



DuPage Water Commission

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

NOTICE IS HEREBY GIVEN THAT THE RESCHEDULED APRIL 2004 FINANCE COMMITTEE MEETING OF THE DU PAGE WATER COMMISSION WILL BE HELD AT 6:30 P.M. ON WEDNESDAY, APRIL 7, 2004, AT ITS OFFICES LISTED BELOW. THE AGENDA FOR THE RESCHEDULED APRIL 2004 REGULAR COMMITTEE MEETING IS AS FOLLOWS:

AGENDA
FINANCE COMMITTEE
WEDNESDAY, APRIL 7, 2004
6:30 P.M.

COMMITTEE MEMBERS
A. Poole, Chair
E. Chaplin

600 EAST BUTTERFIELD ROAD
ELMHURST, IL 60126

- I. Roll Call
- II. Approval of Minutes for Committee Meeting of March 12, 2004
- III. Treasurer's Report – March, 2004
- IV. Financial Statements – March, 2004
- V. Accounts Payable
- VI. Subsequent Customer Pricing Review
- VII. Audit by Office of Illinois Auditor General
- VIII. Financial Consulting Services Contract (Resolution No. R-17-04)
- IX. Ordinance O-7-04: Transfer of Appropriations Ordinance for the Fiscal Year Commencing May 1, 2003 and Ending April 30, 2004
- X. Ordinance O-8-04: An Ordinance Approving and Adopting an Annual Management Budget for the Fiscal Year Commencing May 1, 2004 and Ending April 30, 2005
- XI. Ordinance O-9-04: An Ordinance Establishing a Rate for Operation and Maintenance Costs for the Fiscal Year Commencing May 1, 2004 and Ending April 30, 2005

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

- XII. Ordinance O-10-04: An Ordinance Establishing Fixed Costs to be Payable by Each Contract Customer for the Fiscal Year Commencing May 1, 2004 and Ending April 30, 2005
- XIII. Resolution R-13-04: A Resolution Directing the Transfer of Certain Excess Account Balances to the General Account of the Water Fund
- XIV. Resolution R-14-04: A Resolution Establishing the Policy of the DuPage Water Commission with Respect to Fund Balances and Construction and Rate Stabilization Reserves for the Fiscal Year Ending April 30, 2004
- XV. Resolution R-18-04: A Resolution Amending Resolution No. R-016-03, being "A Resolution Implementing Certain Employee Benefit Changes"
- XVI. Optional Five Year Capital Improvement Plan Borrowing

Board\Agendas\FC 2004-04.doc

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DU PAGE WATER COMMISSION
HELD ON MARCH 11, 2004**

The meeting was called to order at 7:06 p.m. at the offices of the DuPage Water Commission, 600 E. Butterfield Rd., Elmhurst, Illinois 60126. Committee members in attendance: A. Poole, Committee Chairman and E. Chaplin. Also in attendance: Commissioner J. Vrdolyak, R. Thorn, Treasurer and R. Skiba.

MINUTES OF MEETING – JANUARY 8, 2004

Motion by Commissioner Chaplin, seconded by Commissioner Pool, to approve the minutes of the January 8, 2004 Finance Committee meeting. This motion carried unanimously.

MINUTES OF EXECUTIVE SESSION – NOVEMBER 13, 2003

Motion by Commissioner Chaplin, seconded by Commissioner Poole, to release the minutes of the November 13, 2003 Finance Committee executive session. This motion carried unanimously.

TREASURER'S REPORT – FEBRUARY, 2004

Treasurer Thorn presented the February, 2004 Treasurer's Report for Committee review. Motion by Commissioner Chaplin, seconded by Commissioner Poole, to recommend acceptance of the report by the full Commission at its meeting of March 11, 2004. This motion carried unanimously.

FINANCIAL STATEMENTS - FEBRUARY, 2004

The Committee reviewed the February, 2004 financial statements. After a brief discussion, the Committee accepted the financial statements for February, 2004. The Committee requested that future financial report narratives be done in a bullet point format.

ACCOUNTS PAYABLE

The Committee reviewed the accounts payable in the amount of \$3,563,388.50. There were no revisions to the list. The Committee had no questions and will recommend approval of the accounts payable at the March 11, 2004 Commission meeting.

SUSBEQUENT CUSTOMER PRICING REVIEW

The Committee noted the memo from KMZ Rosenman indicating that legal research on subsequent customer pricing under PA93-0226 will be completed by mid-April.

AUDITOR GENERAL ENGAGEMENT STATUS

McGladery & Pullen are working to finalize the audit arrangement. It appears that issues related to the increase in audit scope can be resolved.

ADJOURNMENT

With no further business to come before the Committee, the meeting was adjourned at 7:28 p.m.



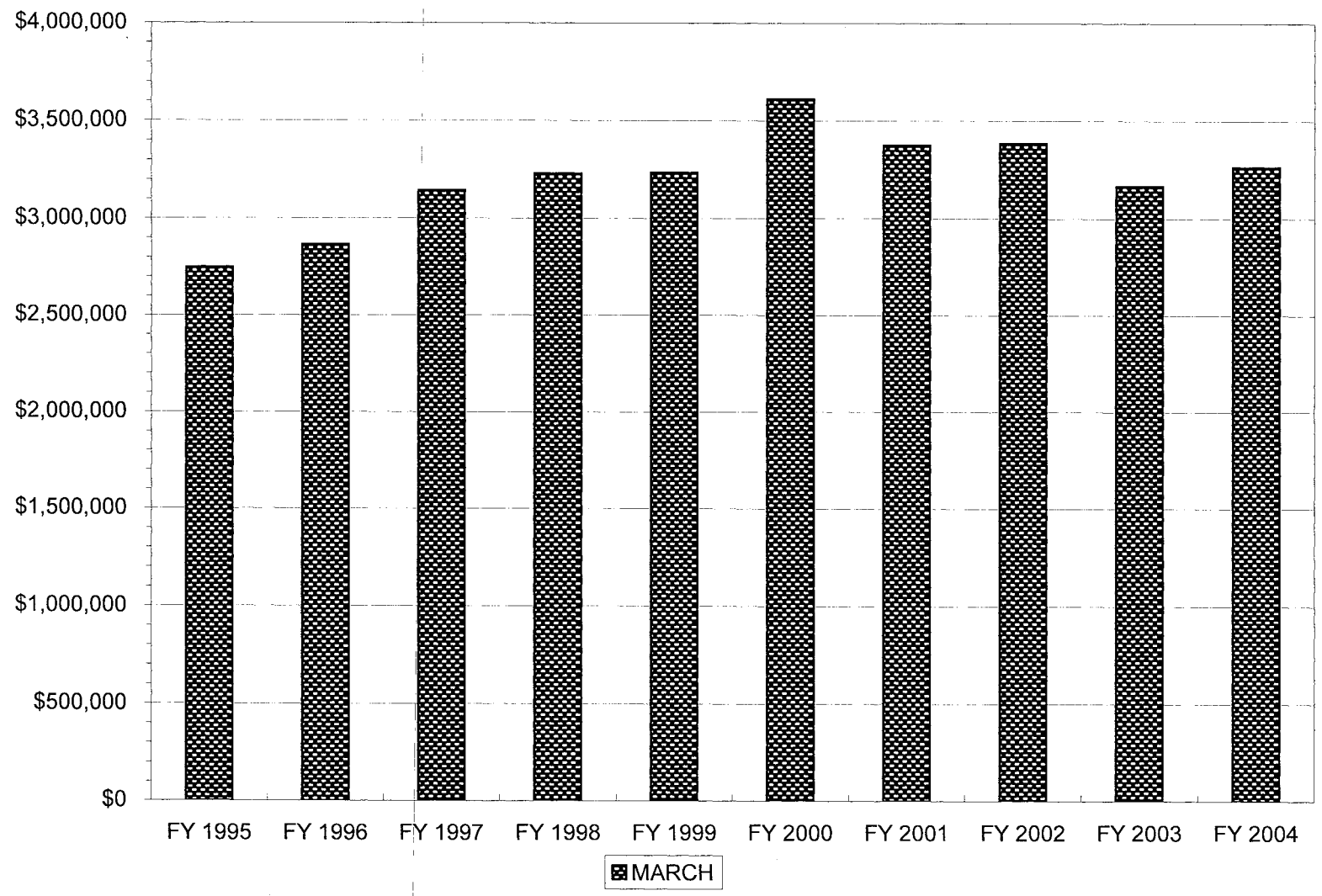
DuPage Water Commission

MEMORANDUM

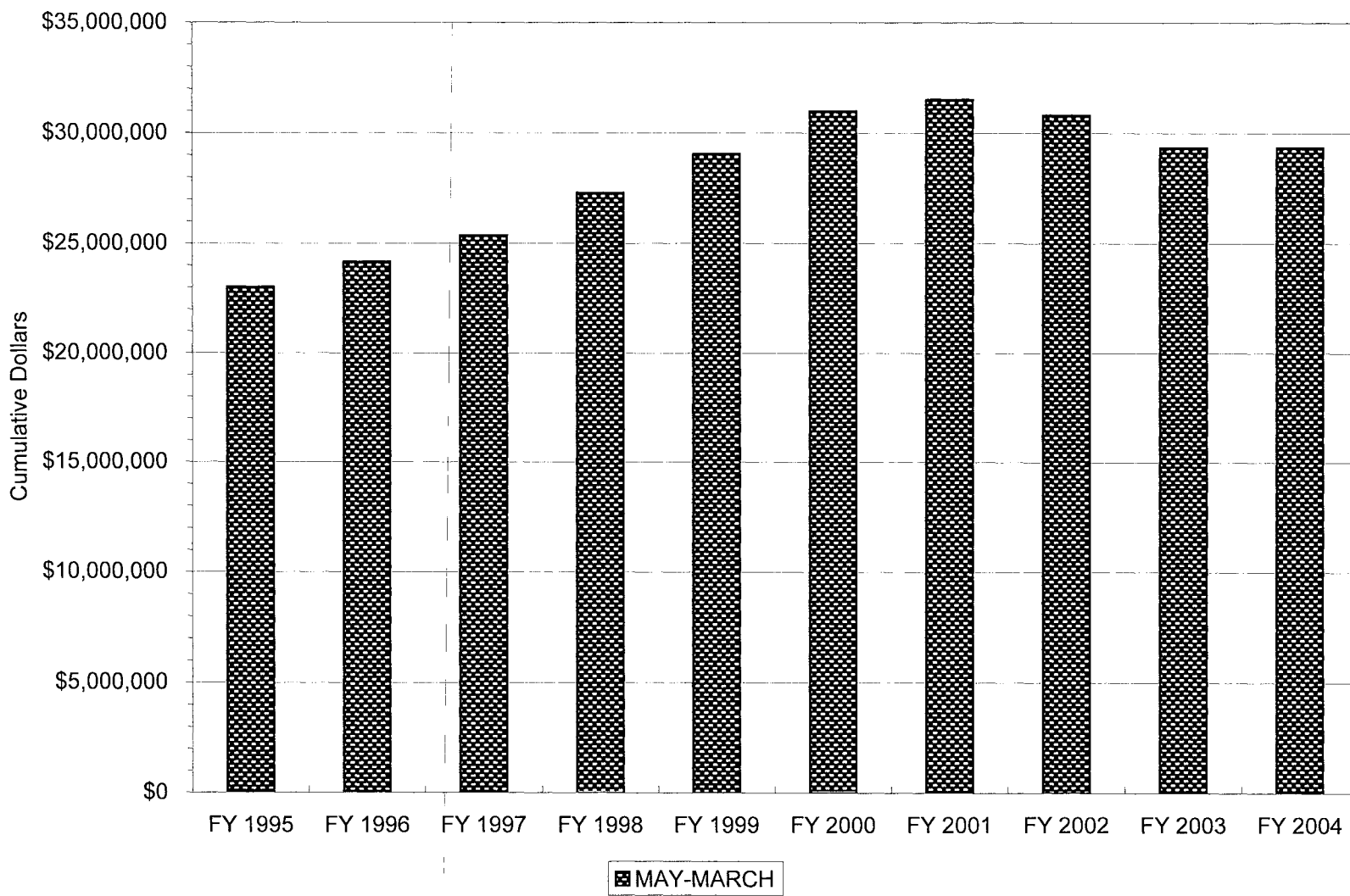
TO: Acting General Manager
FROM: Financial Administrator
DATE: April 2, 2004
SUBJECT: Financial Report – March 31, 2004

- Last summer's cool, wet weather is reason water sales are under budget.
- Sales tax collections in the first 11 months \$4,538 (0.02%) more than the same period last fiscal year.
- Month of March (December sales) \$96,883 (3.06%) more than prior December.
- Market fluctuations caused a decrease in investment market values resulting in investment income below budget.
- Bond interest costs over budget due to \$2.9 million call premium cost on the 1993 revenue bonds retired in September.
- Overall direct water supply costs under budget corresponding to the less than budgeted water sales.
- May 1, 2003, change to Illinois Municipal Retirement Fund (IMRF).
- Commission picked up 60% to 100% (\$1.4 million unbudgeted) of employee required contributions to establish service to the beginning of employment.
- Early retirement incentive program was adopted in July. Four employees' early retirement incentive costs were \$347,000.
- Commission instituted a military service credit program under IMRF. Five eligible employees participated in this program at a cost of \$74,000.
- Additional pension, Social Security and Medicare cost related to these programs also added to the budget variance.
- February personnel costs reflect 178,500 reclassification for January posting error.
- Commission's investment portfolio totals \$185.7 million, earning 1.32% based on market yield and 2.19% based on original purchase price.

**DuPage Water Commission
Sales Tax Collected - Current Month**



DuPage Water Commission Sales Tax Collections - Year to Date



March 31, 2004

ASSETS	TOTAL	WATER FUND	OPER & MAINT	REVENUE BOND			REVENUE BOND	DEBT SERVICE	OPER & MAINT	DEPRECIATION	GENERAL
	WATER FUND	DEPOSITORY		INTEREST	PRINCIPAL	RESERVE	RESERVE	ACCOUNT	ACCOUNT		
ALL ACCOUNTS	ACCOUNTS	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT
CASH	42,045.94	30,997.31	11,048.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INVESTMENTS	185,732,476.81	3,006,712.83	10,444,520.52	3,362,435.01	9,449,862.33	0.00	10,483,174.48	5,662,557.03	143,323,214.61		
DUE FROM OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER ACCOUNTS RECEIVABLE	5,642,193.74	5,642,193.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RECEIVABLE FROM OTHER GOVERNMENTS - CURRENT	7,170,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,170,000.00	
ACCOUNTS RECEIVABLE-OTHER	252,378.19	252,378.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTEREST RECEIVABLE	1,326,625.36	0.00	0.00	47,207.81	132,665.69	0.00	56,250.00	56,250.00	1,034,251.86		
INVENTORIES & PREPAIDS	750,264.44	750,264.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FIXED ASSETS	429,110,341.83	429,110,341.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONSTRUCTION IN PROGRESS	19,740,890.52	19,740,890.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: ACCUMULATED DEPRECIATION	(72,030,487.22)	(72,030,487.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEFERRED WATER SUPPLY CONTRACT COST	5,210,952.26	5,210,952.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RECEIVABLE FROM OTHER GOVERNMENTS - LONG TERM	3,371,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,371,700.00	
TOTAL ASSETS	586,319,381.87	391,714,243.90	10,455,569.15	3,409,642.82	9,582,528.02	0.00	10,539,424.48	5,718,807.03	154,899,166.47		
=====											
LIABILITIES & EQUITY											
ACCOUNTS PAYABLE	3,368,700.26	0.00	3,368,700.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ACCRUED PAYROLL & TAXES	211,236.81	0.00	211,236.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DUE TO OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRANTS PAYABLE CURRENT	15,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000,000.00	
BONDS PAYABLE CURRENT	19,615,000.00	862,916.67	0.00	0.00	9,492,083.33	0.00	0.00	0.00	9,260,000.00		
ACCRUED INTEREST	3,699,836.63	0.00	0.00	3,377,990.80	0.00	0.00	0.00	0.00	321,845.83		
ACCRUED LIABILITIES	370,767.49	0.00	370,767.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACT RETENTION	1,252,287.42	0.00	1,252,287.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER DEPOSITS AND DEFERRED CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEFERRED REVENUE	3,037,710.14	3,037,710.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LONG TERM BONDS PAYABLE	189,945,954.80	189,945,954.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRANTS PAYABLE LONG TERM	45,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,000,000.00	
TOTAL LIABILITIES	281,501,493.55	193,846,581.61	5,202,991.98	3,377,990.80	9,492,083.33	0.00	0.00	0.00	69,581,845.83		
=====											
NET ASSETS											
UNRESTRICTED FUNDS											
HELD FOR EMERGENCY REPAIRS AND OTHER CONTINGENCIES (a)	11,200,000.00	0.00	0.00	0.00	0.00	0.00	34,270.14	718,807.03	10,446,922.83		
RESERVED FOR WATER RATE STABILIZATION	45,472,832.97	6,644,836.37	0.00	0.00	0.00	0.00	0.00	0.00	38,827,996.60		
RESERVED FOR THE ACQUISITION OF CAPITAL ASSETS	19,503,010.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,503,010.93		
TOTAL UNRESTRICTED OPERATING NET ASSETS	76,175,843.90	6,644,836.37	0.00	0.00	0.00	0.00	34,270.14	718,807.03	68,777,930.36		
UNRESTRICTED NON-OPERATING NET ASSETS											
WATER QUALITY LOANS RESERVE	9,937,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,937,000.00		
IMRF PRIOR SERVICE PENSION COST RESERVE	2,405,524.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,405,524.00		
TOTAL UNRESTRICTED NON-OPERATING NET ASSETS	12,342,524.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,342,524.00		
TOTAL UNRESTRICTED NET ASSETS	88,518,367.90	6,644,836.37	0.00	0.00	0.00	0.00	34,270.14	718,807.03	81,120,454.36		
RESTRICTED BY ORDINANCE/RESOLUTION	25,076,694.50	0.00	5,252,577.17	31,652.02	90,444.69	0.00	10,505,154.34	5,000,000.00	4,196,866.28		
INVESTED IN PROPERTY PLANT AND EQUIPMENT	191,222,825.92	191,222,825.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
TOTAL NET ASSETS	304,817,888.32	197,867,662.29	5,252,577.17	31,652.02	90,444.69	0.00	10,539,424.48	5,718,807.03	85,317,320.64		
TOTAL LIABILITIES & NET ASSETS	586,319,381.87	391,714,243.90	10,455,569.15	3,409,642.82	9,582,528.02	0.00	10,539,424.48	5,718,807.03	154,899,166.47		
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a - ESTABLISHED AT 2% OF ORIGINAL CONSTRUCTION COSTS AS OF JULY 31, 2003; INCREASED ANNUALLY BY THE ENGINEERING NEWS RECORD CONSTRUCTION INDEX

ASSETS	TOTAL GENERAL ACCOUNT	WATER FUND SUBACCOUNT	SALES TAXES SUBACCOUNT	GO BOND DEBT SERVICE SUBACCOUNT
CASH	0.00	0.00	0.00	0.00
INVESTMENTS	143,323,214.61	64,962,553.64	65,345,564.31	13,015,096.66
DUE FROM OTHER FUNDS	0.00	0.00	0.00	0.00
CUSTOMER ACCOUNTS RECEIVABLE	0.00	0.00	0.00	0.00
RECEIVABLE FROM OTHER GOVERNMENTS - CURRENT	7,170,000.00	0.00	7,170,000.00	0.00
ACCOUNTS RECEIVABLE-OTHER	0.00	0.00	0.00	0.00
INTEREST RECEIVABLE	1,034,251.86	438,020.83	575,643.00	20,588.03
INVENTORIES & PREPAIDS	0.00	0.00	0.00	0.00
FIXED ASSETS	0.00	0.00	0.00	0.00
CONSTRUCTION IN PROGRESS	0.00	0.00	0.00	0.00
LESS: ACCUMULATED DEPRECIATION	0.00	0.00	0.00	0.00
DEFERRED WATER SUPPLY CONTRACT COST	0.00	0.00	0.00	0.00
RECEIVABLE FROM OTHER GOVERNMENTS - LONG TERM	3,371,700.00	0.00	3,371,700.00	0.00
TOTAL ASSETS	154,899,166.47	65,400,574.47	76,462,907.31	13,035,684.69
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LIABILITIES & EQUITY				
ACCOUNTS PAYABLE	0.00	0.00	0.00	0.00
ACCRUED PAYROLL & TAXES	0.00	0.00	0.00	0.00
DUE TO OTHER FUNDS	0.00	0.00	0.00	0.00
GRANTS PAYABLE CURRENT	15,000,000.00	0.00	15,000,000.00	0.00
BONDS PAYABLE CURRENT	9,260,000.00	0.00	0.00	9,260,000.00
ACCRUED INTEREST	321,845.83	0.00	0.00	321,845.83
ACCRUED LIABILITIES	0.00	0.00	0.00	0.00
CONTRACT RETENTION	0.00	0.00	0.00	0.00
OTHER DEPOSITS AND DEFERRED CREDITS	0.00	0.00	0.00	0.00
DEFERRED REVENUE	0.00	0.00	0.00	0.00
LONG TERM BONDS PAYABLE	0.00	0.00	0.00	0.00
GRANTS PAYABLE LONG TERM	45,000,000.00	0.00	45,000,000.00	0.00
TOTAL LIABILITIES	69,581,845.83	0.00	60,000,000.00	9,581,845.83
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NET ASSETS				
UNRESTRICTED FUNDS (R-27-03)				
HELD FOR EMERGENCY REPAIRS AND OTHER CONTINGENCIES	10,446,922.83	10,446,922.83	0.00	0.00
RESERVED FOR WATER RATE STABILIZATION	38,827,996.60	38,827,996.60	0.00	0.00
RESERVED FOR THE ACQUISITION OF CAPITAL ASSETS	19,503,010.93	13,720,131.04	5,782,879.89	0.00
TOTAL UNRESTRICTED OPERATING NET ASSETS	68,777,930.36	62,995,050.47	5,782,879.89	0.00
UNRESTRICTED NON-OPERATING NET ASSETS				
WATER QUALITY LOANS RESERVE (R-32-02)	9,937,000.00	0.00	9,937,000.00	0.00
IMRF PRIOR SERVICE PENSION COST RESERVE (R-16-03)	2,405,524.00	2,405,524.00	0.00	0.00
TOTAL UNRESTRICTED NON-OPERATING NET ASSETS	12,342,524.00	2,405,524.00	9,937,000.00	0.00
TOTAL UNRESTRICTED NET ASSETS	81,120,454.36	65,400,574.47	15,719,879.89	0.00
RESTRICTED BY ORDINANCE/RESOLUTION	4,196,866.28	0.00	743,027.42	3,453,838.86
INVESTED IN PROPERTY PLANT AND EQUIPMENT	0.00	0.00	0.00	0.00
TOTAL NET ASSETS	85,317,320.64	65,400,574.47	16,462,907.31	3,453,838.86
TOTAL LIABILITIES & NET ASSETS	154,899,166.47	65,400,574.47	76,462,907.31	13,035,684.69
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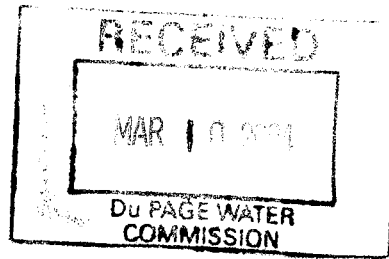
DU PAGE WATER COMMISSION
WATER FUND
GENERAL LEDGER
STATEMENT OF REVENUES & EXPENDITURES
March 31, 2004

PAGE 6

REVENUE	CURRENT MONTH ACTUAL	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D BUDGET VARIANCE FAVORABLE (UNFAVORABLE)	% OF Y-T-D BUDGET
OPERATIONS & MAINTENANCE REVENUES	3,092,321.94	39,271,443.28	42,111,165.10	(2,839,721.82)	93.3%
FIXED COST REVENUES	743,027.42	8,173,301.62	8,173,301.58	0.04	100.0%
SUBSEQUENT CUSTOMER DIFFERENTIAL REVENUE	56,565.92	692,269.93	947,762.80	(255,492.87)	73.0%
EMERGENCY WATER SERVICE	0.00	30,016.40	26,906.79	3,109.61	111.6%
SALES TAXES	3,263,292.00	29,352,874.35	30,228,269.22	(875,394.87)	97.1%
INVESTMENT INCOME	184,641.50	2,216,779.92	5,581,639.34	(3,364,859.42)	39.7%
OTHER INCOME	500.00	95,025.37	51,685.25	43,340.12	183.9%
TOTAL REVENUE	7,340,348.78	79,831,710.87	87,120,730.08	(7,289,019.21)	91.6%
EXPENSES					
PERSONAL SERVICES	21,640.73	4,158,590.18	2,384,513.05	(1,774,077.13)	174.4%
PROFESSIONAL SERVICES	12,434.37	347,294.15	360,153.44	12,859.29	96.4%
CONTRACTUAL SERVICES	21,752.63	603,788.58	784,765.58	180,977.00	76.9%
INSURANCE	0.00	908,490.90	1,657,760.79	749,269.89	54.8%
ADMINISTRATIVE COSTS	28,391.77	118,004.26	135,060.99	17,056.73	87.4%
WATER SUPPLY COSTS	3,678,560.87	43,707,689.32	46,733,353.94	3,025,664.62	93.5%
BOND INTEREST EXPENSE	789,136.30	13,024,492.33	11,523,064.67	(1,501,427.66)	113.0%
LAND AND RIGHT OF WAY	0.00	2,995.00	5,503.60	2,508.60	54.4%
DEPRECIATION/CAPITAL EQUIPMENT PURCHASES	533,072.97	5,920,158.70	6,224,536.79	304,378.09	95.1%
TOTAL OPERATING EXPENSES	5,084,989.64	68,791,503.42	69,808,712.85	1,017,209.43	98.5%
NET OPERATING INCOME	2,255,359.14	11,040,207.45	17,312,017.23	(6,271,809.78)	63.8%
CONSTRUCTION EXPENDITURES	208,502.96	3,035,280.69	8,484,459.02	5,449,178.33	35.8%
TRANSFERS TO OTHER GOVERNMENTS	0.00	75,000,000.00	0.00	(75,000,000.00)	N/A
NET FUND TRANSACTIONS	2,046,856.18	(66,995,073.24)	8,827,558.21	(75,822,631.45)	-758.9%
BEGINNING NET ASSETS		368,777,680.87			
ADD CONSTRUCTION EXPENDITURES TO BE CAPITALIZED		3,035,280.69			
ENDING NET ASSETS		304,817,888.32			

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	PURCHASED TO YIELD	MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 03/31/04	BID PRICE 03/31/04
Water Fund Depository Accounts (WF-1210)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 1,352,744.83	\$ 1,352,744.83	\$ -	\$ 1,352,744.83	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	1,653,968.00	1,653,968.00	-	1,653,968.00	-	100.000
				0.960%	0.960%	\$ 3,006,712.83	\$ 3,006,712.83	\$ -	\$ 3,006,712.83	\$ -	
Water Fund Oper. & Maint. Acct. (WF-1211)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 5,385,814.85	\$ 5,385,814.85	\$ -	\$ 5,385,814.85	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	5,058,705.67	5,058,705.67	-	5,058,705.67	-	100.000
				0.956%	0.956%	\$ 10,444,520.52	\$ 10,444,520.52	\$ -	\$ 10,444,520.52	\$ -	
Revenue Bond Interest Account (WF-1212)											
One Group Government Money Market	0.085%	03/31/04	04/01/04	0.085%	0.085%	\$ 189.70	\$ 189.70	\$ -	\$ 189.70	\$ -	100.000
U. S. Treas. Notes (Bank One Trust Company)	3.375%	10/07/03	04/30/04	1.013%	0.810%	585,000.00	585,914.06	(6,855.47)	592,769.53	8,226.56	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	11/07/03	04/30/04	1.058%	0.810%	563,000.00	563,879.69	(5,366.09)	569,245.78	7,917.19	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	12/09/03	04/30/04	1.008%	0.810%	553,000.00	553,864.06	(4,255.51)	558,119.57	7,776.56	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	01/05/04	04/30/04	0.974%	0.810%	552,000.00	552,862.50	(3,342.19)	556,204.69	7,762.50	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	02/11/04	04/30/04	0.934%	0.810%	552,000.00	552,862.50	(2,048.43)	554,910.93	7,762.50	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	03/03/04	04/30/04	0.936%	0.810%	552,000.00	552,862.50	(1,272.19)	554,134.69	7,762.50	100.156
				0.988%	0.810%	\$ 3,357,189.70	\$ 3,362,435.01	\$ (23,139.88)	\$ 3,385,574.89	\$ 47,207.81	
Revenue Bond Principal (WF-1213)											
One Group Government Money Market	0.085%	03/31/04	04/01/04	0.085%	0.085%	\$ 1,121.70	\$ 1,121.70	\$ -	\$ 1,121.70	\$ 0.06	100.000
U. S. Treas. Notes (Bank One Trust Company)	3.375%	05/09/03	04/30/04	1.178%	0.810%	884,000.00	885,381.25	(17,369.22)	902,750.47	12,431.25	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	06/03/03	04/30/04	1.090%	0.810%	821,000.00	822,282.81	(15,586.17)	837,868.98	11,545.31	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	07/08/03	04/30/04	1.012%	0.810%	820,000.00	821,281.25	(14,350.00)	835,631.25	11,531.25	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	08/14/03	04/30/04	1.108%	0.810%	819,000.00	820,279.69	(11,773.12)	832,052.81	11,517.19	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	09/11/03	04/30/04	1.064%	0.810%	916,000.00	917,431.25	(11,950.94)	929,382.19	12,881.25	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	10/07/03	04/30/04	1.013%	0.810%	846,000.00	847,321.88	(9,914.06)	857,235.94	11,896.88	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	11/07/03	04/30/04	1.058%	0.810%	925,000.00	926,445.31	(8,816.41)	935,261.72	13,007.81	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	12/09/03	04/30/04	1.008%	0.810%	852,000.00	853,331.25	(6,556.41)	859,887.66	11,981.25	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	01/05/04	04/30/04	0.974%	0.810%	851,000.00	852,329.69	(5,152.54)	857,482.23	11,967.19	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	02/11/04	04/30/04	0.934%	0.810%	851,000.00	852,329.69	(3,158.01)	855,487.70	11,967.19	100.156
U. S. Treas. Notes (Bank One Trust Company)	3.375%	03/03/04	04/30/04	0.936%	0.810%	849,000.00	850,326.56	(1,956.68)	852,283.24	11,939.06	100.156
				1.035%	0.810%	\$ 9,435,121.70	\$ 9,449,862.33	\$ (106,583.56)	\$ 9,556,445.89	\$ 132,665.69	
Revenue Bond Debt Svc. Reserve (WF-1214)											
				N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Fund Oper. & Maint. Res. (WF-1215)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 6,286,376.42	\$ 6,286,376.42	\$ -	\$ 6,286,376.42	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	190,548.06	190,548.06	-	190,548.06	-	100.000
U. S. Treas. Notes (RBC Dain Rauscher)	3.375%	06/13/02	04/30/04	2.957%	0.810%	4,000,000.00	4,006,250.00	(23,750.00)	4,030,000.00	56,250.00	100.156
				1.707%	0.886%	\$ 10,476,924.48	\$ 10,483,174.48	\$ (23,750.00)	\$ 10,506,924.48	\$ 56,250.00	

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	PURCHASED TO YIELD	MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 03/31/04	BID PRICE 03/31/04
Water Fund Depreciation Account (WF-1216)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 895,407.14	\$ 895,407.14	\$ -	\$ 895,407.14	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	760,899.89	760,899.89	-	760,899.89	-	100.000
U. S. Treas. Notes (RBC Dain Rauscher)	3.375%	06/13/02	04/30/04	2.957%	0.810%	4,000,000.00	4,006,250.00	(23,750.00)	4,030,000.00	56,250.00	100.156
				2.371%	0.852%	\$ 5,656,307.03	\$ 5,662,557.03	\$ (23,750.00)	\$ 5,686,307.03	\$ 56,250.00	
Water Fund General Account (WF-1217)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 6,906,864.46	\$ 6,906,864.46	\$ -	\$ 6,906,864.46	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	24,129,308.14	24,129,308.14	-	24,129,308.14	-	100.000
U. S. Treas. Notes (Dain Rauscher)	7.250%	01/31/02	05/15/04	3.204%	0.890%	10,000,000.00	10,071,875.00	(812,425.00)	10,884,300.00	271,875.00	100.719
F.H.L.B. (RBC D. Rauscher)	3.625%	06/14/02	10/15/04	3.403%	0.990%	10,000,000.00	10,134,375.00	86,718.75	10,047,656.25	166,145.83	101.344
				1.891%	0.959%	\$ 51,036,172.60	\$ 51,242,422.60	\$ (725,706.25)	\$ 51,968,128.85	\$ 438,020.83	
Water Fund General Account (WF-1218)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 3,710,077.66	\$ 3,710,077.66	\$ -	\$ 3,710,077.66	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	10,010,053.38	10,010,053.38	-	10,010,053.38	-	100.000
				8.030%	4.549%	\$ 13,720,131.04	\$ 13,720,131.04	\$ -	\$ 13,720,131.04	\$ -	
Sales Tax Funds (WF-1230)											
Illinois Funds-Money Market	0.932%	03/31/04	04/01/04	0.932%	0.932%	\$ 4,905,153.95	\$ 4,905,153.95	\$ -	\$ 4,905,153.95	\$ -	100.000
Illinois Funds-Prime Fund	0.982%	03/31/04	04/01/04	0.982%	0.982%	5,023,235.36	5,023,235.36	-	5,023,235.36	-	100.000
Cert. of Deposit (Mid America Bank)	1.600%	04/15/03	04/15/04	1.600%	1.600%	6,000,000.00	6,000,000.00	-	6,000,000.00	92,317.81	100.000
F.H.L.B. (ABN AMRO)	3.375%	06/21/02	05/14/04	3.002%	1.124%	10,000,000.00	10,045,300.00	(23,450.00)	10,068,750.00	126,562.50	100.453
Cert. of Deposit (Winfield Community Bank)	2.000%	06/17/03	06/15/04	2.000%	2.000%	1,000,000.00	1,000,000.00	-	1,000,000.00	15,780.82	100.000
Cert. of Deposit (West Suburban Bank)	1.500%	07/16/03	07/15/04	1.500%	1.500%	5,935,100.00	5,935,100.00	-	5,935,100.00	63,172.23	100.000
F.H.L.B. (RBC D. Rauscher)	3.625%	09/12/02	10/15/04	2.400%	0.990%	10,000,000.00	10,134,375.00	(113,425.00)	10,247,800.00	166,145.83	101.344
Cert. of Deposit (West Suburban Bank)	1.250%	10/15/03	10/15/04	1.250%	1.250%	64,900.00	64,900.00	-	64,900.00	373.40	100.000
Cert. of Deposit (Suburban Bank & Trust)	1.550%	10/16/03	10/16/04	1.550%	1.550%	6,000,000.00	6,000,000.00	-	6,000,000.00	42,550.68	100.000
Cert. of Deposit (Oak Brook Bank)	1.500%	01/15/04	01/15/05	1.500%	1.500%	6,000,000.00	6,000,000.00	-	6,000,000.00	18,739.73	100.000
F.H.L.B. (RBC D. Rauscher)	4.000%	10/17/02	02/15/05	2.462%	1.170%	10,000,000.00	10,237,500.00	(107,000.00)	10,344,500.00	50,000.00	102.375
				1.960%	1.250%	\$ 64,928,389.31	\$ 65,345,564.31	\$ (243,875.00)	\$ 65,589,439.31	\$ 575,643.00	
2001 G. O. Bonds Debt Service (WF-1243)											
ABN AMRO Government Money Market	0.757%	03/31/04	04/01/04	0.757%	0.757%	\$ 22,340.41	\$ 22,340.41	\$ -	\$ 22,340.41	\$ 3,447.40	100.000
U. S. Treas. Notes (LaSalle Bank)	2.125%	03/01/04	08/31/04	0.933%	0.950%	1,830,000.00	1,838,006.25	(2,716.41)	1,840,722.66	3,240.63	100.438
U. S. Treas. Notes (LaSalle Bank)	1.500%	03/01/04	02/28/05	1.105%	1.100%	11,120,000.00	11,154,750.00	(8,687.50)	11,163,437.50	13,900.00	100.313
				1.080%	1.078%	\$ 12,972,340.41	\$ 13,015,096.66	\$ (11,403.91)	\$ 13,026,500.57	\$ 20,588.03	
TOTAL ALL FUNDS				2.189%	1.317%	\$185,033,809.62	\$185,732,476.81	\$(1,158,208.60)	\$186,890,685.41	\$1,326,625.36	
March 31, 2004				90 DAY US TREASURY YIELD		0.840%					



March 5, 2004

Via Facsimile

Mr. Richard H. Skiba, Jr.
Financial Administrator
DuPage Water Commission
600 East Butterfield Road
Elmhurst, Illinois 60126-4642

Re: DUPAGE WATER COMMISSION

Dear Rick:

This letter will confirm our conversation as to our status with respect to legal research being performed for the Commission on the implementation of Public Act 93-226. We are currently in the process of reviewing the large body of case law which exists with respect to the issue of the allocation of costs of prior capital improvements as between existing users of a utility system and prospective new users. We anticipate finishing up this research by the middle of April and will provide our written report to the Commission at that time.

If you need any additional information concerning this matter, please feel free to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Mark E. Laughman".

Mark E. Laughman

/ml

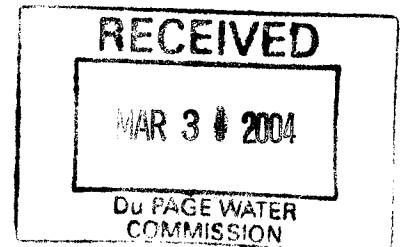
SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TDD: 217/524-4646



CHICAGO OFFICE:
STATE OF ILLINOIS BUILDING • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

March 29, 2004



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

Dear Mr. Martin:

Our Office has asked the accounting firm of McGladrey & Pullen to make a preliminary survey of your accounting records and procedures in connection with our compliance audit of your Agency for the year ending April 30, 2004.

This firm has been assigned the audit of your Agency, subject to the successful completion of contract negotiations. If any change in this arrangement should occur, you will be notified immediately.

A representative of the firm will be contacting you in the near future, and your cooperation will be most appreciated. The manager from our Office who will be assigned to this audit is Ms. Kimberly A. Labonte, CPA. You may reach Ms. Labonte at (217) 785-3923.

Yours truly,
A handwritten signature in black ink, appearing to read "William G. Holland".

WILLIAM G. HOLLAND
Auditor General

WGH:KAL:pp

cc: Mr. Rick Skiba
Financial Administrator
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Mr. Joe Evans, Partner
McGladrey & Pullen
20 N. Martingale Road, Suite 500
Schaumburg, IL 60173



DuPage Water Commission

MEMORANDUM

TO: Chairman & Commissioners

FROM: Robert L. Martin, P.E.
Acting General Manager

DATE: March 31, 2004

SUBJECT: Financial Services Contract

The Commission's financial administrator will retire on April 15th. Consequently, the need for interim financial contract services and the method of obtaining those services have been reviewed over the past six weeks.

As the two memos attached indicate, professional liability insurance issues prevent a direct consulting contract with the retiring incumbent. A contractual arrangement, however, has been arranged through an intermediary public accounting firm. The agreement presented as an exhibit to resolution R-17-04 provides interim financial and transitional services for a period of one year.

Rick Skiba

From: Mike Weible [M.Weible@weiblecahill.com]
Sent: Saturday, March 13, 2004 8:11 AM
To: Rick Skiba
Subject: RE:

Rick, good talking to you.

As discussed, you need a "miscellaneous professional liability" policy. Typically, these policies will run \$3,000 to \$3,500 in Annual Premium with a Minimum \$5,000 Deductible on a Claims Made basis. There is no market for Occurrence-based protection.

You have a quote in hand on that basis and since there are only 3 or 4 markets that offer such a policy, I can confirm that what you've got is as good as what is out there, absent any specific review of what type of restrictive Endorsements may be put on the policy. I suggest, therefore, that you be sure your Agent conveyed a complete copy of your Consulting Agreement for Underwriting Review, and that your Agent be conversant in the terms and conditions of coverage that may have an impact on the coverage form itself and those Endorsements, if any. In other words, be sure your Agent is not simply ordering up a "standard" policy, as there is negotiating room to remove some of the restrictive Endorsements that may cause you trouble down the line.

I believe you should also have the County add you specifically to their Fiduciary Liability Policy and that you be specifically named on any Crime Bond, Pension/Profit Sharing Bond and related instruments. This can be done without imperiling your status vis a vis the Retirement provisions you mentioned - - you do NOT have to be construed as an "employee" in order to be so named. This would likely take a manuscripted Endorsement to accomplish but the size and sophistication of the County Insurance and Surety Program should lend itself to this treatment.

If you don't have yourself added to the coverage and if you imperil your Retirement status by having the County "indemnify" you, then your only other prudent choice would be to walk away from the deal, as you can't take the risk of further management oversight without protection.

Hope this is helpful to you.

My best,

Weible

Mike Weible, CPCU
Weible & Cahill, LLC

Suite 100
2300 Cabot Dr.
Lisle, Illinois 60532

Direct Line: 630-245-4646
Direct Fax: 630-245-4647

Cell: 630-561-4136

From: Rick Skiba [mailto:Skiba@dpwc.org]
Sent: Friday, March 12, 2004 3:48 PM
To: Mike Weible

Rick Skiba

From: Jim_Mochel@ajg.com
Sent: Friday, March 26, 2004 12:08 PM
To: Rick Skiba
Subject: DuPage Water Commission - Adding Additional Insured

Rick,

The carrier is not willing to add you as an additional insured for your consulting work on behalf of the Commission. At this point, I recommend you contract with the Commission through the temporary agency you discussed with me and have them insure you.

Jim

James R. Mochel, CPCU, ARM
Area Executive Vice President
ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.
Public & Non-profit Division
Two Pierce Place
Itasca, IL 60143-3141
Tel. 630/285-4350, Fax 630/285-4062
jim_mochel@ajg.com