

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

The meeting was called to order at 6:03 P.M.

Committee members in attendance: P. Suess, J. Pruyn, and C. Janc

Committee members absent: D. Russo

Also in attendance: J. Spatz, T. McGhee, C. Peterson and S. Lux of Baker Tilly

Minutes

Commissioner Pruyn moved to approve the Regular Committee Meeting of July 19, 2012 Finance Committee Meeting. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried

Approval of Reconciliations

Mr. Lux noted that the reconciliations had been signed off on.

Treasurer's Report – July 2012

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

Mr. Lux noted that cash and investment increased in the month. There was no principal or interest payments made during the month.

He also noted that additional funds had been moved from Commercial Paper to money market accounts. Current portfolio weighted market yield is at 46 basis points compared to Illinois market funds, which had a recent average of 9 basis points.

Cash flows from operating activities remain negative through the first three months. Mr. Lux noted that \$15.1M of debt and \$1.8M of interest had been paid year-to-date.

Mr. Lux noted the targeted amount in the O&M Account had increased from the prior month by approximately \$1M due to the increase in water purchases. The Depreciation Reserve Account increased by its expected monthly amount of \$175,000. All targeted and required cash balances had been met. The committee discussed the level of reserves compared to debt outstanding. Commissioner Janc inquired as to whether the reserves per the Bond Ordinance had a lesser than provision should the amounts exceed debt outstanding. Mr. Lux and General Spatz noted it did not.

Financial Statements -- July 2012 and Quarterly Budget Review

Financial Administrator Peterson provided the Committee with a summary of the July Financial Statements.

Revenue over expenditures increased to \$5.5M as of July 31, 2012. Financial Administrator Peterson reviewed certain accounts for budget versus actual activity that may change later in the year including personnel benefits and repair and maintenance accounts.

Notices were sent to customers regarding the change to occur regarding the Commission's lockbox and account numbers.

RFP for Financial Advisor

Financial Administrator Peterson noted that firms were due to submit proposals early the week of August 20th.

Update on Treasurer Position

General Manager Spatz stated that resumes were still being accepted through the end of the month.

Election of Interest Period under Northern Trust Certificate of Debt

Financial Administrator Peterson stated that the Libor rate for one month is 0.24% which down slightly from last month, which was .25%.

The committee members agreed to reset the interest period to one month.

General Manager Spatz and Mr. McGhee leave the meeting.

Status of the 2012 Audit

Financial Administrator Peterson introduces Mr. Lou Karrison from Sikich LLP. Mr. Karrison reviewed the draft 2012 Annual Audit Report. Mr. Karrison stated that the statements are presented on a comparative basis this year. The opinion from Sikich is unqualified.

Mr. Karrison also discussed future accounting pronouncements that may affect the Commission.

Accounts Payable

Financial Administrator Peterson presented the Accounts Payable to the committee members.

July 12, 2012 to Aug 7, 2012

\$ 9,529,419.29

<u>Estimated</u>	<u>\$ 1,032,650.00</u>
Total	\$10,562,069.29

Other

No additional items were discussed.

Adjournment

The meeting concluded at 7:00 P.M.