fund must maintain a weighted average portfolio maturity of 90 days or less. Prospectuses must be on file, reviewed, and approved before investing.

Maximum Aggregate Position No Limit

- f. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of any state or of the United States of America, the shares or investment certificates of which are insured by the Federal Deposit Insurance

Corporation. Any such investments made in excess of such deposit insurance shall be secured as provided in Section 10.0.

Maximum Aggregate Position 50% of total portfolio

- g.* Dividend-bearing share accounts, share certificate accounts, or other such class of share accounts of a credit union chartered under the laws of the State of Illinois or of the United States of America, provided that deposits are insured by applicable law and that the credit union's principal office is located within the State of Illinois. Any such investments made in excess of such deposit insurance, shall be secured as provided in Section 10.0

Maximum Aggregate Position 25% of total portfolio

- h.* Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, or any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the municipality or county or held under a custodial agreement at a bank. The bonds shall be rated at least A- by Standard and Poor's or A3 by Moody's at the time of purchase.

Maximum Aggregate Position 25% of total portfolio

- i.* Any other suitable investment instrument permitted by applicable state laws governing public investments subject to the reasonable exercise of prudence in making investments of public fund.

8.0 REVENUE BOND ORDINANCES:

The 1987 and 1993 Revenue Bond Ordinances must be observed with particular attention paid to the Interest and Principal accounts that must be invested in U.S. Government guaranteed securities.

9.0 INVESTMENT RESTRICTIONS:

The Commission will not utilize investment of leveraged transactions, financial forwards, futures, hedged investments, index amortizing notes, dual index notes, de-leveraged bonds, range bonds, inverse floaters, and any other financial derivative. The Commission is not authorized, without the approval of the Board, to (i) invest in financial agreements whose returns are linked to or derived from the performance of some underlying asset such as bonds, currencies or commodities products, or (ii) borrow against or otherwise obligate Commission investments. No investment maturity can be longer than 5 years.

10.0 COLLATERALIZATION:

In order to protect the Commission's deposits, depository institutions are to maintain collateral pledges on Commission certificates of deposit during the term of the deposit of at least 102% of marketable U.S. government or approved securities or surety bonds issued by top-rated insurers. Collateral is required as security for any amount in excess of the federal deposit insurance limit. The collateral required to secure Commission funds must be held in safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written

notification and authorization of the Treasurer or General Manager. Repurchase agreements must also be collateralized in an amount of 102% of market value of principal and accrued interest.

The final maturity of acceptable collateral pledged shall not exceed 60 months. Collateral pledged for repurchase agreements shall be marked to market at least weekly during the term of the agreement. Additional collateral will be required when the ratio falls below the level required.

11.0 SAFEKEEPING AND CUSTODY:

All securities and collateral will be held by a third party custodian designated by the Commission and evidenced by safekeeping receipts. Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.

12.0 DIVERSIFICATION:

A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions.

13.0 INTERNAL CONTROLS:

The Commission, shall maintain a system of internal controls and written operational procedures that shall be documented. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by authorized investment officers.

In addition, the Commission has established a system of internal controls to ensure that staff positions and functional duties are adequately segregated for separation of duties between the investment and accounting operations.

These controls shall be tested and reviewed periodically by external auditors during the audit.

14.0 PERFORMANCE EVALUATION:

The Commission will utilize the following benchmarks as appropriate to determine whether market average yields are being achieved:

Account	Benchmark
Water O&M	BoA/Merrill Lynch 3-Month U.S. Treasury Bill Index
Water O&M Reserve	BoA/Merrill Lynch 1 – 5 Year U.S. Treasury Index
Depreciation	BoA/Merrill Lynch 1 – 5 Year U.S. Treasury Index
Board Designated Reserve	BoA/Merrill Lynch 1 – 5 Year U.S. Treasury Index
General Account	BoA/Merrill Lynch 3-Month U.S. Treasury Bill Index
Sales Tax	BoA/Merrill Lynch 1 – 3 Year U.S. Treasury Index

For all other funds (i.e., the Interest and Principal accounts), the rate of return should equal or exceed the rate of return on Treasury securities of like maturities and like purchase dates.

15.0 REPORTING:

The Commission shall record all investment transactions. A written report will be generated monthly for internal purposes listing all active investments by class or type, maturity of investments, book value, interest rate, income earned, including the fair market value of all investments as of the report date and other pertinent information deemed necessary. This report will be submitted to the General Manager of the Commission for distribution to the Board no less than on a quarterly basis pursuant to the Public Funds Investment Act.

16.0 POLICY ADOPTION AND AMENDMENT:

This Policy shall be adopted by a resolution of the Board. This Policy may be reviewed from time to time and amended upon approval of the Board.

DRAFT

Exhibit A

ILLINOIS PUBLIC FUNDS INVESTMENT ACT

(30 ILCS 235/)

(30 ILCS 235/0.01) (from Ch. 85, par. 900)

Sec. 0.01. Short title. This Act may be cited as the Public Funds Investment Act.
(Source: P.A. 86-1324.)

(30 ILCS 235/1) (from Ch. 85, par. 901)

Sec. 1. The words "public funds", as used in this Act, mean current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to or in the custody of any public agency.

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 road districts, public water supply districts, fire protection districts, drainage districts, levee 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. This Act does not apply to the Illinois Prepaid Tuition Trust Fund, private funds collected by the Illinois Conservation Foundation, or pension funds or retirement systems established under the Illinois Pension Code, except as otherwise provided in that Code.

(Source: P.A. 91-669, eff. 1-1-00; 92-797, eff. 8-15-02.)

(30 ILCS 235/2) (from Ch. 85, par. 902)

Sec. 2. Authorized investments.

(a) Any public agency may invest any public funds as follows:

(1) in 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) in bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities;

(3) in 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;

(4) in 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 2 standard rating services 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) no more than one-third of the public agency's funds may be invested in short term obligations of corporations; or

(5) in 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.

(a-1) In addition to any other investments authorized under this Act, a municipality may invest its public funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

(b) Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation. Any public agency may invest any public funds in short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of such governing authority, the public funds so invested will be required for expenditure by such public agency or its governing authority. The expressed judgment of any such governing authority as to the time when any public funds will be required for expenditure or be redeemable is final and conclusive. Any public agency may invest any public funds in dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.

(c) For purposes of this Section, the term "agencies of the United States of America" includes: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by

Act of Congress.

(d) Except for pecuniary interests permitted under subsection (f) of Section 3-14-4 of the Illinois Municipal Code or under Section 3.2 of the Public Officer Prohibited Practices Act, no person acting as treasurer or financial officer or who is employed in any similar capacity by or for a public agency may do any of the following:

(1) have any interest, directly or indirectly, in any investments in which the agency is authorized to invest.

(2) have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments.

(3) receive, in any manner, compensation of any kind from any investments in which the agency is authorized to invest.

(e) Any public agency may also invest any public funds in a Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act. Any public agency may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.

(f) To the extent a public agency has custody of funds not owned by it or another public agency and does not otherwise have authority to invest such funds, the public agency may invest such funds as if they were its own. Such funds must be released to the appropriate person at the earliest reasonable time, but in no case exceeding 31 days, after the private person becomes entitled to the receipt of them. All earnings accruing on any investments or deposits made pursuant to the provisions of this Act shall be credited to the public agency by or for which such investments or deposits were made, except as provided otherwise in Section 4.1 of the State Finance Act or the Local Governmental Tax Collection Act, and except where by specific statutory provisions such earnings are directed to be credited to and paid to a particular fund.

(g) A public agency may purchase or invest in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986, as now or hereafter amended or succeeded, subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered or inscribed in the name of the public agency, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.

(h) Except for repurchase agreements of government securities which are subject to the Government Securities Act of 1986, as now or hereafter amended or succeeded, no public agency may purchase or invest in instruments which constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of any public agency unless the instrument and the transaction meet the following requirements:

(1) The securities, unless registered or inscribed in the name of the public agency, are purchased through banks or trust companies authorized to do business in the State of Illinois.

(2) An authorized public officer after ascertaining which firm will give the most favorable rate of interest,

directs the custodial bank to "purchase" specified securities from a designated institution. The "custodial bank" is the bank or trust company, or agency of government, which acts for the public agency in connection with repurchase agreements involving the investment of funds by the public agency. The State Treasurer may act as custodial bank for public agencies executing repurchase agreements. To the extent the Treasurer acts in this capacity, he is hereby authorized to pass through to such public agencies any charges assessed by the Federal Reserve Bank.

(3) A custodial bank must be a member bank of the Federal Reserve System or maintain accounts with member banks. All transfers of book-entry securities must be accomplished on a Reserve Bank's computer records through a member bank of the Federal Reserve System. These securities must be credited to the public agency on the records of the custodial bank and the transaction must be confirmed in writing to the public agency by the custodial bank.

(4) Trading partners shall be limited to banks or trust companies authorized to do business in the State of Illinois or to registered primary reporting dealers.

(5) The security interest must be perfected.

(6) The public agency enters into a written master repurchase agreement which outlines the basic responsibilities and liabilities of both buyer and seller.

(7) Agreements shall be for periods of 330 days or less.

(8) The authorized public officer of the public agency informs the custodial bank in writing of the maturity details of the repurchase agreement.

(9) The custodial bank must take delivery of and maintain the securities in its custody for the account of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and any claims by the custodian are subordinate to the public agency's claims to rights to those securities.

(10) The obligations purchased by a public agency may only be sold or presented for redemption or payment by the fiscal agent bank or trust company holding the obligations upon the written instruction of the public agency or officer authorized to make such investments.

(11) The custodial bank shall be liable to the public agency for any monetary loss suffered by the public agency due to the failure of the custodial bank to take and maintain possession of such securities.

(i) Notwithstanding the foregoing restrictions on investment in instruments constituting repurchase agreements the Illinois Housing Development Authority may invest in, and any financial institution with capital of at least \$250,000,000 may act as custodian for, instruments that constitute repurchase agreements, provided that the Illinois Housing Development Authority, in making each such investment, complies with the safety and soundness guidelines for engaging

in repurchase transactions applicable to federally insured banks, savings banks, savings and loan associations or other depository institutions as set forth in the Federal Financial Institutions Examination Council Policy Statement Regarding Repurchase Agreements and any regulations issued, or which may be issued by the supervisory federal authority pertaining thereto and any amendments thereto; provided further that the securities shall be either (i) direct general obligations of, or obligations the payment of the principal of and/or interest on which are unconditionally guaranteed by, the United States of America or (ii) any obligations of any agency, corporation or subsidiary thereof controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States and provided further that the security interest must be perfected by either the Illinois Housing Development Authority, its custodian or its agent receiving possession of the securities either physically or transferred through a nationally recognized book entry system.

(j) In addition to all other investments authorized under this Section, a community college district may invest public funds in any mutual funds that invest primarily in corporate investment grade or global government short term bonds. Purchases of mutual funds that invest primarily in global government short term bonds shall be limited to funds with assets of at least \$100 million and that are rated at the time of purchase as one of the 10 highest classifications established by a recognized rating service. The investments shall be subject to approval by the local community college board of trustees. Each community college board of trustees shall develop a policy regarding the percentage of the college's investment portfolio that can be invested in such funds.

Nothing in this Section shall be construed to authorize an intergovernmental risk management entity to accept the deposit of public funds except for risk management purposes.

(Source: P.A. 96-741, eff. 8-25-09.)

(30 ILCS 235/2.5)

Sec. 2.5. Investment policy.

(a) Investment of public funds by a public agency shall be governed by a written investment policy adopted by the public agency. The level of detail and complexity of the investment policy shall be appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio. The policy shall address safety of principal, liquidity of funds, and return on investment and shall require that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. In addition, the investment policy shall include or address the following:

(1) a listing of authorized investments;

(2) a rule, such as the "prudent person rule", establishing the standard of care that must be maintained by the persons investing the public funds;

(3) investment guidelines that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment

portfolio;

(4) a policy regarding diversification of the investment portfolio that is appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;

(5) guidelines regarding collateral requirements, if any, for the deposit of public funds in a financial institution made pursuant to this Act, and, if applicable, guidelines for contractual arrangements for the custody and safekeeping of that collateral;

(6) a policy regarding the establishment of a system of internal controls and written operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the entity;

(7) identification of the chief investment officer who is responsible for establishing the internal controls and written procedures for the operation of the investment program;

(8) performance measures that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;

(9) a policy regarding appropriate periodic review of the investment portfolio, its effectiveness in meeting the public agency's needs for safety, liquidity, rate of return, and diversification, and its general performance;

(10) a policy establishing at least quarterly written reports of investment activities by the public agency's chief financial officer for submission to the governing body and chief executive officer of the public agency. The reports shall include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date;

(11) a policy regarding the selection of investment advisors, money managers, and financial institutions; and

(12) a policy regarding ethics and conflicts of interest.

(b) For purposes of the State or a county, the investment policy shall be adopted by the elected treasurer and presented to the chief executive officer and the governing body. For purposes of any other public agency, the investment policy shall be adopted by the governing body of the public agency.

(c) The investment policy shall be made available to the public at the main administrative office of the public agency.

(d) The written investment policy required under this Section shall be developed and implemented by January 1, 2000. (Source: P.A. 90-688, eff. 7-31-98.)

(30 ILCS 235/2.10)

Sec. 2.10. Unit of local government; deposit at reduced rate of interest. The treasurer of a unit of local government may, in his or her discretion, deposit public moneys of that unit of local government in a financial institution pursuant to an agreement that provides for a reduced rate of interest, provided that the institution agrees to expend an amount of money equal to the amount of the reduction for senior centers. (Source: P.A. 93-246, eff. 7-22-03.)

(30 ILCS 235/3) (from Ch. 85, par. 903)

Sec. 3. If any securities, purchased under authority of Section 2 hereof, are issuable to a designated payee or to the order of a designated payee, then the public agency shall be so designated, and further, if such securities are purchased with money taken from a particular fund of a public agency, the name of such fund shall be added to that of such public agency. If any such securities are registerable, either as to principal or interest, or both, then such securities shall be so registered in the name of the public agency, and in the name of the fund to which they are to be credited.
(Source: Laws 1943, vol. 1, p. 951.)

(30 ILCS 235/4) (from Ch. 85, par. 904)

Sec. 4. All securities purchased under the authority of this Act shall be held for the benefit of the public agency which purchased them, and if purchased with money taken from a particular fund, such securities shall be credited to and deemed to be a part of such fund, and shall be held for the benefit thereof. All securities so purchased shall be deposited and held in a safe place by the person or persons having custody of the fund to which they are credited, and such person or persons are responsible upon his or their official bond or bonds for the safekeeping of all such securities. Any securities purchased by any such public agency under authority of this Act, may be sold at any time, at the then current market price thereof, by the governing authority of such public agency. Except as provided in Section 4.1 of "An Act in relation to State finance", all payments received as principal or interest, or otherwise, derived from any such securities shall be credited to the public agency and to the fund by or for which such securities were purchased.
(Source: P.A. 84-1378.)

(30 ILCS 235/5) (from Ch. 85, par. 905)

Sec. 5. This Act, without reference to any other statute, shall be deemed full and complete authority for the investment of public funds, as hereinabove provided, and shall be construed as an additional and alternative method therefor.
(Source: Laws 1943, vol. 1, p. 951.)

(30 ILCS 235/6) (from Ch. 85, par. 906)

Sec. 6. Report of financial institutions.

(a) No bank shall receive any public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last two sworn statements of resources and liabilities which the bank is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of the Currency. Each bank designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of

the Currency; provided, that if such funds or moneys are deposited in a bank, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the capital stock and surplus of such bank, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any bank in excess of such limitation.

(b) No savings bank or savings and loan association shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last 2 sworn statements of resources and liabilities which the savings bank or savings and loan association is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation. Each savings bank or savings and loan association designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation; provided, that if such funds or moneys are deposited in a savings bank or savings and loan association, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the net worth of such savings bank or savings and loan association as defined by the Federal Deposit Insurance Corporation, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any savings bank or savings and loan association in excess of such limitation.

(c) No credit union shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a share deposit with copies of the last two reports of examination prepared by or submitted to the Illinois Department of Financial Institutions or the National Credit Union Administration. Each credit union designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all reports of examination prepared by or furnished to the Illinois Department of Financial Institutions or the National Credit Union Administration; provided that if such funds or moneys are invested in a credit union account, the amount of all such investments not collateralized or insured by an agency of the federal government or other approved share insurer shall not exceed 50% of the unimpaired capital and surplus of such credit union, which shall include shares, reserves and undivided earnings and the corporate authorities of a public agency making an investment shall not be discharged from responsibility for any funds or moneys invested in a credit union in excess of such limitation.

(d) Whenever a public agency deposits any public funds in a financial institution, the public agency may enter into an agreement with the financial institution requiring any funds not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer to be collateralized by any of the following

classes of securities, provided there has been no default in the payment of principal or interest thereon:

(1) Bonds, notes, or other securities constituting direct and general obligations of the United States, the bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States, and bonds, notes, or other securities or evidence of indebtedness constituting the obligation of a U.S. agency or instrumentality.

(2) Direct and general obligation bonds of the State of Illinois or of any other state of the United States.

(3) Revenue bonds of this State or any authority, board, commission, or similar agency thereof.

(4) Direct and general obligation bonds of any city, town, county, school district, or other taxing body of any state, the debt service of which is payable from general ad valorem taxes.

(5) Revenue bonds of any city, town, county, or school district of the State of Illinois.

(6) Obligations issued, assumed, or guaranteed by the International Finance Corporation, the principal of which is not amortized during the life of the obligation, but no such obligation shall be accepted at more than 90% of its market value.

(7) Illinois Affordable Housing Program Trust Fund Bonds or Notes as defined in and issued pursuant to the Illinois Housing Development Act.

(8) In an amount equal to at least market value of that amount of funds deposited exceeding the insurance limitation provided by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer: (i) securities, (ii) mortgages, (iii) letters of credit issued by a Federal Home Loan Bank, or (iv) loans covered by a State Guarantee under the Illinois Farm Development Act, if that guarantee has been assumed by the Illinois Finance Authority under Section 845-75 of the Illinois Finance Authority Act, and loans covered by a State Guarantee under Article 830 of the Illinois Finance Authority Act.

(9) Certificates of deposit or share certificates issued to the depository institution pledging them as security. The public agency may require security in the amount of 125% of the value of the public agency deposit. Such certificate of deposit or share certificate shall:

(i) be fully insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund or issued by a depository institution which is rated within the 3 highest classifications established by at least one of the 2 standard rating services;

(ii) be issued by a financial institution having assets of \$15,000,000 or more; and

(iii) be issued by either a savings and loan association having a capital to asset ratio of at least 2%, by a bank having a capital to asset ratio of at least 6% or by a credit union having a capital to

asset ratio of at least 4%.

The depository institution shall effect the assignment of the certificate of deposit or share certificate to the public agency and shall agree that, in the event the issuer of the certificate fails to maintain the capital to asset ratio required by this Section, such certificate of deposit or share certificate shall be replaced by additional suitable security.

(e) The public agency may accept a system established by the State Treasurer to aggregate permissible securities received as collateral from financial institutions in a collateral pool to secure public deposits of the institutions that have pledged securities to the pool.

(f) The public agency may at any time declare any particular security ineligible to qualify as collateral when, in the public agency's judgment, it is deemed desirable to do so.

(g) Notwithstanding any other provision of this Section, as security a public agency may, at its discretion, accept a bond, executed by a company authorized to transact the kinds of business described in clause (g) of Section 4 of the Illinois Insurance Code, in an amount not less than the amount of the deposits required by this Section to be secured, payable to the public agency for the benefit of the People of the unit of government, in a form that is acceptable to the public agency.

(h) Paragraphs (a), (b), (c), (d), (e), (f), and (g) of this Section do not apply to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Cooperative Computer Center and public community colleges. (Source: P.A. 95-331, eff. 8-21-07.)

(30 ILCS 235/6.5)

Sec. 6.5. Federally insured deposits at Illinois financial institutions.

(a) Notwithstanding any other provision of this Act or any other statute, whenever a public agency invests public funds in an interest-bearing savings account, interest-bearing certificate of deposit, or interest-bearing time deposit under Section 2 of this Act, the provisions of Section 6 of this Act and any other statutory requirements pertaining to the eligibility of a bank to receive or hold public deposits or to the pledging of collateral by a bank to secure public deposits do not apply to any bank receiving or holding all or part of the invested public funds if (i) the public agency initiates the investment at or through a bank located in Illinois and (ii) the invested public funds are at all time fully insured by an agency or instrumentality of the federal government.

(b) Nothing in this Section is intended to:

(1) prohibit a public agency from requiring the bank at or through which the investment of public funds is initiated to provide the public agency with the information otherwise required by subsections (a), (b), or (c) of Section 6 of this Act as a condition of investing the public funds at or through that bank; or

(2) permit a bank to receive or hold public deposits

if that bank is prohibited from doing so by any rule, sanction, or order issued by a regulatory agency or by a court.

(c) For purposes of this Section, the term "bank" includes any person doing a banking business whether subject to the laws of this or any other jurisdiction.

(Source: P.A. 93-756, eff. 7-16-04.)

(30 ILCS 235/7) (from Ch. 85, par. 907)

Sec. 7. When investing or depositing public funds, each custodian shall, to the extent permitted by this Act and by the lawful and reasonable performance of his custodial duties, invest or deposit such funds with or in minority-owned financial institutions within this State.

(Source: P.A. 84-754.)

(30 ILCS 235/8)

Sec. 8. Consideration of financial institution's commitment to its community.

(a) In addition to any other requirements of this Act, a public agency is authorized to consider the financial institution's record and current level of financial commitment to its local community when deciding whether to deposit public funds in that financial institution. The public agency may consider factors including, but not necessarily limited to:

(1) for financial institutions subject to the federal Community Reinvestment Act of 1977, the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the federal Community Reinvestment Act of 1977;

(2) any changes in ownership, management, policies, or practices of the financial institution that may affect the level of the financial institution's commitment to its community;

(3) the financial impact that the withdrawal or denial of deposits of public funds might have on the financial institution;

(4) the financial impact to the public agency as a result of withdrawing public funds or refusing to deposit additional public funds in the financial institution; and

(5) any additional burden on the resources of the public agency that might result from ceasing to maintain deposits of public funds at the financial institution under consideration.

(b) Nothing in this Section shall be construed as authorizing the public agency to conduct an examination or investigation of a financial institution or to receive information that is not publicly available and the disclosure of which is otherwise prohibited by law.

(Source: P.A. 93-251, eff. 7-1-04.)