

CONFIDENTIAL ATTORNEY WORK PRODUCT
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

APPENDIX TO
CONFIDENTIAL REPORT OF INDEPENDENT INVESTIGATION
OF CERTAIN FINANCIAL ISSUES OF THE DUPAGE WATER COMMISSION
BY JENNER & BLOCK LLP
SPECIAL COUNSEL TO THE BOARD

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EXHIBIT 1

DuPage Water Commission

By-Laws

DUPAGE WATER COMMISSION

ORDINANCE NO. 0- 5 -92

AN ORDINANCE RESTATING
THE BY-LAWS OF THE
DUPAGE WATER COMMISSION

WHEREAS, the DuPage Water Commission (the "Commission") is a county water commission created and existing under the Water Commission Act of 1985, Ill. Rev. Stat. ch. 111-2/3, § 251 et seq. (hereinafter referred to as the "Act") and Division 135 of Article 11 of the Illinois Municipal Code, Ill. Rev. Stat. ch. 24, § 11-135-1 et seq. (hereinafter referred to as the "Water Commission Statute"); and

WHEREAS, the Act provides that the Commission "shall determine its own rules of proceeding"; and

WHEREAS, on May 27, 1987, the Commission adopted Ordinance No. 0-6-87, being an "Ordinance Adopting By-Laws of the DuPage Water Commission," which Ordinance has been amended from time to time; and

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is reasonable, necessary and desirable to restate, into a single ordinance, the By-Laws adopted pursuant to Ordinance No. 0-6-87, as previously amended, for purposes of clarity and ease of reference;

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

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

SECTION TWO: Restatement. The By-Laws of the DuPage Water Commission, as previously amended, shall be, and they hereby are, restated in their entirety so that said By-Laws shall hereafter be and read as provided for in Section Three below.

SECTION THREE: By-Laws. The Restated By-Laws of the DuPage Water Commission are as follows:

RESTATED BY-LAWS OF
THE DUPAGE WATER COMMISSION

ARTICLE I

GENERAL PROVISIONS

Section 1. General Purpose. The general purpose of the Commission is to provide a sufficient and economic source and supply of water to the DuPage County area by various means including the development and operation of a water supply system to acquire and distribute water from Lake Michigan to its Charter Customers and other customers having an allocation pursuant to the Level of Lake Michigan Act, as amended, and orders of the Illinois Department of Transportation. The general purpose of these By-Laws is to establish the rules of proceeding of the Commission.

Section 2. Corporate Authority. The Board of Commissioners shall be the corporate authority of the Commission and shall have the power to pass and enforce all necessary ordinances, resolutions, rules, regulations and administrative orders for the conduct of business and management of property of the Commission.

ARTICLE II

COMMISSION AND COMMISSIONERS

Section 1. Composition. The corporate authority of the Commission shall consist of a Board of Commissioners, to be appointed as follows:

- a. One Commissioner, who shall serve as Chairman, shall be appointed by the Chairman of

the DuPage County Board with the advice and consent of said Board.

- b. One Commissioner from each county board district of DuPage County shall be appointed by the Chairman of the DuPage County Board with the advice and consent of said Board.
- c. One Commissioner from each county board district of DuPage County shall be appointed by the majority vote of the mayors of the municipalities within said district which constitute "included" units as defined in the Act and have the majority of their residents within said district.

Section 2. Duties. The Commissioners shall perform those duties prescribed by the Act and the Water Commission Statute and such other duties as may from time to time be provided for by law or by the Commission.

Section 3. Term. Except for the terms of the Commissioners initially appointed under the Act, which shall be set and staggered in accordance with the Act, Commissioners shall serve for a term of six years or until their successors have been appointed and have qualified. A Commissioner shall be eligible for reappointment upon the expiration of a term. A Commissioner may be a member of the governing board or an officer or employee of DuPage County or any unit of local government within DuPage County.

Section 4. Vacancy. A vacancy in the office of a Commissioner shall be filled for the balance of the unexpired term by

appointment and qualification as to residency in the same manner as the original appointment was made.

Section 5. Removal. Any Commissioner may be removed by the appointing authority for any cause for which any other county or municipal officer may be removed. Removal shall be effected in the same manner as the initial appointment of the Commissioner in question.

Section 6. Bond. Each Commissioner shall furnish such bonds as may be required by law for the faithful performance of that Commissioner's official duties. The cost of such bonds shall be paid by the Commission.

Section 7. Compensation. No Commissioner shall receive any compensation for his or her services as a Commissioner. A Commissioner may be reimbursed for actual expenses incurred in connection with Commission business.

ARTICLE III

OFFICERS OF THE COMMISSION

Section 1. Generally. The Officers of the Commission shall be the Chairman, the Vice-Chairman, the Chairman Pro-Tem, the Treasurer and the Clerk.

Section 2. Chairman.

- a. Appointment. The Chairman shall be appointed by the Chairman of the DuPage County Board with the advice and consent of said Board.
- b. Powers and Duties. The Chairman shall:

- (i) perform those duties prescribed by law or by the Commission, and all duties incident to the office of Chairman of the Commission;
- (ii) preside at all meetings of the Commission;
- (iii) appoint the Vice-Chairman and Treasurer with the advice and consent of the other Commissioners;
- (iv) appoint the Clerk pursuant to the recommendation of the General Manager and with the advice and consent of the other Commissioners;
- (v) appoint all committees, committee chairmen and task force members with the advice and consent of the other Commissioners;
- (vi) sign all ordinances, resolutions and other documents duly authorized to be signed on behalf of the Commission and required to be signed by the Chairman of the Commission;
- (vii) assign duties to officers, committees and task forces of the Commission with the advice and consent of the other Commissioners; and

(viii) have the power to vote in the same manner as the other Commissioners.

The Chairman's vote and presence shall be, and be counted as, that of a Commissioner for all purposes under these By-Laws.

Section 3. Vice-Chairman. The Vice-Chairman shall be a Commissioner appointed to such office by the Chairman with the advice and consent of the other Commissioners, and shall serve until the end of the second fiscal year after appointment or until a successor is appointed. The Vice-Chairman shall be eligible for reappointment upon the expiration of a term. The Vice-Chairman shall be assigned such duties as the Chairman deems appropriate. In the event of the Chairman's absence or inability to act, the Vice-Chairman shall, during such absence or inability to act, or until such time as a new Chairman is appointed by the Chairman of the DuPage County Board with the advice and consent of said Board, perform all duties and exercise all powers within the normal purview of the Chairman, including execution of ordinances, resolutions and other documents.

Section 4. Chairman Pro-Tem. In the event of the temporary absence or inability of both the Chairman and the Vice-Chairman to perform the duties of Chairman at a Commission meeting, the Commissioners shall elect from their number in attendance a Chairman Pro-Tem to serve as Chairman of said meeting and to perform the duties and exercise the powers of Chairman at the meeting, including execution of ordinances, resolutions and other documents approved or authorized by the Commission at said meeting.

Section 5. Treasurer.

- a. Appointment. The Treasurer shall be appointed by the Chairman with the advice and consent of the other Commissioners, and need not be a Commissioner. The Treasurer shall serve at the pleasure of the Commission, and may be removed without cause by the Chairman with the advice and consent of the other Commissioners. The Treasurer, if not a Commissioner, shall be given notice of all meetings of the Commission and shall have the right to take part in the discussion of matters before the Commission.
- b. Duties. The Treasurer shall:
- (i) perform or cause to be performed those duties prescribed by law or by the Commission;
 - (ii) have principal responsibility for the oversight of and advise the Board of Commissioners regarding:
 - (a) the receipt, deposit and disbursement of monies;
 - (b) the Commission's investment practices, paying particular attention to safety of principal and compliance with existing bond ordinances;

- (c) the Commission's accounting and control systems and whether or not they are consistent with generally accepted accounting principles;
 - (d) relationships with the local financial community; and
 - (e) overall treasury and cash management objectives of the Commission.
- (iii) review financial procedures and practices employed by the Financial Administrator and the General Manager, including the deposit of funds, the making of disbursements, the maintenance of a check register, the reconciliation of bank statements, and the overseeing of the annual audit, and advise the Board of Commissioners on the efficiency of such procedures and practices;
- (iv) require such reports or other information from the Financial Administrator or General Manager as may be necessary to perform the duties hereinabove set forth;
- (v) furnish such bonds as may be required by law or the Commission for the faithful performance of the Treasurer's official

duties. The cost of such bonds shall be paid by the Commission.

Section 6. Clerk.

- a. Appointment. The General Manager shall recommend to the Board of Commissioners persons, who need not be Commissioners, for appointment to the office of Clerk. The Clerk shall be appointed by the Chairman with the advice and consent of the other Commissioners. The Clerk shall serve at the pleasure of the Commission, and may be removed without cause by the Chairman with the advice and consent of the other Commissioners.
- b. Duties. The Clerk shall:
- (i) perform or cause to be performed those duties prescribed by law or by the Commission;
 - (ii) attest the validity of each ordinance or resolution, contract or other document adopted, entered into or maintained as a record by the Commission;
 - (iii) have principal responsibility for the oversight of and advise the Board of Commissioners regarding:

- (a) compliance with the Illinois Open Meetings Act (Ill. Rev. Stat. ch. 102, § 41 et seq.);
- (b) compliance with the Illinois Freedom of Information Act (Ill. Rev. Stat. ch. 116, § 21 et seq.);
- (iv) review the recordkeeping procedures employed by the Secretary and the General Manager to assure that the vote of each Commissioner on each ordinance, resolution, motion or other proposition brought to a vote is duly recorded and that a permanent record of the minutes of each Commission meeting is recorded, approved and maintained;
- (v) require such reports or other information from the Secretary or General Manager as may be necessary to perform the duties hereinabove set forth;
- (vi) furnish such bonds as may be required by law or the Commission for the faithful performance of the Clerk's official duties. The cost of such bonds shall be paid by the Commission.

Section 7. Vacancy. In the event of a vacancy in office, for whatever reason, such vacancy shall be filled according to the same procedure used for the initial election or appointment.

ARTICLE IV

ADMINISTRATIVE STAFF OF THE COMMISSION

Section 1. Administrative Staff. The Administrative Staff shall consist of the General Manager, the Financial Administrator, the Secretary and such other supervisory, administrative and operating personnel as may from time to time be employed or retained by the Commission.

Section 2. General Manager - Appointment. The General Manager shall be appointed by a majority affirmative vote of all the Commissioners, which majority must contain the votes of at least one-third (1/3) of the Commissioners appointed by the Chairman of the DuPage County Board and at least forty percent (40%) of the Commissioners appointed by the DuPage County mayors as provided in the Act. The General Manager shall be appointed for an indefinite term and solely on the basis of demonstrated executive and administrative qualifications with special weight given to actual experience in or knowledge of acceptable practice relating to the duties of the position as hereinafter set forth.

No Commissioner shall receive an appointment as General Manager during their term of appointment as Commissioner or within one year after the expiration of such term.

The General Manager shall serve at the pleasure of the Commission, and may be removed without cause by the Chairman with the advice and consent of the other Commissioners. The General Manager may demand a written statement of the reasons for any such removal, which shall be furnished within twenty days after

the filing of such request. The action of the Chairman in removing the General Manager shall be final.

Section 3. General Manager - Duties. The General Manager shall be the chief administrative officer of the Commission and shall be responsible for the efficient administration and management of Commission affairs. The duties of the General Manager shall include, but are not necessarily limited to, the following:

- (i) administrative responsibility for the organization, acquisition, construction, operation and maintenance of the water supply system of the Commission;
- (ii) enforcing the ordinances of the Commission;
- (iii) supervising all Administrative Staff and consultants of the Commission;
- (iv) hiring personnel to fill positions or vacancies on the Commission's Administrative Staff and discharging or retiring such employees in accordance with administrative rules and procedures established by the Commission;
- (v) preparing an agenda for each Commission meeting in advance for general distribution;
- (vi) attending all Commission meetings unless excused therefrom;

- (vii) attending any Commission committee meeting at which his or her attendance has been requested;
- (viii) attending relevant meetings of the Commission's Charter Customers when so requested;
- (ix) recommending policies, plans, and procedures for the organization, construction, acquisition, operation and maintenance of the water supply system of the Commission;
- (x) purchasing materials and services and approving change orders according to administrative rules and procedures established in Article VIII hereof;
- (xi) preparing all checks and maintaining a check register;
- (xii) preparing a monthly statement of receipts and disbursements;
- (xiii) reconciling bank statements on a regular basis;
- (xiv) overseeing the preparation of an annual audit;
- (xv) preparing an annual budget;
- (xvi) maintaining a central file of all correspondence and other documents and

materials pertaining to the affairs of the Commission;

(xvii) preparing and presenting to the Commission for consideration and approval such administrative rules, procedures and orders as may be deemed necessary and appropriate;

(xviii) representing the Commission before conferences, professional associations or relevant public hearings when requested by the Commission to do so;

(xix) executing all contracts and other agreements and documents duly authorized to be signed on behalf of the Commission, except such contracts and other agreements and documents as may be required to be signed by the Chairman or some other officer of the Commission.

(xx) assigning such duties as may properly be delegated to the Financial Administrator or Secretary.

Section 4. Financial Administrator. The Financial Administrator shall be an employee of the Commission and shall be hired by the General Manager. The Financial Administrator shall perform such duties as may be assigned by the General Manager.

Section 5. Secretary. The Secretary shall be an employee of the Commission and shall be hired by the General Manager. The

Secretary shall perform such duties as may be assigned by the General Manager.

Section 6. Other Personnel. Any and all additional supervisory, administrative or operating personnel shall be under the direction of the General Manager.

Section 7. Absence or Inability; Incapacity. In the event of the General Manager's temporary absence or inability to act, he may designate such Commission officers or employees as shall be authorized to act on his behalf. In the event that the Chairman determines that the General Manager is incapable of performing his duties, the Chairman may, with the advice and consent of the other Commissioners, appoint a qualified person on a temporary basis to perform the duties of the General Manager during such incapacity.

ARTICLE V

GENERAL COUNSEL OF THE COMMISSION

Section 1. General Counsel - Appointment. The General Counsel shall be appointed by a majority affirmative vote of all the Commissioners, which majority must contain the votes of at least one-third (1/3) of the Commissioners appointed by the Chairman of the DuPage County Board and at least forty percent (40%) of the Commissioners appointed by the DuPage County mayors as provided in the Act. The General Counsel shall be appointed for an indefinite term and solely on the basis of his or her professional qualifications with special weight given to actual experience in or knowledge of acceptable practice relating to the

duties of the position as hereinafter set forth. The General Counsel shall serve at the pleasure of the Commission, and may be removed without cause by the Chairman with the advice and consent of the other Commissioners.

Section 2. General Counsel - Duties. The General Counsel shall be the chief legal advisor to the Board of Commissioners and the General Manager. The duties of the General Counsel shall include, but are not necessarily limited to, the following:

- (i) performing those duties prescribed by law or by the Commission;
- (ii) providing advice to the Board of Commissioners and the Administrative Staff in connection with administration of water supply and water purchase and sale contracts, construction of the water supply system, property and right-of-way acquisition, insurance, litigation and other legal matters;
- (iii) preparing and drafting ordinances; resolutions, construction contracts and other legal documents, and rendering legal opinions when requested by the Chairman, the Board of Commissioners or the General Manager on all matters concerning the interests of the Commission;

- (iv) attending all Commission meetings, and any committee or other meeting when required;
- (v) making reports from time to time and otherwise performing such other duties or special services which the Board of Commissioners or General Manager may require; and
- (vi) directing litigation and representing the Commission in all legal matters or, if requested or approved by the Commission, recommending the retention of Special Counsel to represent the Commission or assist the General Counsel in certain matters. The General Counsel shall oversee and remain responsible for matters handled by Special Counsel.

ARTICLE VI

MEETINGS

Section 1. Regular Meetings. Regular meeting dates of the Commission shall be established in accordance with the provisions of the Illinois Open Meetings Act, Ill. Rev. Stat. ch. 102, § 41 et seq.

Section 2. Order of Business at Regular Meetings. The Order of Business at all regular meetings shall be as follows:

- a. Roll Call

- b. Approval of Minutes
- c. Treasurer's Report
- d. Committee Reports
- e. Accounts Payable
- f. Omnibus Vote Agenda
- g. Old Business
- h. New Business
- i. Public Comments
- j. Executive Session
- k. Adjournment

The Chairman may for good cause suspend said order at any particular Commission meeting. Business conducted at any regular meeting may, with the consent of a majority of the Commissioners present, include items not specified in the agenda.

Section 3. Special Meetings. Special meetings may be called by the Chairman upon his own initiative and shall be called at the request of any four Commissioners. Notice of any special meeting shall be given in accordance with the provisions of the Illinois Open Meetings Act.

Section 4. Order of Business at Special Meetings. The Order of Business at all special meetings shall be as follows:

- a. Roll Call
- b. Items for Consideration Set Forth in Notice of Special Meeting
- c. Adjournment

Section 5. Emergency Meetings. Emergency meetings may be called by the Chairman upon his own initiative or at the request

of any Commissioner or the General Manager in the event of bona fide emergencies. Notice of an emergency meeting shall be given in accordance with the provisions of the Illinois Open Meetings Act. Business at an emergency meeting may be conducted without reference to a prepared agenda.

Section 6. Quorum. A quorum shall consist of a majority of the Commissioners in office.

Section 7. Vote Requirements.

- a. Generally. Subject to the requirements set forth in Subsection b. below and any other provision of this Ordinance that states a more specific vote requirement, the concurrence of a majority of the appointed Commissioners shall be necessary for the passage of any ordinance or the incurring of any debt or financial obligation or the approval of any payment. All other action of the Commission shall require the concurrence of a majority of those Commissioners present, provided there is a quorum. Every Commissioner who shall be present when a question is stated from the Chair shall vote thereon unless excused by the Chair or unless he or she is directly interested in the question. Votes of "abstain," "pass," or "present," or a refusal to vote when present, shall be counted as concurring in the vote of the

majority of those who did vote on the question.

b. Specific Vote Required. A majority affirmative vote of all the Commissioners, which majority must contain the votes of at least one-third (1/3) of the Commissioners appointed by the Chairman of the DuPage County Board and at least forty percent (40%) of the Commissioners appointed by the groups of mayors as provided for in the Act, shall be necessary for the adoption of any motion, resolution or ordinance regarding the following items:

- (i) approval of individual contracts, or a series of contracts related to a single Project (as that term is defined in the Water Purchase and Sale Contract between the Commission and its Charter Customers), in an amount in excess of \$100,000.00;
- (ii) setting of rates for the sale of Lake Michigan water to the Commission's Charter Customers;
- (iii) borrowing of funds;
- (iv) exercise of eminent domain powers;

- (v) employment of managerial and professional personnel, either as employees or consultants;
- (vi) amendment of the Chicago Water Supply Contract; and
- (vii) amendment of this Ordinance made in accordance with Section 2 of Article XII herein.

c. Omnibus Vote. At any meeting, the Commissioners may by unanimous consent take a single vote by yeas and nays on the several questions of passage of any two or more designated ordinances, orders, resolutions or motions placed together for voting purposes in a single group, which single vote shall be entered separately in the minutes under the designation "omnibus vote," and in such event the clerk may enter the words "omnibus vote" in the minutes in each case in lieu of entering the names of the members of the Board of Commissioners voting "yea" and of those voting "nay" on the passage of each of the designated ordinances, orders, resolutions and motions included in such omnibus group. The taking of such single or omnibus vote and such entries of the words "omnibus vote" in the minutes shall be considered of

like effect as if the vote in each case had been taken separately on the question of the passage of each ordinance, order, resolution and motion included in such omnibus group, and separately recorded in the minutes.

Section 8. Rules of Order. The rules of parliamentary procedure contained in Robert's Rules of Order, as revised from time to time, shall govern all Commission meetings to the extent that they are applicable and not inconsistent with special rules, if any, of the Commission.

Section 9. Public Comment. The Commission may, by a concurrence of the majority of the Commissioners present, determine to limit the time for any member of the public to address the Commission at any specific meeting.

ARTICLE VII

COMMITTEES AND TASK FORCES

Section 1. Purpose of Committees. The Board of Commissioners has determined that the committee structure may in many situations be the most efficient and productive way for the Commissioners to carry out their responsibilities. The primary responsibilities of all committees shall be suggesting policy, reviewing and investigating Commission matters, and making recommendations to the Commission. The committee structure is established so that more thought and time may be given to Commission matters by delegating review and investigative functions to a portion of its members. Committees, therefore, are not

legislative bodies but reviewing and investigative bodies; committee actions shall constitute only suggestions or recommendations to the Board of Commissioners rather than instructions to either the Board of Commissioners or Administrative Staff.

Section 2. Committees. The Commission may establish such standing or special committees as it may deem necessary, which committees may include, but need not be limited to, an Administration Committee, an Engineering and Construction Committee, and a Finance Committee. The Chairman shall appoint all committees and committee chairmen with the advice and consent of the other Commissioners. The duties of each committee shall be those duties specified at the time the committees are established and may be modified from time to time.

Section 3. Chairman As Committee Member. The Chairman shall be an ex-officio member of all committees, but shall not vote on committee matters.

Section 4. Purpose of Task Forces. A task force structure may in some situations be the most efficient and productive way for the Commission to carry out its responsibilities. The task force structure is especially suited to the review and investigation of matters falling outside the expertise of the Commissioners individually and collectively, and requiring more intensive study than the Commissioners can devote to them along with other matters.

Section 5. Task Forces. The Commission may establish such task forces as it may deem necessary. The Chairman shall appoint all task force members with the advice and consent of the other

Commissioners. Task force membership may include, but need not be limited to, Commissioners.

ARTICLE VIII

PURCHASING PROCEDURES

Section 1. Coverage. These procedures shall cover all contracts for supplies, material or work being purchased by the Commission except as herein set forth.

Section 2. Definitions. For the purpose of these procedures, "supplies, material or work" shall mean and include, except as hereinafter limited, all work, labor or services; other contracts for services; supplies, equipment or other materials; and the rental, repair or maintenance of equipment, machinery and other personal property. The term "work" shall not include personal services or services rendered in a professional capacity such as accounting, engineering or legal services.

Section 3. Minor Purchases. The General Manager shall have the authority to purchase on behalf of the Commission supplies, material or work requiring an expenditure of the sum provided for in Ill. Rev. Stat. ch. 24, § 8-9-1 or less pursuant to such procedures as he or she deems calculated to insure the best interests of the Commission, without a specific solicitation of quotations or advertisement for bids; provided, however, that this section shall not apply to contracts for construction of the Commission's water supply system, which shall be governed by Section 5 below.

Section 4. Purchases Requiring Quotations. All purchases of supplies, material or work included in the Annual Management Budget and requiring an expenditure in excess of the sum provided for in Ill. Rev. Stat. ch. 24, § 8-9-1 shall be made only after the solicitation of at least two written quotations. All such quotations shall be submitted sealed to the Commission and shall be opened in public at a date and time set by the General Manager. A tabulation of all quotations received shall be presented to the Board of Commissioners. In cases where only one quotation is received, there is only a single source for the supplies, materials or work or the purchase was not included in the Annual Management Budget, the expenditure may only be authorized by the Board of Commissioners. This section shall not apply to contracts for construction of the Commission's water supply system, which shall be governed by Section 5 below. The General Manager shall keep a record of all such purchases and the quotations submitted pursuant to the solicitation therefor.

Section 5. Water Supply System Contracts. All contracts for the construction of the Commission's water supply system shall be entered into only after advertising for bids in the manner required by the Water Commission Statute.

Section 6. Bid Deposits. When deemed necessary by the General Manager and Board of Commissioners, bid deposits shall be required.

Section 7. Specifications. The following shall apply to specifications.

- a. Specifications shall be available to all bidders;
 - b. Specifications shall be general in nature and not so specific as to limit a bidder to a specific brand; and
 - c. The Commission shall reserve the right to make clarifications, corrections or changes in specifications at any time prior to the time bids are opened so long as all bidders or prospective bidders are informed of said clarifications, corrections or changes in the specifications.
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Section 8. Bid Opening Procedure.

- a. Sealed. Bids shall be submitted sealed to the Commission and shall be identified as bids on the envelopes. The date and time the bid was received shall be recorded on the envelope of the bid.
- b. Opening. Bids shall be opened in public at the time and place stated in the public notices.
- c. Tabulation. A tabulation of all bids received shall be posted for public inspection.

Section 9. Acceptance or Rejection of Bids. Except when expressly and specifically limited by the terms of a particular bid solicitation, the Board of Commissioners shall have the authority to accept the bid which, in its judgment, is the best

bid and most favorable to the interests of the Commission and the public; to reject the low bid; to accept any item of any bid; to reject any and all bids; to accept and incorporate corrections or clarifications following bid opening when to do so would not, in the Commission's opinion, prejudice the bidding process or create any improper advantage to bidders; and to waive irregularities and informalities in any bid submitted or in the bidding process.

Section 10. Bidders in Default to Commission. The Board of Commissioners shall not accept the bid of a contractor who is or has been in default on a contract with the Commission or in the payment of monies due the Commission.

Section 11. Award of Contract.

- a. Authority in Board of Commissioners. The Board of Commissioners shall have the authority to award all contracts for the construction of the Commission's water supply system.
- b. Awards. Contracts shall be awarded to the bidder whose proposal is found to be in the best interests of the Commission. In determining the bidder who is to receive the award, the Commission shall consider the following factors in addition to price:
 - (i) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;

- (ii) Whether the bidder has the requisite facilities, plant, organization and staffing to enable the bidder to perform the contract or provide the service successfully and promptly, within the time specified, without delay or interference;
- (iii) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (iv) The quality of the bidder's performance of previous contracts or services;
- (v) The previous and existing compliance by the bidder with the laws and ordinances relating to the contract or services;
- (vi) The sufficiency of the financial resources and ability of the bidder to perform the contract or to provide the services;
- (vii) The quality, availability, adaptability and capabilities of the supplies, material or work to the particular use required;
- (viii) The ability of the bidder to provide future maintenance and service for the subject of the contract, if applicable.

(ix) Any other factor that the Commission may legally consider in determining the proposal that is in the best interests of the Commission.

c. Subsequent Awards. Contracts awarded to a bidder who fails to comply with all conditions precedent to formal execution of the contract agreement may be annulled. Upon annulment of an award, the Commission may award the contract to any other bidder whose proposal is found to be in the best interests of the Commission in accordance with subpart (b), above, or the Commission may advertise anew for bids.

Section 12. Single Bids. The Board of Commissioners desires competitive bids; however, where there is only one bid, that fact alone shall not prevent the Board of Commissioners from accepting that bid.

Section 13. Performance and Payment Bonds. The Board of Commissioners may require a performance bond before entering a contract in such amount as it shall find reasonably necessary to protect the best interests of the Commission. The Board of Commissioners shall require a payment bond in such amount as it shall find reasonably necessary to secure payment for material used and labor performed in connection with a public work.

Section 14. Change Orders. All contract change orders shall be considered and approved or disapproved by the Commission

during the regular course of its conduct of business except in the following circumstances.

- a. By General Manager: The General Manager shall have the authority to approve any contract change order:
 - (i) based entirely upon approved unit prices; or
 - (ii) in an amount not in excess of \$100,000 when in the judgment of the General Manager and the Commission's consulting engineer such change order requires immediate approval to avoid the incurring of unnecessary and excessive costs by the Commission.

A full written description and explanation of any change order so approved by the General Manager shall be distributed to the Board of Commissioners as soon as possible following its approval.

- b. By Commission at Special or Emergency Meeting. When in the judgment of the General Manager a change order in an amount in excess of \$100,000 requires a more immediate approval than the Commission's regular meeting schedule would permit in order to avoid the incurring of unnecessary and excessive costs by the Commission, or when, in any other

case, in the judgment of the General Manager a change order requires the immediate attention of the Commission, the General Manager may call a special or emergency meeting of the Commission for the consideration of such change order.

Section 15. Prohibition Against Subdivision. No contract or change order shall be subdivided to avoid the requirements of these By-Laws. This prohibition shall not prevent the repetitive purchase of supplies, material or work which is purchased over a period of time as needed.

Section 16. Emergencies. In case of an apparent emergency which requires immediate purchase of supplies, material or work to protect persons or property, the General Manager shall be authorized to secure any supplies, material or work necessary to address such emergency by whatever means deemed necessary without regard to the procedures otherwise required under these By-Laws. A full written description and explanation of any such emergency purchase shall be distributed to the Board of Commissioners as soon as possible following the emergency.

Section 17. Bid Item Must Be Budgeted. Contracts or purchase orders cannot be executed and are invalid and void unless the amounts due thereunder have been budgeted by the Board of Commissioners.

Section 18. Cooperative Purchasing Arrangements. Nothing in this Article VIII shall be interpreted to prohibit the Commission from participating with other public bodies,

associations, or agencies, or with other units of government in any cooperative purchasing arrangements subject to bidding or other processes that assure the protection of the best interests of the Commission. Supplies, materials or work purchased through such arrangements shall be exempted from the requirements of this Article.

ARTICLE IX

DISBURSEMENTS

Section 1. No Disbursement Without Authority. No funds, monies or other things of value in the hands of the Commission shall be paid out, disbursed or delivered except upon warrant, draft or order approved and signed as herein provided.

Section 2. Authorization. All disbursements in excess of the amount provided for in Ill. Rev. Stat. ch. 24, § 8-9-1 shall be approved in advance by the Board of Commissioners. The General Manager is authorized to incur and pay contingency expenditures up to and including said amount without the prior approval of the Board of Commissioners.

Section 3. Required Signatures. All checks shall be signed by one of the following: the Chairman, the Treasurer or the Finance Committee Chairman. All checks shall be co-signed by one of the following: the General Manager, the Assistant to the General Manager or the Financial Administrator.

Section 4. Designation of Fund and Payee. For each check issued by the Commission, a record shall be kept which specifies

the particular fund or appropriation to which it is chargeable and the person or other entity to whom it is payable.

ARTICLE X

BUDGET AND AUDIT

Section 1. Fiscal Year. The fiscal year of the Commission shall begin May 1 and shall end April 30 of the following year.

Section 2. Tentative Management Budget. In accordance with the Commission's obligations under the Water Purchase and Sale Contract dated as of June 11, 1986 between the Commission and Charter Customers (the "Customer Contract") and the budget covenant contained in Ordinance No. 0-1-87 entitled an Ordinance of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Authorizing the Issuance and Sale of Water Revenue Bonds and Providing The Terms of and Security for Repayment (the "Revenue Bond Ordinance"), the General Manager and Administrative Staff shall prepare and submit to the Board of Commissioners and the Commission's Charter Customers a tentative Management Budget not less than 60 days prior to the beginning of the fiscal year. The tentative Management Budget shall contain in reasonable detail an estimate of (i) revenues of the Waterworks System and any other funds to be deposited in the Water Fund (as defined in the Revenue Bond Ordinance), (ii) Fixed Costs (as defined in the Customer Contract) to be payable by each Charter Customer in a stated aggregate dollar amount per month for each, and (iii) Operations and Maintenance Costs (as defined in the Customer Contract) in a stated price per 1000 gallons of

water. The tentative Management Budget shall include estimated amounts to be deposited in each month of the fiscal year into the Water Fund and each of the accounts thereof and the requirements, if any, for the amounts estimated to be expended from such accounts. The tentative Management Budget shall also set forth sufficient detail with respect to such revenues, other funds, Operation and Maintenance Costs and other expenditures and such deposits as shall be necessary or appropriate so as to comply with the Water Supply Contract entered into as of the 14th day of December 1983 by and between the City of Chicago and the DuPage Water Commission. The Board of Commissioners shall hold at least one hearing on the tentative Management Budget ordinance prior to final action thereon, at which hearing the Charter Customers may be heard. The Commission shall give its Charter Customers not less than 21 days' notice of such hearing.

Section 3. Adoption of Management Budget. The Board of Commissioners shall approve and adopt the annual Management Budget on or before April 30 each year.

Section 4. Preliminary Combined Annual Budget and Appropriation Ordinance In Accordance with the Illinois Municipal Budget Law Act. The General Manager and Administrative Staff shall prepare and submit to the Board of Commissioners a preliminary Combined Annual Budget and Appropriation Ordinance before or within the first quarter of each fiscal year. The preliminary Combined Annual Budget and Appropriation Ordinance shall contain a statement of cash on hand at the beginning of the fiscal year, an estimate of cash expected to be received during

such fiscal year from all sources, an estimate of expenditures contemplated for such fiscal year, and a statement of estimated cash expected to be on hand at the end of such year. The Board of Commissioners shall hold at least one public hearing on the preliminary Combined Annual Budget and Appropriation Ordinance prior to final action thereon, in compliance with the Municipal Budget Law, Section 801 et seq. of Chapter 85 of Illinois Revised Statutes.

Section 5. Adoption of Combined Annual Budget and Appropriation Ordinance Pursuant to the Illinois Municipal Budget Law Act. The Board of Commissioners shall approve and adopt the Combined Annual Budget and Appropriation Ordinance on or before July 31 each year.

Section 6. Audit. The Board of Commissioners shall provide for an annual audit to be made by an independent certified public accountant in accordance with the Illinois Audit of Accounts Act (Ill. Rev. Stat. ch. 85, § 701 et seq.). The Commission's Finance Committee shall from time to time interview and recommend to the Board of Commissioners independent certified public accountants to perform the annual audit; provided, however, that no such accountant shall perform more than five successive annual audits.

ARTICLE XI

CONDUCT OF THE COMMISSIONERS, OFFICERS AND EMPLOYEES OF THE COMMISSION

Section 1. Disqualification. No Commissioner who has a financial or other material personal interest in any matter

before the Commission shall participate in any way in the deliberations or decision on such matter and, furthermore, shall remove himself or herself from any meeting or hearing while such matter is under consideration.

Section 2. Interest in Contracts. The Commissioners and all employees and appointees of the Commission shall act and conduct themselves in such a manner that they do not violate any statute, ordinance, rule or regulation of the Commission, the State of Illinois, or the federal government dealing with interest in contracts, jobs, work or materials or the profits thereof, or services to be performed for or by the Commission.

Section 3. Gifts and Rebates. The Commissioners and all employees and appointees of the Commission are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any contract or purchase order is or might be awarded any gift, rebate, money or any other item of value.

Section 4. Commitments. No Commissioner, committee, task force, employee or appointee of the Commission shall in any way bind the Commission to do or not to do any certain thing unless expressly authorized to do so and no act of any such person or body shall in any way be binding upon or recognized by the Commission unless expressly ratified or approved by the Board of Commissioners.

Section 5. Claims and Actions. The Commission shall defend and indemnify its Commissioners, employees and appointees against claims or actions based upon injuries allegedly arising out of

any act, error or omission occurring within the exercise of their lawful duties or scope of employment, as the case may be. This section shall not, however, apply to provide defense or indemnification to any such Commissioner or employee in any action instituted by or on behalf of the Commission against such Commissioner, employee or appointee.

ARTICLE XII

MISCELLANEOUS

Section 1. Conflict. In the event of any conflict between these By-Laws and any other ordinance, resolution, rule, regulation or order of the Commission, these By-Laws shall control.

Section 2. Amendment. In adopting these By-Laws, the Commissioners of the DuPage Water Commission recognize that the organizational guidelines and rules herein set forth may require revision and adjustment as experience will dictate. Amendments may be proposed by any Commissioner. Any proposal to amend these By-Laws shall be submitted in writing to each Commissioner for consideration at a regular Commission meeting. No such proposal shall be passed at the same meeting at which it is initially considered. Any amendment to these By-Laws shall be effected by ordinance, which ordinance may take effect immediately upon its passage and approval, unless the terms of such ordinance provide otherwise.

Section 3. Suspension of the Rules. The Commission may, by a two-thirds majority vote of the Commissioners present, determine to suspend any of the Rules contained in Article VI through

XII hereof; provided, however, that no such suspension shall be construed to suspend the Commission's obligations under applicable state statutes or the "Water Purchase and Sale Contract Between the DuPage Water Commission and Charter Customers": dated June 11, 1986.

ARTICLE XIII

EFFECTIVE DATE

This Ordinance and the By-Laws hereby adopted shall be in full force and effect immediately upon adoption.

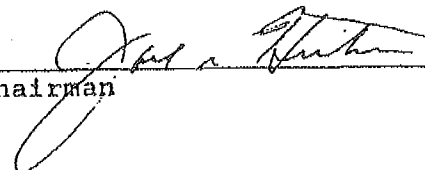
SECTION FOUR: Effective Date. This Ordinance shall be in full force and effect immediately upon its adoption.

AYES: Benson, Bollweg, Cheever, Devlin, Kouba, Liljegren, Poole, Quinn, Wiedner, Herter


NAYS: None

ABSENT: Henry

ADOPTED this 12th day of March, 1992.


Chairman

ATTEST:


Clerk

DU PAGE WATER COMMISSION

ORDINANCE NO. O-1-93
AN ORDINANCE AMENDING THE
BY-LAWS OF THE DU PAGE WATER COMMISSION
(Amending Section 6 of Article X)

WHEREAS, the Board of Commissioners of the DuPage Water Commission (hereinafter referred to as the "Commission") have determined that it is desirable to amend the Commission's By-Laws, as restated in Ordinance O-5-92, to allow for continued appointment of auditors;

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

SECTION 1: That Section 6 of Article X of the By-Laws of the DuPage Water Commission be and hereby is amended in its entirety so that said Section 6 shall hereafter be and read as follows:

"Section 6. Audit. The Board of Commissioners shall provide for an annual audit to be made by an independent certified public accountant in accordance with the Governmental Account Audit Act, 50 ILCS 310/0.01 et seq. (1992) (Ill. Rev. Stat. ch. 85, § 700 et seq.). The Commission's Finance Committee shall from time to time interview and recommend to the Board of Commissioners independent certified public accountants to perform the annual audit."

SECTION 2: This Ordinance shall be in full force and effect immediately upon its adoption.

AYES: Bollweg, Cheever, Devlin, Henry, Kouba, Liljegren, Poole, Quinn, Wiedner

NAYS: None

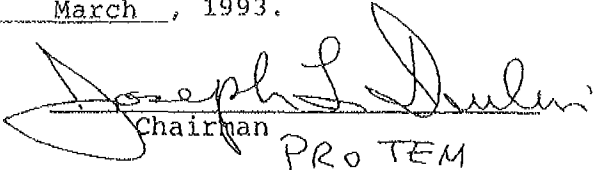
ABSENT: Benson, Kurzawa, Sutcliffe, Herter

ADOPTED THIS 11th DAY OF March, 1993.

ATTEST:


Clerk

O-1-93.ord


Chairman

PRO TEM

Note: Ordinance No. O-1-94 was replaced by
Ordinance No. O-7-00

DU PAGE WATER COMMISSION

ORDINANCE NO. O-1-94

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Section 3 of Article IX)

WHEREAS, the Board of Commissioners of the DuPage Water Commission (hereinafter referred to as the "Commission") have determined that it is desirable to amend the Commission's By-Laws, as restated in Ordinance O-5-92, to allow certain members of the administrative staff of the Commission to be authorized co-signatories on checks payable;

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

SECTION 1: That Section 3 of Article IX of the By-Laws of the DuPage Water Commission be and hereby is amended to read as follows:

"Section 3. Required Signatures. All checks shall be signed by one of the following: the Chairman, the Treasurer or the Finance Committee Chairman. All checks shall be co-signed by one of the following: the General Manager, the Financial Administrator or the Manager of Water Operations."

SECTION 2: This Ordinance shall be in full force and effect immediately upon its adoption.

AYES: Benson, Bollweg, Cheever, Devlin, Henry, Kouba, Liljegren, Poole, Quinn, Sutcliffe, Wiedner, Herter

NAYS: None

ABSENT: Kurzawa

ADOPTED THIS 13th DAY OF January, 1994.


CHAIRMAN

ATTEST:


CLERK

0-1-94.ORD

**Note: Ordinance No. O-14-94 was replaced by
Ordinance No. O-11-06**

DU PAGE WATER COMMISSION

ORDINANCE NO. 0-14-94

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DU PAGE WATER COMMISSION
(Amending Section 2 of Article VI)

WHEREAS, the Board of Commissioners of the DuPage Water Commission (hereinafter referred to as the "Commission") have determined that it is desirable to amend the Commission's By-Laws, as amended and restated in Ordinance 0-5-92 and amended from time to time, to establish a new order of business at regular meetings;

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

SECTION ONE: Section 2 of Article VI of the By-Laws of the DuPage Water Commission shall be and it hereby is amended to read as follows:

"Section 2. Order of Business at Regular Meetings.
The Order of Business at all regular meetings shall be as follows:

- a. Roll Call
- b. Public Comments
- c. Approval of Minutes
- d. Treasurer's Report
- e. Committee Reports
- f. Omnibus Vote Agenda
- g. Accounts Payable
- h. Old Business
- i. New Business
- j. Public Comments
- k. Executive Session
- l. Adjournment

The Chairman may for good cause suspend said order at any particular Commission meeting. Business conducted at any regular meeting may, with the consent of a majority of the Commissioners present, include items not specified in the agenda."

Ordinance O-14-94

SECTION TWO: This Ordinance shall be in full force and effect from and after its adoption by a majority affirmative vote of all of the Commissioners, including the affirmative votes of at least one-third of the Commissioners appointed by the County Board Chairman and 40% of the Commissioners appointed by the Mayors.

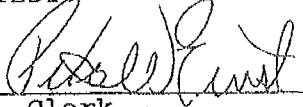
AYES: Benson, Bollweg, Cheever, Henry, Kouba, Kurzawa, Marcucci, Poole, Sutcliffe, Wiedner, Herter

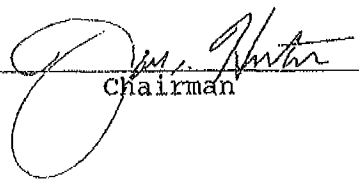
NAYS: None

ABSENT: Devlin, Liljegren

ADOPTED this 8th day of September, 1994.

ATTEST:


Clerk


Chairman

O-14-94.ORD

NOTE: Ordinance No. O-10-99 was replaced by
Ordinance No. O-11-04

DU PAGE WATER COMMISSION

ORDINANCE NO. O-10-99

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Section 3 of Article XI)

WHEREAS, the DuPage Water Commission (the "Commission") is a county water commission and as such a political subdivision and unit of local government organized and existing under the laws of the State of Illinois for the public purpose of acquiring and operating a common source of supply of Lake Michigan water; and

WHEREAS, on August 12, 1998, the General Assembly adopted the State Gift Ban Act (the "Act"), which Act became effective on January 1, 1999; and

WHEREAS, the Act prohibits certain governmental officials and employees from soliciting or accepting gifts from any prohibited source; and

WHEREAS, the Act requires that units of local government adopt local policies prohibiting the solicitation and acceptance of gifts that are no less restrictive than the provisions of the Act; and

WHEREAS, in order to comply with the Act, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, and O-14-94, to adopt new regulations regarding the solicitation and acceptance of gifts by officers and employees of the Commission;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Section 3, entitled "Gifts and Rebates," of Article XI, "Conduct of the Commissioners, Officers and Employees of the Commission," of the Commission's By-Laws shall be, and it is hereby, amended in its entirety, including the caption thereof, so that said Section 3, including the caption thereof, shall hereafter be and read as follows:

"Section 3. Gift Ban

- (a) Definitions: Whenever the following words or terms are used in this Section 3, they shall have the meanings ascribed to them below:

EMPLOYEE: All full-time, part-time, and contractual employees of the Commission.

GIFT: Any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.

INTRA-OFFICE GIFT: Any gift given to an officer or employee of the Commission from another officer or employee of the Commission.

INTER-OFFICE GIFT: Any gift given to an officer or employee of the Commission from a member or employee of the legislative branch of the government of the State of Illinois, a judge or employee of the judicial branch of the government of the State of Illinois, an officer or employee of the executive branch of the government of the State of Illinois, an officer or employee of a unit of local government, home rule unit, or school district, or an officer or employee of any other governmental entity.

OFFICER: All appointed and elected officials of the Commission.

Ordinance No. O-10-99

POLITICAL ORGANIZATION: A party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not the individual or electors are selected, nominated, elected, or appointed. The term includes the making of expenditures relating to an office described in the preceding sentence that, if incurred by the individual, would be allowable as a federal income tax deduction for trade or business expenses.

PROHIBITED SOURCE: Any person or entity who:

1. is seeking official action by the Commission or by an officer or employee of the Commission;
2. does business or seeks to do business with the Commission or with an officer or employee of the Commission;
3. conducts activities regulated by the Commission or by an officer or employee of the Commission;
4. has interests that may be substantially affected by the performance or non-performance of the official duties of the Commission or an officer or employee of the Commission; or
5. is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act.

RELATIVE: Those people related to the officer or employee as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the officer's or employee's spouse and the officer's or employee's fiancé or fiancée.

(b) Gifts:

1. Gifts Prohibited: Except as otherwise provided in Paragraph 3(b)2 below, no officer or employee, spouse of an officer or employee, or immediate family member living with an officer or employee, shall solicit or accept any gift from any prohibited source or in violation of any federal or state statute, rule, or regulation. No prohibited source shall offer or make a gift that violates this subsection.
2. Exceptions: The restrictions set forth in Subsection 3(b)1 above shall not apply to the following:
 - A. Anything for which the officer or employee pays the market value or anything not used and promptly disposed of as provided in Paragraph 3(b)4 below.
 - B. A contribution, as defined in Article 9 of the Illinois Election Code,¹ that is lawfully made under that Code or attendance at a fundraising event sponsored by a political organization.
 - C. A gift from a relative of an officer or employee.
 - D. Anything provided by an individual on the basis of a personal friendship unless the officer or employee has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the officer or employee and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the officer or employee shall consider the circumstances under which the gift was offered, such as:
 - (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;
 - (ii) whether to the actual knowledge of the officer or employee the individual who gave the gift personally

¹ 10 ILCS 5/9-1 et seq.

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- written materials, audiotapes, videotapes, or other forms of communication.
- K. Awards or prizes that are given to competitors in contests or events open to the public, including random drawings.
 - L. Honorary degrees (and associated travel, food, refreshments, and entertainment provided in the presentation of degrees and awards).
 - M. Training (including food and refreshments furnished to all attendees as an integral part of the training) provided to an officer or employee, if the training is in the interest of the governmental entity.
 - N. Educational missions, including meetings with government officials either foreign or domestic, intended to educate public officials on matters of public policy, to which the officer or employee may be invited to participate along with other federal, state, or local public officials and community leaders.
 - O. Bequests, inheritances, and other transfers at death.
 - P. Anything that is paid for by the federal government, the State, or a governmental entity, or secured by the government or governmental entity under a government contract.
 - Q. A gift of personal hospitality of an individual other than a registered lobbyist or agent of a foreign principal, including hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that individual or the individual's family or on property or facilities owned by that individual or the individual's family.
 - R. Free attendance at a widely attended event permitted under Paragraph 3(b)3 below.
 - S. Opportunities and benefits that are:
 - (i) available to the public or to a class consisting of all officers or employees, whether or not restricted on the basis of geographic consideration;

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- (ii) offered to members of a group or class in which membership is unrelated to employment or official position;
 - (iii) offered to members of an organization such as an employee's or officer's association or credit union, in which membership is related to employment or official position and similar opportunities are available to large segments of the public through organizations of similar size;
 - (iv) offered to any group or class that is not defined in a manner that specifically discriminates among government officers or employees on the basis of branch of government or type of responsibility, or on a basis that favors those of higher rank or rate of pay;
 - (v) in the form of loans from banks and other financial institutions on terms generally available to the public; or
 - (vi) in the form of reduced membership or other fees for participation in organization activities offered to all government officers or employees by professional organizations if the only restrictions on membership relate to professional qualifications.
- T. A plaque, trophy, or other item that is substantially commemorative in nature and that is extended for presentation.
- U. Golf or tennis; food or refreshments of nominal value and catered food or refreshments; meals or beverages consumed on the premises from which they were purchased.
- V. Donations of products from an Illinois company that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any individual recipient.
- W. An item of nominal value such as a greeting card, baseball cap, or T-shirt.

3. Attendance at Events:
 - A. An officer or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, provided by the sponsor of the event, if:
 - (i) the officer or employee participates in the event as a speaker or a panel participant, by presenting information related to government, or by performing a ceremonial function appropriate to the officer's or employee's official position or employment; or
 - (ii) attendance at the event is appropriate to the performance of civic affairs in Illinois or the official duties or representative function of the officer or employee.
 - B. An officer or employee who attends an event described in Subparagraph 3(b)3A above may accept a sponsor's unsolicited offer of free attendance at the event for an accompanying individual.
 - C. An officer or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with the event.
 - D. For purposes of this Paragraph 3(b)3, the term "free attendance" may include waiver of all or part of a conference or other fee, the provision of transportation, or the provision of food, refreshments, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, nor does it include food or refreshments taken other than in a group setting with all or substantially all other attendees, except as authorized under Subparagraph 3(b)2U above.
4. Disposition of Gifts: An officer or employee that is a recipient of a gift that is given in violation of this Section 3 may, at his or her discretion,

return the item to the donor or give the item or an amount equal to its value to an appropriate charity.

5. Reimbursement:

- A. A reimbursement (including payment in kind) to an officer or employee from a private source other than a registered lobbyist or agent of a foreign principal for necessary transportation, lodging, and related expenses for travel to a meeting, speaking engagement, fact finding trip, or similar event in connection with the duties of the officer or employee as an office holder or employee shall be deemed to be a reimbursement to the governmental entity and not a gift prohibited by Subsection 3(b) above if the officer or employee:
 - (i) discloses the expenses reimbursed or to be reimbursed and the authorization to the Ethics Officer, within 30 days after the travel is completed; and
 - (ii) in the case of an employee, receives advance authorization, from the officer or other employee under whose direct supervision the employee works to accept reimbursement.
- B. For purposes of Subparagraph 3(b)5A above, events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the duties of an officer or employee as an office holder or employee.
- C. Each advance authorization to accept reimbursement shall be signed by the officer or other employee under whose direct supervision the employee works and shall include:
 - (i) the name of the employee;
 - (ii) the name of the person who will make the reimbursement;
 - (iii) the time, place, and purpose of the travel; and
 - (iv) a determination that the travel is in connection with the duties of the employee as an employee and would not

create the appearance that the employee is using public employment for private gain.

- D. Each disclosure made under Subparagraph 3(b)5A above of expenses reimbursed or to be reimbursed shall be signed by the officer (in the case of travel by the officer) or by the officer or other employee under whose direct supervision the employee works (in the case of travel by an employee) and shall include:
- (i) a good faith estimate of total transportation expenses reimbursed or to be reimbursed;
 - (ii) a good faith estimate of total lodging expenses reimbursed or to be reimbursed;
 - (iii) a good faith estimate of total meal expenses reimbursed or to be reimbursed;
 - (iv) a good faith estimate of the total of other expenses reimbursed or to be reimbursed; and
 - (v) a determination that all those expenses are necessary transportation, lodging, and related expenses.
- (c) Ethics Officer: The General Manager, or the General Manager's designee, shall be designated the Ethics Officer for the Commission. The Ethics Officer's duties and responsibilities shall include:
- 1. reviewing statements of economic interest of officers and employees before they are filed with the appropriate office; and
 - 2. providing guidance to officers and employees in the interpretation and implementation of this Section 3 and the State Gift Ban Act.²

² Public Act No. 90-737, 5 ILCS 425/1 *et seq.*

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- (d) Interpretation: It is the intent of the Commission that the provisions of this Section 3 shall be substantially in accordance with the requirements of the State Gift Ban Act. To the extent that the State Gift Ban Act may, from time to time, be more restrictive than the requirements of this Section 3, the provisions of that Act shall control. This Section 3 does not repeal or otherwise modify Section 105, entitled "Employment Ethics," of the Commission's Personnel Manual (the "Existing Regulations"). To the extent that the Existing Regulations are less restrictive than the State Gift Ban Act and this Section 3, the provisions of the State Gift Ban Act and this Section 3 shall control."

SECTION THREE: Effective Date. This Ordinance shall be in full force and effect from and after its adoption, the Board of Commissioners of the DuPage Water Commissioner having determined, by a two-thirds majority vote, to waive the amendment provisions of the By-Laws.

AYES: Benson, Bollweg, Cheever, DeLonay, Devlin, Kouba, Liljegren, Marcucci, Pollock, Poole, Sula, Thorn, Herter

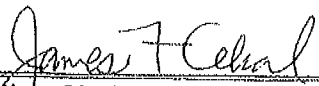
NAYS: None

ABSENT: None

ADOPTED this 8th day of July, 1999.


Chairman

ATTEST:


Acting Clerk

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NOTE: Ordinance No. O-7-00 was replaced by
Ordinance No. O-12-04

DUPAGE WATER COMMISSION

ORDINANCE NO. O-7-00

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Section 3 of Article IX)

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, and O-10-99, to allow payroll checks to be signed by any two of the authorized check signers;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Section 3, entitled "Required Signatures," of Article IX, entitled "Disbursements," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 3 shall hereafter be and read as follows:

"Section 3. Required Signatures. All checks, except payroll checks, shall be signed by one of the following: the Chairman, the Treasurer or the Finance Committee Chairman. All checks, except payroll checks, shall be co-signed by one of the following: the General Manager, the Financial Administrator or the Manager of Water Operations. Payroll checks shall be signed by any two of the following: the Chairman, the Treasurer, the Finance Committee Chairman, the General Manager, the Financial Administrator or the Manager of Water Operations."

Ordinance No. O-7-00

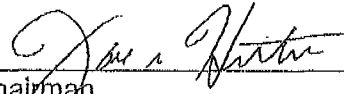
SECTION THREE: Effective Date. This Ordinance shall be in full force and effect from and after its adoption, the Board of Commissioners of the DuPage Water Commissioner having determined, by a two-thirds majority vote, to waive the amendment provisions of the By-Laws.

AYES: Benson, Bollweg, DeLonay, Devlin, Kouba, Krajewski,
Liljegren, Pollock, Poole, Thorn, Herter

NAYS: None

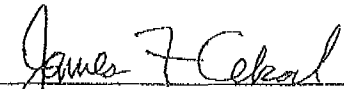
ABSENT: Marcucci, Sula

ADOPTED this 11th day of May, 2000.



Chairman

ATTEST:



Acting Clerk

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DUPAGE WATER COMMISSION

ORDINANCE NO. O-11-02

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Section 7 of Article II)

WHEREAS, the DuPage Water Commission (the "Commission") is a county water commission created and existing under the Water Commission Act of 1985, 70 ILCS 3720/1 et seq. (hereinafter referred to as the "Act"), and Division 135 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-135 et seq.; and

WHEREAS, the Act provides that each Commissioner, other than Commissioners who are members of governing boards or officers or employees of units of local government within DuPage County, may receive compensation of up to \$600 per year for serving as Commissioner; and

WHEREAS, Section 7 of Article II of the Commission's By-Laws currently prohibits Commissioners from receiving any compensation for serving as Commissioner other than reimbursement of expenses actually incurred in connection with Commission business; and

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, O-10-99, and O-7-00, to compensate eligible Commissioners for their services as Commissioners;

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

Ordinance No. O-11-02

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Section 7, entitled "Compensation," of Article II, entitled "Commission and Commissioners," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 7 shall hereafter be and read as follows:

"Section 7. Compensation. Each Commissioner who is not a member of the governing board or an officer or employee of a unit of local government within DuPage County shall receive the sum of \$600 per year in compensation for his or her services as a Commissioner. In addition, each Commissioner may be reimbursed for actual expenses incurred in connection with Commission business."

Ordinance No. O-11-02

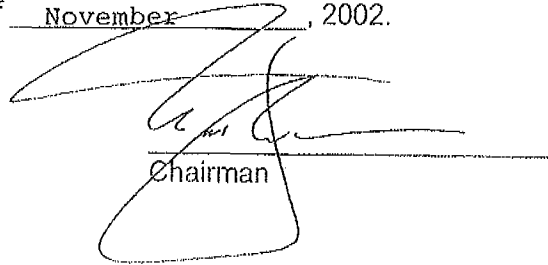
SECTION THREE: Effective Date. This Ordinance shall be in full force and effect from and after its adoption.

AYES: Benson, Chaplin, Hartwig, Janicik, Mueller, Pollock,
Thorn, Tolentino, Wilcox, Vondra

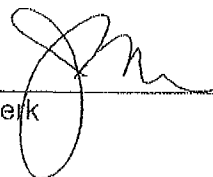
NAYS: None

ABSENT: Krajewski, Poole, Tenison

ADOPTED this 14th day of November, 2002.


Chairman

ATTEST:


Clerk

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DUPAGE WATER COMMISSION

ORDINANCE NO. O-2-04

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Article VI Concerning Closed Meetings)

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, O-10-99, O-7-00 and O-11-02 to implement a policy regulating the creation, maintenance, storage, release, and destruction of closed meeting minutes and verbatim records of all public bodies of the Commission that are subject to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq. ("Act"); and

WHEREAS, the Board of Commissioners of the DuPage Water Commission find and determine that implementation of the policy is useful to assure compliance with the Act;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Article VI, entitled "Meetings," of the Commission's By-Laws shall be, and it hereby is, amended by adding a new Section 10, entitled "Closed Session Minutes and Verbatim Record," which new Section 10 shall hereafter be and read as follows:

"Section 10. Closed Session Minutes and Verbatim Record. The "Closed Session Minutes and Verbatim Record Policy" attached to these By-Laws as Exhibit A govern the creation, maintenance, storage, release,

and destruction of closed meeting minutes and verbatim records of all public bodies of the Commission that are subject to the Illinois Open Meetings Act."

SECTION THREE: Exhibit A. The "Closed Session Minutes and Verbatim Record Policy" attached to this Ordinance as Exhibit A shall be, and it hereby is, approved. Any and all references in the By-Laws to said policy or Exhibit A shall be deemed to refer to the policy and Exhibit A attached to this Ordinance.

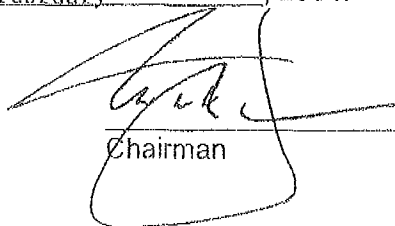
SECTION FOUR: Effective Date. This Ordinance shall be in full force and effect from and after its adoption.

AYES: R. Benson, E. Chaplin, T. Feltes, W. Murphy, W. Mueller,
R. Thorn, G. Wilcox, D. Zeilenga and M. Vondra

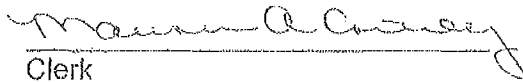
NAYS: None

ABSENT: R. Ferraro, L. Hartwig and A. Poole

ADOPTED this 12th day of February, 2004.


Chairman

ATTEST:


Clerk

Ordinance No. O-2-04

Exhibit A

DUPAGE WATER COMMISSION

CLOSED SESSION MINUTES AND VERBATIM RECORDS POLICY

- I. BACKGROUND AND PURPOSE. The Open Meetings Act requires all public bodies to keep minutes of their meetings, whether opened or closed. With the adoption of amendments to Section 2.06 of that Act, 5 ILCS 120/2.06, public bodies also must maintain a verbatim record of all closed meetings in the form of an audio or video recording. This Policy sets forth specific procedures to ensure that the Board of Commissioners of the DuPage Water Commission—and all committees of the Board of Commissioners and other bodies of the Commission that are subject to the Open Meetings Act (“Subsidiary Bodies”)—comply with the requirements for closed sessions.
- II. CLOSED MEETING MINUTES. Minutes of a closed meeting shall comply with the same requirements applicable to minutes for an open meeting. They shall include, at a minimum, the date, time, and place of the meeting; the members of the public body that are present and those that are absent; a summary of discussion on all matters proposed, deliberated, or decided; and a record of any votes taken. The Open Meetings Act exemption or exemptions applicable to the closed session should be identified in the minutes of the closed session. Minutes of closed meetings shall not be released for public inspection to the extent that there is a need to preserve confidentiality of matters stated in those minutes.
- III. CLOSED MEETING VERBATIM RECORDS. A verbatim record of each closed meeting is required and shall be subject to the following requirements:
 - A. Recordings. Verbatim records shall be made by audio or video recording. Each recording shall be labeled with the name of the meeting body and the date, time, and place of the meeting. A statement identifying each participant and the purposes for the closed meeting should be made at the beginning of the closed meeting.
 - B. Confidentiality. All verbatim records of closed meetings are hereby declared to be confidential and not subject to release except pursuant to this Policy or as required by law.
 - C. Duties of Clerk or Designee. The Clerk, or his or her designee, shall be responsible for creating the verbatim record. After a closed meeting, the verbatim record shall be delivered immediately to the Clerk for storage in a secure location within the DuPage Pumping Station. The Clerk shall be responsible for maintaining, storing, and restricting access to all verbatim records.
 - D. Access to Verbatim Records. No individual, nor the Board of Commissioners, nor any Subsidiary Body shall have access to any verbatim record of any closed session unless approved by one of the following specific methods:
 1. Individual Access. Unless otherwise required by law, no individual, including any member of the Board of Commissioners or any Subsidiary Body, shall have access to any verbatim record unless specifically approved by an affirmative majority vote of Board of Commissioners

taken at an open meeting. An individual who is granted the right to access a verbatim record shall do so only at DuPage Pumping Station and in the presence of the Clerk or his or her designee. No verbatim record shall be copied or taken out of the DuPage Pumping Station except as specifically allowed in this Policy or as otherwise required by law.

2. Subsidiary Body Review. A Subsidiary Body may access a verbatim record of one of its closed meetings only by an affirmative majority vote, taken at an open meeting, of all members of that Subsidiary Body then holding office. A Subsidiary Body shall review a verbatim record only at a duly noticed closed meeting of that Subsidiary Body.
 3. Board of Commissioners Review. The Board of Commissioners may access a verbatim record of one of its closed meetings or of a closed meeting of any Subsidiary Body only by an affirmative majority vote of the Board of Commissioners taken at an open meeting. The Board of Commissioners shall review a verbatim record only at a duly noticed closed meeting of the Board.
 4. Clerk. The Clerk shall have access at all times to all verbatim records for purpose of ensuring their proper care and protection. The Clerk may review a verbatim record, however, only if authorized to do so by an affirmative majority vote of the Board of Commissioners taken at an open meeting.
 5. Court. If the Commission is directed by a court order issued in accordance with Section 2.06 of the Open Meetings Act, 5 ILCS 120/2.06, to deliver a verbatim record, then the Clerk or his or her designee shall deliver the relevant verbatim record to the court, after that record has been reviewed by the Commission's General Counsel or staff attorney.
- E. Verbatim Record Not Official Record. A verbatim record shall not be part of the official public record of any meeting. Rather, the approved minutes are to be deemed the official record of the meeting.
- F. Notification of Destruction of Verbatim Record. On a regular basis, the Clerk shall provide a written notice listing all verbatim records that are scheduled for destruction (the "Notice of Destruction"). The Notice shall be in a form substantially the same as the form attached as Exhibit 1 to this Policy. The Notice shall be given to (1) the members of the Board of Commissioners, (2) the members of the Subsidiary Body (if the verbatim record was created at a closed meeting of that Subsidiary Body), (3) the General Manager, and (4) the Commission's General Counsel or staff attorney. The Notice shall include a copy of the approved minutes for each verbatim record scheduled for destruction.
- G. Objection to Destruction.
1. Deadline for Objection. A written objection to the destruction of a verbatim record shall be filed with the Clerk within seven days after the

date of a Notice of Destruction, or at least three days before the destruction date set forth in that Notice, whichever is later.

2. Who May Object. The Chairman or any Commissioner may object to the destruction of any verbatim record of a closed session of the Board of Commissioners or of any Subsidiary Body. A member of a Subsidiary Body may object to destruction of a verbatim record only of a closed session of that Subsidiary Body.
- H. Destruction of Verbatim Record if No Objection. Unless a timely written objection to the destruction of a verbatim record is filed with the Clerk in accordance with Section III.G of this Policy, the Clerk shall erase or otherwise destroy each verbatim record listed in the Notice of Destruction on the date set forth in the Notice. No verbatim record shall be erased or otherwise destroyed unless the Clerk certifies that (1) the verbatim record was created at a closed meeting that was concluded at least 18 months prior to the date of destruction and (2) there exists approved minutes of that closed meeting.
- I. Procedure When Objection. The following procedure shall apply when a timely objection to destruction is received by the Clerk:
1. Notice of Objection. The Clerk shall promptly send notice of the objection to all parties who received the Notice of Destruction.
 2. Deliberation on Objection. At a closed session of the Board of Commissioners or Subsidiary Body scheduled promptly after receipt of an objection, the Board of Commissioners or Subsidiary Body shall determine whether destruction of the verbatim record should be delayed. That decision shall require the vote set forth in the next Section III.I.3 of this Policy. If the required vote to delay destruction is not obtained, then the verbatim record shall be destroyed immediately by the Clerk in accordance with Section III.H of this Policy; provided, however, that no verbatim record of a Subsidiary Body shall be destroyed if either the Subsidiary Body or the Board of Commissioners votes to delay its destruction.
 3. Required Vote to Delay Destruction. The destruction of a verbatim record shall be delayed only if: (i) the Board of Commissioners, by an affirmative majority vote, or (ii) the Subsidiary Body, by an affirmative vote of three-fourths of the members of the Subsidiary Body then holding office, authorizes delay of that destruction.
- J. Procedure When Destruction Delayed. If the destruction of a verbatim record has been delayed pursuant to Section III.I of this Policy, then the Board of Commissioners and/or the Subsidiary Body, if any, that voted to delay destruction shall review the verbatim record in closed session. After that review, the reviewing body shall determine either: (1) that the verbatim record should be destroyed, or (2) that the verbatim record may be released pursuant to Section IV of this Policy, or (3) that the destruction of the verbatim record ought to be delayed to a date certain.

No verbatim record shall be destroyed if the Board of Commissioners or the Subsidiary Body, if any, determines that destruction should be delayed or released pursuant to Section IV of this Policy.

If destruction of a verbatim record is delayed to a date certain, then the Clerk shall provide a new Notice of Destruction for that verbatim record in accordance with Section III.F of this Policy.

IV. Review and Release of Closed Meeting Minutes and Verbatim Records.

- A. Review of Minutes. Not less than twice each year, the Board of Commissioners and each Subsidiary Body shall review its closed meeting minutes to determine if they are eligible for release to the public. In its review, the Board of Commissioners or Subsidiary Body shall determine if the minutes contain information that continue to require confidential treatment. Only portions of written minutes that no longer require confidential treatment shall be released. Written minutes shall not be released unless approved by an affirmative majority vote of the Board of Commissioners or Subsidiary Body taken in public session.

- B. Review of Verbatim Records. Pursuant to Section III.B of this Policy, verbatim records always are *per se* confidential. Not less than twice each year, the Clerk shall provide a list to the Board of Commissioners and to the relevant Subsidiary Body of existing verbatim records, the review of which list by the Clerk, by the Board of Commissioners, and by the Subsidiary Body, if any, shall constitute review of the verbatim records. The Board of Commissioners or the relevant Subsidiary Body may undertake a further review a verbatim record, but only in accordance with Section III.D of this Policy. After review of the verbatim record, the Board of Commissioners or the Subsidiary Body shall require that the verbatim record remain confidential unless, after reviewing the verbatim record in its entirety, the verbatim record is approved for release by an affirmative majority vote of the Board of Commissioners or, for a verbatim record of a Subsidiary Body, by an affirmative vote of three-fourths of the members of that Subsidiary Body then holding office. All such votes shall be taken in open session.

EXHIBIT 1

NOTICE OF PENDING DESTRUCTION OF VERBATIM RECORDS

[DATE]

To: Board of Commissioners
[Relevant Subsidiary Body]
General Manager
General Counsel or Staff Attorney

Subject: Notice of Impending Destruction of Verbatim Records

CONFIDENTIAL/PRIVILEGED

As required by the Illinois Open Meetings Act, the Office of the Clerk has been charged with the safekeeping of all verbatim records of all closed meetings of the Board of Commissioners and other bodies of the Commission subject to the Illinois Open Meetings Act.

Pursuant to the Open Meetings Act and to the "Closed Session Minutes and Verbatim Records Policy" of the Commission (the "Policy"), the confidential verbatim records listed below are eligible for destruction.

Public Body	Date of Meeting	Proposed Destruction Date

I hereby certify that (1) the relevant public bodies have previously approved written minutes of the closed meetings to which the verbatim records listed in this Notice were prepared and that those minutes are attached, and (2) the closed meetings to which the verbatim records listed in this Notice relate were concluded at least 18 months prior to the Proposed Destruction Date for those verbatim records.

The Office of the Clerk shall destroy the verbatim records listed in this Notice in accordance with the Policy, unless a written objection is filed with the Office of the Clerk within seven days after the date of this notice or not less than three days prior to the Proposed Destruction Date set forth above, whichever is later.

Clerk

DUPAGE WATER COMMISSION

ORDINANCE NO. O-11-04

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Article XI)

WHEREAS, the DuPage Water Commission (the "Commission") is a county water commission and as such a political subdivision and unit of local government organized and existing under the laws of the State of Illinois for the public purpose of acquiring and operating a common source of supply of Lake Michigan water; and

WHEREAS, on May 31, 2003, the General Assembly adopted the State Officials and Employees Ethics Act, which Act became effective on November 19, 2003; and

WHEREAS, on November 20, 2003, the General Assembly adopted Senate Bill 702, which Senate Bill amended the State Officials and Employees Ethics Act, repealed the State Gift Ban Act, and became effective on December 9, 2003 (the State Officials and Employees Ethics Act, as amended, is hereinafter collectively referred to as the "Act"); and

WHEREAS, the Act regulates (i) the political activities of certain governmental officials and employees and (ii) the soliciting and accepting of gifts from any prohibited source; and

WHEREAS, the Act requires that units of local government adopt local policies regulating the political activities of its officers and employees and the solicitation and acceptance of gifts that are no less restrictive than the provisions of the Act; and

WHEREAS, in order to comply with the Act, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, O-

Ordinance No. O-11-04

10-99, O-7-00, O-11-02, and O-2-04, to adopt new regulations regarding the political activities of its officers and employee and to amend its existing regulations regarding the solicitation and acceptance of gifts by officers and employees of the Commission;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Section 3, entitled "Gift Ban," of Article XI, "Conduct of the Commissioners, Officers and Employees of the Commission," of the Commission's By-Laws shall be, and it is hereby, amended in its entirety, including the caption thereof, so that said Section 3, including the caption thereof, shall hereafter be and read as follows:

"Section 3. Gift Ban and Prohibited Political Activities

- (a) Definitions: Whenever the following words or terms are used in this Section 3, they shall have the meanings ascribed to them below:

CAMPAIGN FOR ELECTIVE OFFICE: Any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action,¹ (ii) relating to collective bargaining,² or (iii) that are otherwise in furtherance of the person's official duties.

CANDIDATE: Any person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at either a general primary election or general election.

¹ As those terms are defined in Section 2 of the Lobbyist Registration Act, 25 ILCS 170/2.

² As defined in Section 3 of the Illinois Public Labor Relations Act, 5 ILCS 315/3.

COMPENSATED TIME: With respect to an employee, any time worked by or credited to an employee that counts toward any minimum work time requirement imposed as a condition of his or her employment but, for purposes of this Section 3, does not include any designated holidays, vacation periods, personal time, compensatory time off, or any period when the employee is on a leave of absence. With respect to officers or employees whose hours are not fixed, compensated time includes any period of time when the officer or employee is on the premises under the control of the employer and any other time when the officer or employee is executing his or her official duties, regardless of location.

COMPENSATORY TIME OFF: Any authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of his or her employment.

EMPLOYEE: All full-time, part-time, and contractual employees of the Commission.

GIFT: Any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.

INTRA-OFFICE GIFT: Any gift given to an officer or employee of the Commission from another officer or employee of the Commission.

INTER-OFFICE GIFT: Any gift given to an officer or employee of the Commission from a member of the Illinois General Assembly; or from the Governor, the Lieutenant Governor, the Attorney General, the Secretary of State, the Controller, the Treasurer or the Auditor General of the State of Illinois; or from a member, officer, appointee, or employee of any State Agency as defined in the State Officials and Employees Ethics Act,³ or of any federal agency, or of any unit of local government or school district.

LEAVE OF ABSENCE: Any period during which an employee does not receive (i) compensation for employment, (ii) service credit towards pension benefits, and (iii) health insurance benefits paid for by the Commission.

OFFICER: All appointed and elected officials of the Commission, regardless of whether the official is compensated.

³ 5 ILCS 430/1-1 *et seq.*

POLITICAL: Any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties.

POLITICAL ORGANIZATION: A party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Election Code,⁴ but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

PROHIBITED POLITICAL ACTIVITY:

1. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
2. Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
3. Soliciting, planning the solicitation of, or preparing any document or report regarding any thing of value intended as a campaign contribution.
4. Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
5. Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
6. Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.

⁴ 10 ILCS 5/9-3.

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7. Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
8. Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
9. Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
10. Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes.
11. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
12. Campaigning for any elective office or for or against any referendum question.
13. Managing or working on a campaign for elective office or for or against any referendum question.
14. Serving as a delegate, alternate, or proxy to a political party convention.
15. Participating in any recount or challenge to the outcome of any election.

PROHIBITED SOURCE: Any person or entity who:

1. is seeking official action by the Commission or by an officer or employee of the Commission;
2. does business or seeks to do business with the Commission or with an officer or employee of the Commission;
3. conducts activities regulated by the Commission or by an officer or employee of the Commission;

4. has interests that may be substantially affected by the performance or non-performance of the official duties of the Commission or an officer or employee of the Commission; or
5. is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act., except that an entity does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors.

RELATIVE: Those people related to the officer or employee as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the officer's or employee's spouse and the officer's or employee's fiancé or fiancée.

(b) Gifts:

1. Gifts Prohibited: Except as otherwise provided in Paragraph 3(b)2 below, no officer or employee, spouse of an officer or employee, or immediate family member living with an officer or employee, shall intentionally solicit or accept any gift from any prohibited source or in violation of any federal or state statute, rule, or regulation. No prohibited source shall intentionally offer or make a gift that violates this subsection.
2. Exceptions: The restrictions set forth in Subsection 3(b)1 above shall not apply to the following:
 - A. Opportunities, benefits, and services that are available on the same conditions as for the general public.
 - B. Anything for which the officer or employee pays the market value or anything not used and promptly disposed of as provided in Paragraph 3(b)3 below.
 - C. A contribution, as defined in Article 9 of the Illinois Election Code,⁵ that is lawfully made under that Code or under the State Officials and Employees Ethics Act, or activities

⁵ 10 ILCS 5/9-1 *et seq.*

associated with a fundraising event in support of a political organization or candidate.

- D. Educational materials and missions.
- E. Travel expenses for a meeting to discuss Commission business.
- F. A gift from a relative of an officer or employee.
- G. Anything provided by an individual on the basis of a personal friendship unless the officer or employee has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the officer or employee and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the officer or employee shall consider the circumstances under which the gift was offered, such as:
 - (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;
 - (ii) whether to the actual knowledge of the officer or employee the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and
 - (iii) whether to the actual knowledge of the officer or employee the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees.
- H. Food or refreshments not exceeding \$75.00 per person in value on a single calendar day; provided that the food or refreshments are:
 - (i) Consumed on the premises from which they were purchased or prepared; or
 - (ii) Purchased ready to eat and delivered by any means.
- I. Food, refreshments, lodging, transportation, and other benefits resulting from the outside business or employment activities (or outside activities that are not connected to the duties of the officer or employee as an office holder or

employee) of the officer or employee, or the spouse of the officer or employee, if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee and are customarily provided to others in similar circumstances.

- J. Intra-office and inter-office gifts.
- K. Bequests, inheritances, and other transfers at death.
- L. Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.00.

- 3. Disposition of Gifts: An officer or employee that is a recipient of a gift that is given in violation of this Section 3 may, at his or her discretion, return the item to the donor or give the item or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)3 of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

(c) Prohibited Political Activities:

- 1. No officer or employee shall intentionally perform any prohibited political activity during any compensated time. No officer or employee shall intentionally use any property or resources of the Commission in connection with any prohibited political activity.
- 2. At no time shall any officer or employee intentionally require any other officer or employee to perform any prohibited political activity (i) as part of that employee's duties, (ii) as a condition of employment, or (iii) during any compensated time off.
- 3. No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded any additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment, or otherwise., nor shall any officer or employee be awarded additional compensation or any benefit in consideration for the officer's or employee's participation in any prohibited political activity.
- 4. Nothing in this Subsection 3(c) prohibits activities that are otherwise permissible an officer or employee to engage in as a part of his or

her official or employment duties or activities that are undertaken by an officer or employee on a voluntary basis as permitted by law.

5. No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

(d) Ethics Officer: The General Manager, or the General Manager's designee, shall be designated the Ethics Officer for the Commission. The Ethics Officer's duties and responsibilities shall include:

1. providing guidance to officers and employees in completing statements of economic interest before they are filed with the appropriate office; and
2. providing guidance to officers and employees in the interpretation and implementation of this Section 3 and the requirements of Section 5-15 and Article 10 of the State Officials and Employees Ethics Act; and
3. providing guidance to officers and employees in the interpretation and implementation of other applicable statutes, ordinances, rules, or regulations of the Commission, the State of Illinois, or the federal government dealing with ethics, conflicts of interest, interests in contracts, jobs, work, or materials, or the profits thereof, or services to be performed for or by the Commission.

Without needing prior authorization from the Board of Commissioners, the Ethics Officer shall have the authority to retain the services of Special Counsel for the Commission, at a cost not to exceed the sum of \$10,000 except as authorized by the Board of Commissioners, in the event the Ethics Officer determines that legal counsel and advice beyond the expertise of the Staff Attorney or the General Counsel of the Commission is required in performing the duties and responsibilities of the Ethics Officer.

(e) Interpretation: It is the intent of the Commission that the provisions of this Section 3 shall be substantially in accordance with the requirements of Section 5-15 and Article 10 of the State Officials and Employees Ethics Act. To the extent that Section 5-15 or Article 10 of the State Officials and Employees Ethics Act may, from time to time, be more restrictive than the

requirements of this Section 3, the provisions of Section 5-15 and Article 10 of the State Officials and Employees Ethics Act shall control. This Section 3 does not repeal or otherwise modify Section 105, entitled "Employment Ethics," of the Commission's Personnel Manual (the "Existing Regulations"). To the extent that the Existing Regulations are less restrictive than Section 5-15 or Article 10 of the State Officials and Employees Ethics Act and this Section 3, the provisions of Section 5-15 and Article 10 of the State Officials and Employees Ethics Act and this Section 3 shall control."

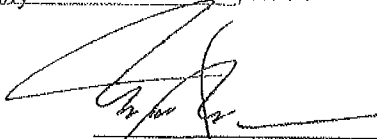
SECTION THREE: Effective Date. This Ordinance shall be in full force and effect from and after its adoption.

AYES: R. Benson, E. Chaplin, R. Ferraro, L. Hartwig, G. Mathews,
W. Murphy, J. Vrdolyak, D. Zeilenga and M. Vondra

NAYS: None

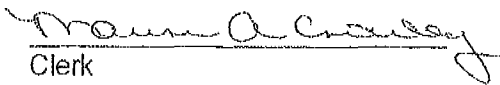
ABSENT: T. Feltus, A. Poole and G. Wilcox

ADOPTED this 13th day of May, 2004



Chairman

ATTEST:



Clerk

NOTE: Ordinance No. O-12-04 was replaced by
Ordinance No. O-1-05

DUPAGE WATER COMMISSION

ORDINANCE NO. O-12-04

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Section 3 of Article IX)

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, O-10-99, O-7-00, O-11-02, O-2-04, and O-11-04 to allow the Clerk of the Commission to be an authorized co-signatory on checks payable and to change the members of the administrative staff that are authorized co-signatories on checks;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Section 3, entitled "Required Signatures," of Article IX, entitled "Disbursements," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 3 shall hereafter be and read as follows:

"Section 3. Required Signatures. All checks, except payroll checks, shall be signed by one of the following: the Chairman, the Treasurer or the Finance Committee Chairman. All checks, except payroll checks, shall be co-signed by one of the following: the General Manager, the Financial Administrator, or the Staff Attorney. Payroll checks shall be signed by any two of the following: the Chairman, the Treasurer, the Finance Committee Chairman, the General Manager, the Financial Administrator, or the Staff Attorney."

SECTION THREE: Effective Date. This Ordinance shall be in full force and effect from and after its adoption, the Board of Commissioners of the DuPage Water

Ordinance No. O-12-04

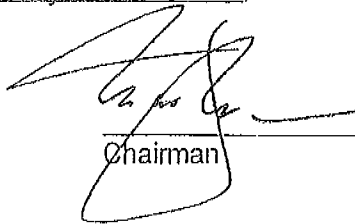
Commissioner having determined, by a two-thirds majority vote, to waive the amendment provisions of the By-Laws.

AYES: R. Benson, E. Chaplin, R. Ferraro, L. Hartwig, G. Mathews,
W. Mueller, W. Murphy, J. Vrdolyak, D. Zeilenga and M. Vondra

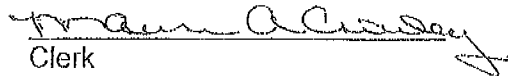
NAYS: None

ABSENT: T. Feltes, A. Poole and G. Wilcox

ADOPTED this 13th day of May, 2004


Chairman

ATTEST:


Clerk

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DUPAGE WATER COMMISSION

ORDINANCE NO. O-1-05

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Sections 2 and 3 of Article IX)

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, O-10-99, O-7-00, O-11-02, O-2-04, O-11-04, and O-12-04 to modify check processing including electronic signatures, more frequent payments to vendors and the option of having two managers sign checks;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment. Section 2, entitled "Authorization," of Article IX, entitled "Disbursements," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 2 shall hereafter be and read as follows:

"Section 2. Authorization. All disbursements in excess of the amount provided for in 65 ILCS 5/8-9-1 shall be approved in advance by the Board of Commissioners except for disbursements made in accordance with the payment provisions of contracts for services, supplies, material, or work purchased by the Commission, which contracts were either approved by the Board of Commissioners or procured in accordance with the purchasing procedures of these By-Laws. The General Manager is authorized to incur and pay contingency expenditures up to and including the amount provided for in 65 ILCS 5/8-9-1 without the prior approval of the Board of Commissioners."

SECTION THREE: Amendment. Section 3, entitled "Required Signatures," of Article IX, entitled "Disbursements," of the Commission's By-Laws shall be, and it

Ordinance No. O-1-05

hereby is, amended in its entirety so that said Section 3 shall hereafter be and read as follows:

"Section 3. Required Signatures. All checks shall be manually or electronically signed by any two of the following: the Chairman, the Treasurer, the Finance Committee Chairman, the General Manager, the Financial Administrator or the Staff Attorney."

SECTION FOUR: Effective Date. This Ordinance shall be in full force and effect from and after its adoption.

AYES: R. Benson, E. Chaplin, R. Ferraro, L. Hartwig, G. Mathews,
W. Mueller, W. Murphy, A. Poole, J. Vrdolyak, D. Zeilenga,
and M. Vondra

NAYS: None

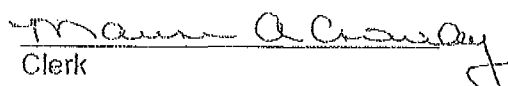
ABSENT: T. Feltes and G. Wilcox

ADOPTED this 10th day of February, 2005



Chairman

ATTEST:



Clerk

Board/Ordinances/O-1-05B.doc

DUPAGE WATER COMMISSION

ORDINANCE NO. O-11-06

AN ORDINANCE AMENDING THE
BY-LAWS OF THE DUPAGE WATER COMMISSION
(Amending Articles VI and VII and Exhibit A Concerning
Meetings and Review of Closed Meeting Verbatim Records)

WHEREAS, the Board of Commissioners of the DuPage Water Commission has determined that it is appropriate and in the best interests of the Commission to amend the Commission's By-Laws, as restated in Ordinance No. O-5-92 and amended by Ordinance Nos. O-1-93, O-1-94, O-14-94, O-10-99, O-7-00, O-11-02, O-2-04, O-11-04, O-12-04, and O-1-05 to amend the order of business at regular meetings, to establish regulations governing participation in Commission meetings by audio or video conference, and to eliminate the requirement to review closed meeting verbatim records at least semiannually; and

WHEREAS, the Board of Commissioners of the DuPage Water Commission find and determine that amendments are useful to assure compliance with the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.*;

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

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment to Section 1 of Article VI. Section 1, entitled "Regular Meetings," of Article VI, entitled "Meetings," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 1 shall hereafter be and read as follows:

"Section 1. Regular Meetings. Regular meeting dates of the Commission shall be established in accordance with the provisions of the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.* Commissioners may participate, in whole or in part, in regular meetings of the Board of Commissioners by audio or video conference, and shall be counted for purposes of voting for so long as they participate and vote, subject to the following terms and conditions:

- a. All Commissioners participating in a meeting by audio or video conference shall be able to hear concurrently the substance of the meeting, and those Commissioners physically present at the designated meeting site, as well as the media and public in attendance at the designated meeting site, shall be able to hear concurrently the Commissioners participating by audio or video conference.
- b. A quorum of the Board of Commissioners shall be physically present at the designated meeting site and not more than one Commissioner shall participate in a meeting by audio or video conference from the same remote location.
- c. The Chairman or the Vice-Chairman shall be physically present at the designated meeting site or, if neither the Chairman nor the Vice-Chairman are participating in the meeting, then the Chairman Pro-Tem shall be physically present at the designated meeting site. If the Chairman is participating in the meeting by audio or video conference, then the Chairman shall vacate the chair and the Vice-Chairman shall perform the duties of the Chairman at the meeting.
- d. Any Commissioner participating in a meeting by audio or video conference shall be unable to physically attend the meeting because of (i) personal illness or disability; (ii) a

family or other emergency; or (iii) employment purposes or Commission business.

- e. Any Commissioner participating in a meeting by audio or video conference shall have notified the recording secretary or Clerk of his or her intention to participate by audio or video conference in advance of the meeting unless advance notice is impractical.
- f. Any Commissioner participating in a meeting by audio or video conference shall announce his or her name, and shall be recognized by the presiding officer, before speaking.
- g. Any voice vote that includes Commissioners participating by audio or video conference and in which a "no" or "nay" vote is cast shall be ineffective, and the official vote on the passage of the action under consideration shall be taken by a roll call vote."

SECTION THREE: Amendment to Section 2 of Article VI. Section 2, entitled "Order of Business at Regular Meetings," of Article VI, entitled "Meetings," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 2 shall hereafter be and read as follows:

"Section 2. Order of Business at Regular Meetings. The Order of Business at all Regular Meetings shall be as follows:

- a. Roll Call
- b. Public Comments
- c. Approval of Minutes
- d. Treasurer's Report
- e. Committee Reports and Action Items
- f. Chairman's Report
- g. Omnibus Vote Agendas

- h. Old Business
- i. New Business
- j. Accounts Payable
- k. Executive Session
- l. Adjournment

The Chairman may for good cause suspend said order at any particular Commission meeting. Business conducted at any regular meeting may, with the consent of a majority of the Commissioners present, include items not specified in the agenda except as otherwise prohibited by applicable law. Public comments shall be limited to five minutes per person."

SECTION FOUR: Amendment to Section 3 of Article VI. Section 3, entitled "Special Meetings," of Article VI, entitled "Meetings," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 3 shall hereafter be and read as follows:

"Section 3. Special Meetings. Special meetings may be called by the Chairman upon his or her own initiative and shall be called at the request of any four Commissioners. Notice of any special meeting shall be given in accordance with the provisions of the Illinois Open Meetings Act. Commissioners may participate, in whole or in part, in special meetings of the Board of Commissioners by audio or video conference, and shall be counted for purposes of voting for so long as they participate and vote, subject to the same terms and conditions as are set forth in Section 1 above for regular meetings."

SECTION FIVE: Amendment to Section 5 of Article VI. Section 5, entitled "Emergency Meetings," of Article VI, entitled "Meetings," of the Commission's By-Laws shall be, and it hereby is, amended in its entirety so that said Section 5 shall hereafter be and read as follows:

"Section 5. Emergency Meetings. Emergency meetings may be called by the Chairman upon his or her own initiative or at the request of any Commissioner or the General Manager in the event of bona fide emergencies. Notice of an emergency meeting shall be given in accordance with the provisions of the Illinois Open Meetings Act. Business at an emergency meeting may be conducted without reference to a prepared agenda. Commissioners may participate, in whole or in part, in emergency meetings of the Board of Commissioners by audio or video conference, and shall be counted for purposes of voting for so long as they participate and vote, subject to the same terms and conditions as are set forth in Section 1 above for regular meetings."

SECTION SIX: Amendment to Section 2 of Article VII. Section 2, entitled "Committees," of Article VII, entitled "Committees and Task Forces," of the Commission's By-Laws shall be, and it hereby is, amended by adding the following sentence to the end of said Section 2:

"Committee members may participate, in whole or in part, in regular, special, and emergency committee meetings by audio or video conference, and shall be counted for purposes of voting for so long as they participate and vote, subject to the same terms and conditions as are set forth in Section 1 of Article VI above for regular meetings, or Section 3 of Article VI above for special meetings, or Section 5 of Article VI above for emergency meetings of the Board of Commissioners, as the case may be."

SECTION SEVEN: Amendment to Section 5 of Article VII. Section 5, entitled "Task Forces," of Article VII, entitled "Committees and Task Forces," of the Commission's By-Laws shall be, and it hereby is, amended by adding the following sentence to the end of said Section 5:

"Task force members may participate, in whole or in part, in regular, special, and emergency task force meetings by audio or video conference, and shall be counted for purposes of voting for so long as they participate and vote, subject to the same terms and conditions as are set forth in Section 1 of Article VI above for regular meetings, or Section 3 of Article VI above for special meetings, or Section 5 of Article VI above for emergency meetings of the Board of Commissioners, as the case may be."

SECTION EIGHT: Amendment to Section IV.B of the Closed Session Minutes and Verbatim Record Policy. Section IV.B, entitled "Review and Release of Closed Meeting Minutes and Verbatim Records—Review of Verbatim Records," of the Closed Session Minutes and Verbatim Record Policy attached to the By-Laws as Exhibit A shall be, and it hereby is, amended in its entirety so that said Section IV.B shall hereafter be and read as follows:

"B. Review of Verbatim Records. Pursuant to Section III.B of this Policy, verbatim records always are *per se* confidential. The Board of Commissioners or the relevant Subsidiary Body may undertake a review of a verbatim record, but only in accordance with Section III.D of this Policy. After review of the verbatim record, the Board of Commissioners or the Subsidiary Body shall require that the verbatim record remain confidential unless, after reviewing the verbatim record in its entirety, the verbatim record is approved for release by an affirmative majority vote of the Board of Commissioners or, for a verbatim record of a Subsidiary Body, by an affirmative vote of three-fourths of the members of that Subsidiary Body then holding office. All such votes shall be taken in open session."

Ordinance No. O-11-06

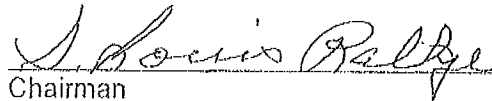
SECTION NINE: Effective Date. This Ordinance shall be in full force and effect from and after its adoption by a majority affirmative vote of all of the Commissioners, including the affirmative votes of at least one-third of the Commissioners appointed by the County Board Chairman and 40% of the Commissioners appointed by the Mayors; provided, however, that the amendments to the By-Laws concerning participation in meetings by audio or video conference (Sections Two, Four, Five, Six, and Seven of this Ordinance) shall be of no force or effect until January 1, 2007.

AYES:

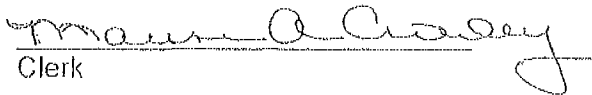
NAYS:

ABSENT:

ADOPTED this 12th day of October, 2006.

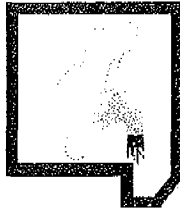

Chairman

ATTEST:


Clerk

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EXHIBIT 2



RECRUITMENT PROFILE

GENERAL MANAGER

DUPAGE WATER COMMISSION ELMHURST, ILLINOIS

This Recruitment Profile provides background information on the DuPage Water Commission and the customers which it serves. It outlines factors of qualifications and experience identified as desirable traits and attributes for Candidates for the General Manager position to possess. The Profile was prepared following meetings with the Board of Commissioners, Staff, Customer representatives, and the retiring General Manager, as well as written materials relevant to the DuPage Water Commission and the General Manager position.

This Profile will be used as a guide in the recruitment process, providing specific criteria by which applications will be screened and individuals selected for final interview and appointment consideration.

All inquiries relating to the recruitment and selection process for the General Manager position are to be directed to the attention of the Consultant working with the DuPage Water Commission:

The PAR Group
Paul A. Reaume, Ltd.
100 N. Waukegan Road, Suite 211
Lake Bluff, Illinois 60044
TEL: 847/234-0005
FAX: 847/234-8309
www.pargroupltd.com

ORGANIZATIONAL BACKGROUND

History

DuPage County, located in the western suburbs of Chicago, rapidly developed after World War II from a primarily agricultural area into a mix of residential and commercial uses. A long term, reliable and sufficient source of water was needed as growth continued into the 1950's. In 1955, the Tree Towns Commission was formed to oversee the creation of a water system which would supply the City of Elmhurst, the Village of Lombard, and the Village of Villa Park with Lake Michigan water.

The existence of short term ground water supply sources in DuPage County and resistance at the state and Federal level to the withdrawal of Lake Michigan water hindered progress for more than 20 years. However, requests to state and federal bodies for alternative, dependable water resources continued and ultimately led to the formation of the DuPage Water Commission. Finally, in 1980, the State of Illinois Department

of Transportation, Division of Water Resources (the regulatory body then responsible for control of Lake Michigan's water use), granted many of the County's municipalities an allocation of Lake Michigan water.

In March of 1984, the DuPage Water Commission signed a 40-year agreement to buy water from the City of Chicago for redistribution in DuPage County (based on some of the municipalities' boundaries, water is also distributed in limited portions of Cook and Will Counties). The Illinois State Legislature passed the Water Commission Act of 1985 which gave the Commission the final authority to finance, design, construct, and operate a Lake Michigan to DuPage County water supply system. In 2003, the Illinois State Legislature amended the Water Commission Act of 1985.

In 1986, the Commission entered into "wholesale" Water Purchase Agreements with 23 DuPage County municipalities and began the construction of the second largest water supply

system in the State of Illinois. The Commission finally went into full operation, delivering water to its customers on May 1, 1992. Since that time, the Commission has added two municipal customers and two private entities as customers.

Organizational Governance and Structure

The DuPage Water Commission is governed by a thirteen-member Board of Commissioners consisting of a Chairman and 12 Commissioners serving staggered, six-year terms. Two Commissioners are selected from each of the six County Board Districts. The DuPage County Board Chairman, with the approval of the DuPage County Board, appoints the Chairman and six of the Commissioners. Six Commissioners are elected by most of the Mayors/Presidents of the municipalities within each County Board District.

The Board appoints a General Manager who is responsible for the operations and management of the Commission. The accompanying insert includes a job description listing the formal duties of the General Manager position as set forth in the Bylaws of the Commission; but it should be recognized that many of the specific areas of responsibility are delegated to subordinate staff. The insert also includes an organizational chart depicting the 31 full-time positions of the Commission Staff.

Water System Facts

The DuPage Water Commission serves a population of approximately 860,000 based on the 2000 census. It serves an area of over 300 square miles. The Commission's municipal customers are:

- | | |
|----------------------------|-----------------------------|
| Village of Addison | Village of Bensenville |
| Village of Bloomingdale | Village of Carol Stream |
| Village of Clarendon Hills | City of Darien |
| Village of Downers Grove | City of Elmhurst |
| Village of Glen Ellyn | Village of Glendale Heights |
| Village of Hinsdale | Village of Itasca |
| Village of Lisle | Village of Lombard |
| City of Naperville | Village of Oak Brook |
| City of Oakbrook Terrace | Village of Roselle |
| Village of Villa Park | Village of Westmont |
| City of Wheaton | Village of Willowbrook |
| Village of Winfield | City of Wood Dale |
| Village of Woodridge | |

The Commission also serves two private entities: Argonne National Laboratory and seven service areas of Illinois American Water Company.

The DuPage pumping station receives treated water from the City of Chicago. The DuPage Pumping Station has nine distribution pumps with a pumping capacity of 185 MGD (Million Gallons per Day). The pumping station has a 30 million gallon reservoir.

Based on the 2002-2003 Annual Report, Monthly Water Pumpage Averages are as follows:

	Average Daily Flow MGD	Maximum Daily Flow MGD	Minimum Daily Flow MGD
Average	88.7	102.3	76.1
Maximum	126.3	144.7	101.3
Minimum	73.7	81.3	66.0

Average Daily Pumpage: 88.7 MGD
 Highest Daily Pumpage: 144.7 MGD
 Lowest Daily Pumpage: 66.0 MGD

The water system has 160 miles of pipelines, 78 meter stations, and 28 remotely operated valves. Pipelines range in size from 12" to 90". After leaving the DuPage Pumping Station, the water flows through the Commission's distribution pipes to storage tanks and metering stations serving the Commission's wholesale customers. Once the water flows ten feet beyond these metering stations, it becomes the property of the receiving utilities. Each of these customers owns and operates pressure adjusting stations to increase or decrease the water pressure it needs for its own particular system.

The Water Commission also performs utility locations through J.U.L.I.E. (Joint Utility Locating Information for Excavators). The Commission responded to 50,132 requests in 2002-2003 and performed 6,236 locates.

Finances

The Water Commission has three sources of available income: water supply contracts with wholesale customers, sales tax, and property tax. Currently, the water rate is \$1.65 per 1,000 gallons and will remain so through May 1, 2008 as set forth in State Statute. A 0.25% sales tax is in effect in most of DuPage County and, based upon some of the municipalities' boundaries, in limited portions of Cook and Will Counties, to support utility operation, construction, and debt service costs. The Commission levies a property tax to meet the principal and interest due on its General Obligation bonds. This levy has been abated by sales tax revenue. The Commission may also levy a property tax for general purpose revenues but has not done so since 1990.

The Commission manages over \$180 million in cash assets and \$380 million in infrastructure. Annual revenues exceed \$90 million. As part of the recent amendment enacted by the State Legislature, the Commission will make \$15 million dollar annual payments to DuPage County for a five year period to pay off a one-time, \$75 million grant.

Additional information can be found at the Commission's web site: www.dpwc.org

ISSUES AND CHALLENGES

The DuPage Water Commission expects to address a number of important issues and challenges in the next several years. Some issues relate to broad policy matters. Some are more specific to particular internal operational, organizational and management matters. The Board of Commissioners is seeking an experienced, professional General Manager to assist them in analyzing and evaluating these and other issues, and implementing programs which will be "best for the Commission" as an organization and the current and future customers that it serves. The following issues and challenges are not listed in order of priority or importance but are set forth to give candidates a sense of the type and scope of issues which the Commission will be addressing. The list is not to be considered as exhaustive, nor should the statements be interpreted as endorsing any particular course of action.

- Moving from major startup construction phase to a maintenance and further build out of system phase.
- Addressing the issue of system expansion to all parts of the County with related cost implications for Charter Customers and new customers re: startup and on-going capital costs, water rates, and water allocations.
- Adapting to changes in State legislation affecting revenue sources and disbursements, including maintaining financial and rate stability with the \$75 million transfer of Commission funds to County.
- Examining the issue and merits of rate stability versus rate reality in terms of overall increases in the costs of supplies, equipment, wages, etc.
- Maintaining a positive working relationship with the City of Chicago as the water supplier to the Commission including specific concerns regarding the "C Factor" relative to pipeline capacity.
- Insuring that security needs are met, including emergency backup power and water system supply and storage protection, particularly in light of 9-11.
- Reconstituting the Safety Committee.
- Improving organizational effectiveness and capacity in a "team building" environment.
- Updating personnel procedures and programs including development of a pay system which recognizes and rewards performance and accomplishments, and provides career development opportunities.

GENERAL MANAGER CANDIDATE QUALIFICATION CRITERIA

Implementing the formal duties and responsibilities of the General Manager position requires a combination of formal training, personal skills and work experience that is compatible with the multiplicity of functions performed by the General Manager position. The following factors of experience, management style, and professional traits have been identified by the Water Commission as *ideal* attributes for the General Manager to possess in order to function effectively in the position.

The successful Candidate for the position will receive a salary commensurate with experience and qualifications, in the area of \$140,000+/-, negotiable, depending upon experience, qualifications, and professional achievement.

Education and Experience

Baccalaureate degree in business, public administration or engineering; Masters Degree and/or registration as a professional engineer not required, but a plus.

Significant and progressive administrative and management experience (minimum of 10 years) at the chief administrator/executive or assistant chief administrator/executive level, preferably in a municipal or regional organization which serves a multiplicity of constituencies and customers.

Experience in managing and knowledge of the requirements of operating a water utility either directly or through subordinate personnel.

Strong financial management and budgeting experience and the ability to comprehend complex financial matters and to present clear information and financial policy alternatives to the Board.

Experience with bond financing, debt service and investment of funds.

Experience planning, financing, bidding, and installing major capital improvements.

Experience in developing innovative protocols and processes which ensure open, factual, and timely communication of information for consideration by policy makers.

Experience and ability to develop processes and procedures which allow for broad input and lead to consensus whenever possible.

Experience in developing strategic plans utilizing the input of a broad range of stakeholders.

Experience preparing for and leading complex negotiations on policy, financial, and technical matters which have long term implications for the Commission and its customers, tactfully and diplomatically, yet firmly, articulating and protecting the Commission's interests.

Knowledge of and experience in working with engineering concepts and staff with the ability to understand and present engineering issues in non-technical language to policy makers.

Human resource and employee relations knowledge and experience with proven record of employee selection and de-

velopment and even-handed administration of human resource programs and policies.

Experience in building a team and managing in a manner which invites participation and ideas of all staff to address problems and improve operational efficiency.

Experience delegating responsibility to subordinate personnel yet holding them accountable for the accomplishment of organizational and operational goals and objectives.

Have a record of keeping up to date and abreast of modern/innovative technology, programs and procedures relative to improving water utility operations and maintenance.

Management Style and Personal Traits

Have a demonstrated record of unquestioned integrity and trustworthiness.

Have the maturity, self-confidence, independence, and strength of professional convictions to provide administrative insights and administrative counsel to the Commission, being able to firmly and diplomatically present professional views and carry out Commission decisions in a timely, professional, and impartial manner.

Be an articulate and an effective communicator, orally and in writing; someone who is comfortable listening to and talking with a wide spectrum of people and actively seeks a broad range of input from Commissioners, Staff, and customers; someone who can clearly and concisely present written and oral information to decision makers.

Be a strong administrative leader and be able to successfully facilitate and assist Staff to identify, analyze, prioritize, and thoroughly deliberate and address administrative and management issues which are critical toward meeting both current and longer range needs of the Commission.

Be able to serve as an impartial facilitator to the Board, serving all Board members in the same manner, presenting information clearly, completely, and on a timely basis and assisting the Board to deliberate complex issues in an open and constructive manner.

Be a mature, self-confident, diplomatic individual, with a calm, even temperament.

Project a strong professional presence in appearance, actions, and personal demeanor who can earn and command the respect of the Board, Staff, and customers.

Be a team leader who is engaged with and can coach and develop employees to meet organizational and employee goals.

Be a "quick study," someone who can understand complex issues and "tune in" to the institutional history and knowledge of the Commission.

Be politically aware but not politically involved in local or regional political organizations.

PROFESSIONAL ANNOUNCEMENT

The following, or similar, text has been released for insertion in professional and other appropriate publications

DuPage Water Commission, General Manager. Countywide, wholesale water distribution system in west-suburban Chicago area seeks proven and experienced General Manager. Position is appointed by and reports to 13 member Board of Commissioners representing municipal and county districts. The agency manages over \$180 million in cash assets and \$380 million in infrastructure. Annual revenues exceed \$90 million with net asset value of over \$290 million. The agency has 31 FT employees serving a current customer base of 25 municipalities and two private entities. Broad and progressive background in management, finance, operations, maintenance, and construction contract administration required. Minimum of 10 years general management and ancillary experience required. Master's degree or equivalent in management or engineering and strong financial management background highly desirable. Excellent communication and leadership skills and the ability to work with a relatively large Board representing a variety of perspectives. Salary \$140,000 +/- dependent upon qualifications and experience. Apply with complete résumé to: The PAR Group - Paul A. Reaume, Ltd., 100 N. Waukegan Road, Suite 211, Lake Bluff, Illinois 60044. TEL: 847/234-0005; FAX 847/234-8309; email: resume@pargroupltd.com



THE PAR GROUP
Paul A. Reaume, Ltd.
Public
Management Consultants

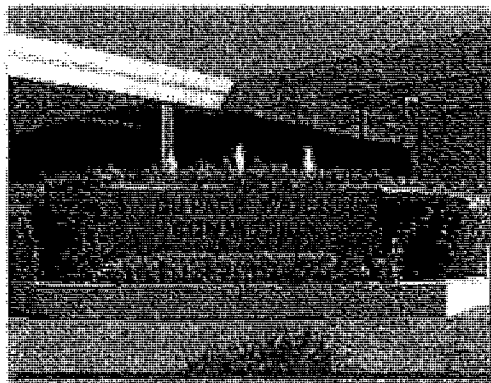
GENERAL MANAGER JOB DESCRIPTION

DUPAGE WATER COMMISSION

The following is taken from the Bylaws of the DuPage Water Commission. It is understood that many of the specific tasks enumerated below are delegated to subordinate personnel.

The General Manager shall be the chief administrative officer of the Commission and shall be responsible for the efficient administration and management of Commission affairs. The formal duties of the General Manager shall include, but are not necessarily limited to, the following:

1. Administrative responsibility for the organization, acquisition, construction, operation, and maintenance of the water supply system of the Commission;
2. Enforcing the ordinances of the Commission;
3. Supervising all Administrative Staff and consultants of the Commission;
4. Hiring personnel to fill positions or vacancies on the Commission's Administrative Staff and discharging or retiring such employees in accordance with administrative rules and procedures established by the Commission;
5. Preparing an agenda for each Commission meeting in advance for general distribution;
6. Attending all Commission meetings unless excused therefrom;
7. Attending any Commission committee meeting at which his or her attendance has been requested;
8. Attending relevant meetings of the Commission's Charter Customers when so requested;
9. Recommending policies, plans, and procedures for the organization, construction, acquisition, operation and maintenance of the water supply system of the Commission;
10. Purchasing materials and services and approving change orders according to administrative rules and procedures established in Article VIII of the By-Laws;
11. Preparing all checks and maintaining a check register;
12. Preparing a monthly statement of receipts and disbursements;
13. Reconciling bank statements on a regular basis;
14. Overseeing the preparation of an annual audit;
15. Preparing an annual budget;
16. Maintaining a central file of all correspondence and other documents and materials pertaining to the affairs of the Commission;
17. Preparing and presenting to the Commission for consideration and approval such administrative rules, procedures and orders as may be deemed necessary and appropriate;
18. Representing the Commission before conferences, associations or relevant public hearings when requested by the Commission to do so;
19. Executing all contracts and other agreements and documents duly authorized to be signed on behalf of the Commission, except such contracts and other agreements and documents as may be required to be signed by the Chairman or some other officer of the Commission;
20. Assigning such duties as may properly be delegated to the Financial Administrator or Secretary.



DU PAGE WATER COMMISSION
 ORGANIZATIONAL CHART
 FISCAL YEAR 2003-2004

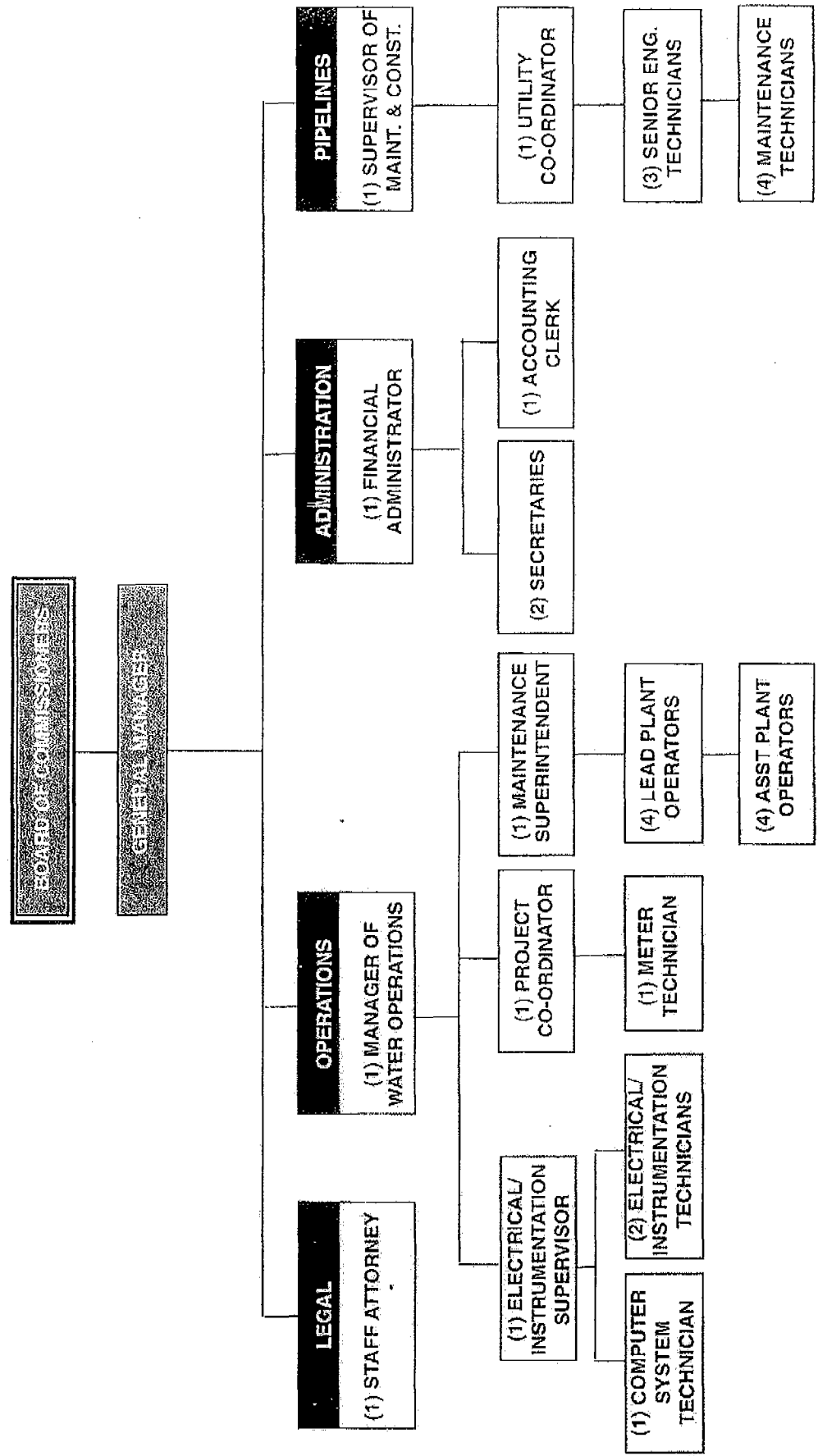


EXHIBIT 3

DuPage Water Commission
Job Description
Financial Administrator

IDENTIFICATION

Position Title: Financial Administrator
Department: Administration
Supervisor: General Manager

JOB SUMMARY:

Under the direction of the General Manager, the Financial Administrator is responsible for the accounting and financial activities of the Commission which include, but are not limited to, financials, insurance, investments, budgeting, and human resources.

Additionally, the Financial Administrator supervises, directs, and evaluates the work of the accounting personnel.

ESSENTIAL FUNCTIONS AND RESPONSIBILITIES:*

Have principal responsibility for and advise the General Manager as to policies concerning: the receipt, deposit, and disbursement of Commission funds; the investment practices of the Commission, paying particular attention to safeguarding principal and complying with bond ordinances; the Commission's accounting and control systems; and the overall treasury and cash management objectives of the Commission.

Comprehend complex financial matters and present clear information and financial policy alternatives to the General Manager.

Research, select, and oversee administration of all employee benefits and insurance policies.

Work and interact openly and effectively with all.

Assist other Commission departments to achieve goals and objectives by providing financial and budgeting expertise.

Make presentations to financial institutions and rating agencies.

Be thoroughly knowledgeable about the Commission's financial condition at all times.

Prepare the annual management budget and budget and appropriation ordinance.

* This list of essential responsibilities and functions is not exhaustive. The Commission reserves the right to supplement this list, particularly if the scope of duties in this position changes.

DuPage Water Commission
Job Description
Financial Administrator

Review and oversee the financial procedures and practices employed by all personnel.

Prepare monthly financial reports.

Oversee the preparation of the annual audit.

Perform those duties required by law.

Serve as an impartial financial management resource and advisor to the General Manager, presenting information and reports clearly, completely, and on a timely basis.

Assist and work with the General Manager in initiating and considering policy-related issues and in assisting the General Manager in determination of policy recommendations to the Commission.

Function as a designate for General Manager when absent.

Ensure timely communication and response to internal and external requests when working by regularly checking mail boxes, e-mail, and voice mail on office and Nextel phones.

Perform other duties as required or assigned which are reasonably within the scope of the duties enumerated above.

SAFETY RESPONSIBILITIES:

Encourage and motivate employees in the safety effort through meaningful involvement in the system.

Ensure all members within department clearly understand their roles and responsibilities in the safety effort, follow all applicable safety policies and procedures, and conduct themselves in a safe manner.

Routinely inspect for, and identify, evaluate, and prioritize for correction, conditions within department that could produce injuries, accidents, and/or financial losses.

Conduct incident investigations with the Employee Safety Committee and Safety Coordinator when requested and follow-up on corrective actions.

Review departmental safety performance against objectives through departmental safety discussions, direct observation and evaluation of employees, and job safety training.

DuPage Water Commission
Job Description
Financial Administrator

Follow all applicable safety policies and procedures, and conduct activities in a safe manner.

Inspect personal tools, equipment, and work area to identify safety hazards, and follow-up on corrective actions to eliminate such hazards.

Voice safety concerns to supervisor or Safety Coordinator.

Initiate and suggest new safety policies and procedures to enhance workplace safety.

EDUCATION, TRAINING, AND EXPERIENCE:

Education:

Bachelor's Degree in Accounting, Finance, Public or Business Administration, or related field.

Graduate degree preferred, but not required.

CPA Certification preferred, but not required.

Experience:

A minimum of 10+ years of progressively responsible experience in municipal finance management or a closely related field.

REQUIRED SKILLS, KNOWLEDGE, AND ABILITIES:

Able to read, write and speak English fluently.

Thorough knowledge of governmental accounting principles, budgeting, auditing, purchasing, debt management, contracting, risk management, financial forecasting, and financial analysis.

Thorough knowledge of laws and regulations as they pertain to the administration of municipal finance; familiarity with current and emerging issues with respect to the Government Accounting Standards Board.

Thorough understanding of and experience in structuring/restructuring and the issuance of municipal debt instruments to support major infrastructure improvements while maintaining stable water and tax rates.

Ability to learn and effectively use Computerized Maintenance Management System software.

DuPage Water Commission
Job Description
Financial Administrator

Considerable knowledge of and experience in municipal investment policies and practices.

Have complete integrity, dealing with all in an honest, straightforward, and respectful manner, with independent strength of character and convictions.

Be an articulate and effective communicator, both orally and in writing.

Ability to maintain confidentiality as appropriate.

Experience in preparing and implementing a long-term capital improvement program; knowledgeable in alternatives for capital improvement financing.

Experience in reviewing and evaluating federal and state legislation impacting the Commission's finances and ability to advise the General Manager regarding the impact on the Commission.

Assist in prioritizing policy development, projects, and opportunities.

Capable of juggling multiple projects and priorities.

Experience in developing alternative financial management strategies in conjunction with policy makers and appointed staff.

High level of knowledge and experience with computer technology to ensure effective use of computer applications and related technology for the appropriate financial activities of the department and the systems which support other departments; personal familiarity with a variety of personal computer applications including Excel, PowerPoint, and Word.

Knowledge of modern personnel administration programs and practices, particularly as they relate to employee benefits including pension and group insurance benefits.

Familiarity with strategic planning practices leading to activities and policy development which anticipate future opportunities, issues, and concerns, along with an ability to assist the General Manager in implementing long-range plans and in creating a vision for the fiscal needs of the Commission.

Experience in intergovernmental relations and ability to personally interact with other jurisdictions and agencies in a constructive, cooperative, and mutually supportive manner, while representing the Commission's interests tactfully and firmly.

DuPage Water Commission
Job Description
Financial Administrator

Ability to deal with members of the Board, staff, and the public in a helpful, calm, and efficient manner.

Ability to learn, understand and adhere to all applicable safety precautions and procedures.

PHYSICAL AND MEDICAL STANDARDS:

None

WORKING CONDITIONS AND ENVIRONMENT:

The Financial Administrator will spend most of his or her time in an office environment, but frequently will need to meet and confer with staff personnel and other Commission employees in the pumping station and in other locations throughout the Commission's facilities. Files are stored on shelves requiring periodic use of ladders or work platforms. Oils and other slippery fluids and substances occasionally can be found on floors in the pump room and other locations. High voltage electrical transformers and equipment exist in the pump room and other locations. Exposure to chemicals such as sodium hypochlorite can occur in the pump room and other locations.

LICENSES AND CERTIFICATES:

Must pass a pre-employment drug test and security background check.

Must sign Confidentiality Agreement upon hire.

PERTINENT INFORMATION:

This is an exempt position. Successful candidate must comply with all policies and practices of the DuPage Water Commission including:

Business Needs:

As a condition of employment, shall be available to work any hours, including those outside normal business hours, as required by the General Manager or authorized representative to meet the needs of the business.

DuPage Water Commission
Job Description
Financial Administrator

HOURS WORKED:

Forty (40) hours per week minimum.

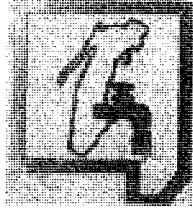
Print Employee Name

Employee Signature

Date

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EXHIBIT 4



RECRUITMENT PROFILE
FINANCIAL ADMINISTRATOR
DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

This Recruitment Profile provides background information on the DuPage Water Commission and the customers which it serves. It outlines factors of qualifications and experience identified as desirable traits and attributes for Candidates for the Financial Administrator position to possess. The Profile was prepared following meetings with the Board of Commissioners, Staff, and the retiring Financial Administrator, as well as written materials relevant to the DuPage Water Commission and the Financial Administrator position.

This Profile will be used as a guide in the recruitment process, providing specific criteria by which applications will be screened and individuals selected for final interview and appointment consideration.

All inquiries relating to the recruitment and selection process for the Financial Administrator position are to be directed to the attention of the Consultant working with the DuPage Water Commission:

The PAR Group
Paul A. Reaume, Ltd.
100 N. Waukegan Road, Suite 211
Lake Bluff, Illinois 60044
TEL: 847/234-0005
FAX: 847/234-8309
www.pargroupltd.com
Submit resumes by mail or to: resume@pargroupltd.com

ORGANIZATIONAL BACKGROUND

History

DuPage County, located in the western suburbs of Chicago, rapidly developed after World War II from a primarily agricultural area into a mix of residential and commercial uses. A long term, reliable and sufficient source of water was needed as growth continued into the 1950's. In 1955, the Tree Towns Commission was formed to oversee the creation of a water system which would supply the City of Elmhurst, the Village of Lombard, and the Village of Villa Park with Lake Michigan water.

The existence of short term ground water supply sources in DuPage County and resistance at the state and Federal

level to the withdrawal of Lake Michigan water hindered progress for more than 20 years. However, requests to state and federal bodies for alternative, dependable water resources continued and ultimately led to the formation of the DuPage Water Commission. Finally, in 1980, the State of Illinois Department of Transportation, Division of Water Resources (the regulatory body then responsible for control of Lake Michigan's water use), granted many of the County's municipalities an allocation of Lake Michigan water.

In March of 1984, the DuPage Water Commission signed a 40-year agreement to buy water from the City of Chicago for redistribution in DuPage County (based on

some of the municipalities' boundaries, water is also distributed in limited portions of Cook and Will Counties). The Illinois State Legislature passed the Water Commission Act of 1985 which gave the Commission the final authority to finance, design, construct, and operate a Lake Michigan to DuPage County water supply system. In 2003, the Illinois State Legislature amended the Water Commission Act of 1985.

In 1986, the Commission entered into "wholesale" Water Purchase Agreements with 23 DuPage County municipalities and began the construction of the second largest water supply system in the State of Illinois. The Commission finally went into full operation, delivering water to its customers on May 1, 1992. Since that time, the Commission has added two municipal customers and two private entities as customers.

Organizational Governance and Structure

The DuPage Water Commission is governed by a thirteen member Board of Commissioners consisting of a Chairman and 12 Commissioners serving staggered, six-year terms. Two Commissioners are selected from each of the six County Board Districts. The DuPage County Board Chairman, with the approval of the DuPage County Board, appoints the Chairman and six of the Commissioners. Six Commissioners are elected by most of the Mayors/Presidents of the municipalities within each County Board District.

The Board appoints a General Manager who is responsible for the operations and management of the Commission. The General Manager appoints the Financial Administrator. An organizational chart depicting the 34 full-time positions of the Commission Staff, including the Financial Administrator position and the subordinate accountant position is set forth in the insert to this Profile.

Customers Served

The DuPage Water Commission serves a population of approximately 860,000 based on the 2000 census. It serves an area of over 300 square miles. The Commission's municipal customers are:

Village of Addison	Village of Bensenville
Village of Bloomingdale	Village of Carol Stream
Village of Clarendon Hills	City of Darien
Village of Downers Grove	City of Elmhurst
Village of Glen Ellyn	Village of Glendale Heights

Village of Hinsdale	Village of Itasca
Village of Lisle	Village of Lombard
City of Naperville	Village of Oak Brook
City of Oakbrook Terrace	Village of Roselle
Village of Villa Park	Village of Westmont
City of Wheaton	Village of Willowbrook
Village of Winfield	City of Wood Dale
Village of Woodridge	

The Commission also serves two private entities: Argonne National Laboratory and seven service areas of Illinois American Water Company.

Finances

The Water Commission has three sources of available income: water supply contracts with wholesale customers, sales tax, and property tax. Currently, the water rate is \$1.65 per 1,000 gallons and cannot be increased until May 1, 2008 as set forth in State Statute. A 0.25% sales tax is in effect in most of DuPage County and, based upon some of the municipalities' boundaries, in limited portions of Cook and Will Counties, to support utility operation, construction, and debt service costs. The Commission levies a property tax to meet the principal and interest due on its General Obligation bonds. This levy has been abated by sales tax revenue. The Commission may also levy a property tax for general purpose revenues but has not done so since 1990.

The Commission manages over \$170 million in cash assets and \$380 million in infrastructure. Annual revenues exceed \$85 million. The total dollar value of the Commission's financial activities is large, while the number of transactions is relatively low. As part of the recent amendment enacted by the State Legislature, the Commission will make \$15 million dollar annual payments to DuPage County for a five year period to pay off a one-time, \$75 million grant.

Additional information can be found at the Commission's web site: www.dpwc.org.

FINANCIAL ADMINISTRATOR CANDIDATE QUALIFICATION CRITERIA

Implementing the formal duties and responsibilities of the Financial Administrator position requires a combination of formal training, personal skills and work experience that is compatible with the functions performed by the Financial Administrator position. The following factors of experience, management style, and profes-

sional traits have been identified by the General Manager as *ideal* attributes for the Financial Administrator to possess in order to function effectively in the position. The successful Candidate for the position will receive a salary commensurate with experience and qualifications, in the area of \$95,000+/-, negotiable, depending upon experience, qualifications, and professional achievement.

Education and Experience

Have achieved a baccalaureate degree in accounting, finance, business administration, or related field, with a graduate degree highly desirable, but not required.

Achievement of a CPA a plus, but not required.

A minimum of 5-7 years of progressively responsible experience in municipal finance management or a closely related field.

Have a thorough knowledge of governmental accounting principles, budgeting, auditing, purchasing, debt management, contracting, risk management, financial forecasting and financial analysis.

Have a thorough knowledge of laws and regulations as they pertain to the administration of municipal finance; be familiar with current and emerging issues with respect to the Government Accounting Standards Board.

Have the experience and the ability to comprehend complex financial matters and to present clear information and financial policy alternatives to the General Manager.

Have a thorough understanding of and experience in structuring/restructuring and the issuance of municipal debt instruments to support major infrastructure improvements while maintaining stable water and tax rates.

Have experience interacting with and making presentations to financial institutions and rating agencies.

Have considerable knowledge of and experience in municipal investment policies, practices and implementation of same.

Have experience in preparing and implementing a

long-term capital improvement program; be knowledgeable in alternatives for capital improvement financing.

Have experience in reviewing and evaluating federal and state legislation impacting the Commission's finances and have the ability to advise the General Manager regarding the impact on the Commission.

Have the experience and ability to work effectively with the General Manager toward sorting through the many demands and responsibilities confronting the Commission and assisting in prioritizing policy development, projects, and opportunities; be capable of juggling multiple projects and priorities simultaneously.

Have experience developing alternative financial management strategies in conjunction with policy makers and appointed staff.

Possess strong interpersonal skills, with a demonstrated ability to work and interact openly and effectively with all; be genuinely interested in assisting other Commission departments to achieve goals and objectives by providing financial and budgeting expertise.

Have a high level of knowledge and experience with computer technology to ensure effective use of computer applications and related technology by all appropriate activities of the Finance Department and the systems which support other departments; be personally familiar with a variety of personal computer applications including Excel, Powerpoint and Word.

Have sufficient experience to evaluate the Financial Administration Department's staffing, operations, and administrative practices and procedures, all toward maintaining high productivity, open communications, and delivery of financial services.

Have knowledge of modern personnel administration programs and practices, particularly as they relate to employee benefits, including pension and group insurance benefits.

Be familiar with strategic planning practices leading to activities and policy development which anticipate future opportunities, issues, and concerns, and assisting the General Manager in implementing long-

range plans and in creating a vision for the fiscal needs of the Commission.

Have successful experience working as part of a management team which supports the Commission in addressing issues.

Have experience in intergovernmental relations and the ability to personally interact with other jurisdictions and agencies in a constructive, cooperative, and mutually supportive manner, while representing the Commission's interests tactfully and firmly.

Have experience in implementing financial system accounting software and keeping such systems current.

Management Style & Personal Traits

Have complete integrity, dealing with all in an honest, straightforward, and respectful manner, with independent strength of character and convictions.

Be an articulate and effective communicator, both orally and in writing; be thoroughly knowledgeable about the Commission's financial condition at all times.

Be able to serve as an impartial financial management resource and advisor to the General Manager, presenting information and reports clearly, completely, and on a timely basis.

Be able to firmly and diplomatically present professional views, concerns, and implications of proposed financial policy action which may be under consideration, while also being committed to carrying out ultimate General Manager and Commission decisions in a timely, respectful, professional, impartial manner.

Assist and work with the General Manager in initiating and considering policy-related issues and in assisting the Manager in determination of policy recommendations to the Commission.

Be a role model to Staff, leading by example, supporting and mentoring others as appropriate.

Be committed to professional development and continuing education and training for all of the Finance Department employees; set an example by being

current on emerging issues and trends in financial management.

Project a strong professional presence in appearance, actions, and personal demeanor in representing the Commission, and be a person who can inspire confidence and credibility with regard to Finance Department affairs.

Have the energy and enthusiasm for meeting the challenges and responsibilities of the Financial Administrator's position, projecting a positive attitude toward coping with both problems and opportunities.

While being politically astute, be completely non-political and non-partisan in behavior and actions.

PROFESSIONAL ANNOUNCEMENT

The following, or similar, text is recommended for insertion in professional and other appropriate publications.

DuPage Water Commission, Financial Administrator Countywide, wholesale water distribution system in west-suburban Chicago area seeks proven and experienced Financial Administrator. Position is appointed by and reports to the General Manager. The agency manages over \$170 million in cash assets and \$380 million in infrastructure. Annual revenues exceed \$85 million. The agency has 34 FT employees serving a current customer base of 25 municipalities and two private entities. Minimum of 5-7 years of progressive professional and management experience in municipal finance or closely related field required. Master's degree and/or CPA desirable, but not required. Excellent verbal and written communication skills required. Salary \$95,000 +/- dependent upon qualifications and experience. Apply with complete résumé to: The PAR Group—Paul A. Reaume, Ltd.; 100 N. Waukegan Rd., Suite 211, Lake Bluff, IL 60044; TEL: 847/234-0005; FAX: 847/234-8309; Email: resume@pargroupltd.com.



THE PAR GROUP
Paul A. Reaume, Ltd.
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ISSUES AND CHALLENGES

The DuPage Water Commission expects to address a number of important issues and challenges in the next several years. Some issues relate to broad policy matters. Some are more specific to particular internal operational, organizational and management matters. The General Manager is seeking an experienced, professional Financial Administrator who will play a key role in assisting in analyzing and evaluating these and other issues, and implementing programs which will be "best for the Commission" as an organization and the current and future customers that it serves.

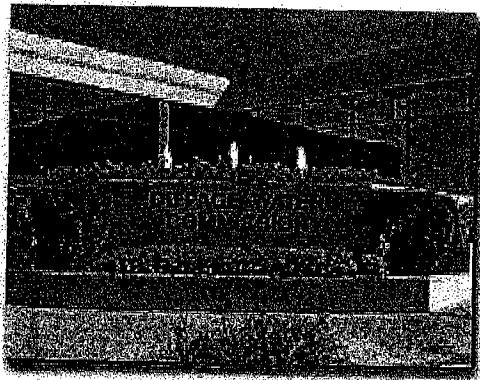
The following issues and challenges are divided into two groups. The first group speaks to organization-wide issues that the Financial Administrator will help the General Manager address with the Board of Commissioners. The second group speaks to more specific financial and other internal administrative issues. Both lists are set forth to give candidates a sense of the type and scope of issues which the Commission will be addressing. They are not listed in order of priority or importance. The lists are not to be considered as exhaustive, nor should the statements be interpreted as endorsing any particular course of action.

General/Organization-Wide Issues and Challenges

- Moving from major startup construction phase to a maintenance and further build out of system phase.
- Addressing the issue of system expansion to all parts of the County with related cost implications for Charter Customers and new customers re: startup and on-going capital costs, water rates, and water allocations.
- Adapting to changes in State legislation affecting revenue sources and disbursements, including maintaining financial and rate stability with the \$75 million transfer of Commission funds to the County.
- Examining the issue and merits of rate stability versus rate reality in terms of overall increases in the costs of supplies, equipment, wages, etc.

Financial Administration Issues and Challenges

- Implementing replacement of the present computerized accounting system with a recently-purchased software package for the purpose of providing more internal cross-checking and reporting to the General Manager.
- Reviewing the Commission's investment policies.
- Reviewing the Commission's risk management and insurance programs.
- Reviewing the allocation and assignment of financial, human resource, and general administrative support functions and staffing to reflect overall changes in Commission focus.
- Assisting in improving organizational effectiveness and capacity in a "team building" environment.
- Assisting in the updating of personnel procedures and programs including development of a pay system which recognizes and rewards performance and accomplishments, and provides career development opportunities.



**DU PAGE WATER COMMISSION
ORGANIZATIONAL CHART
FISCAL YEAR 2005-2006**

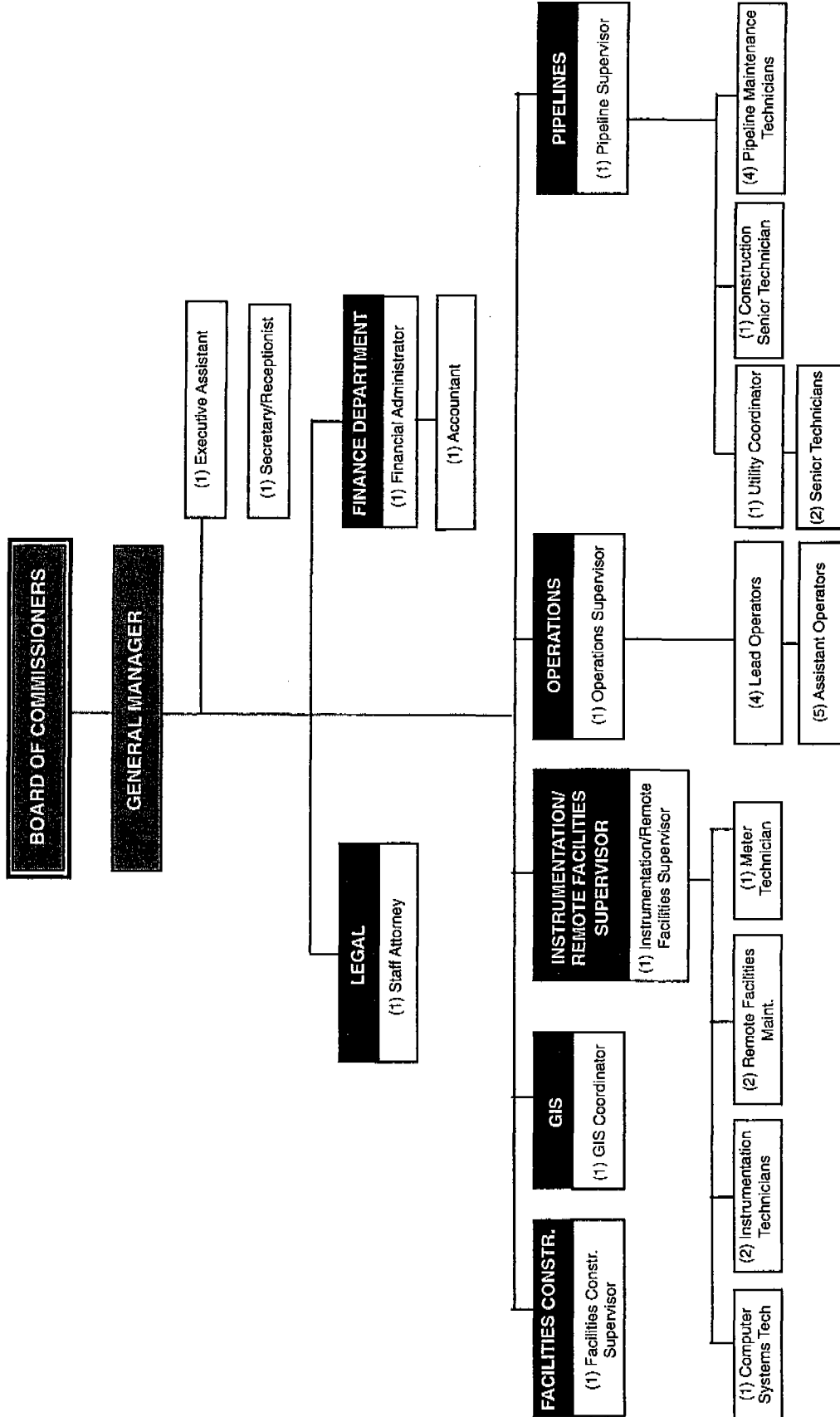


EXHIBIT 5



DuPage Water Commission

MEMORANDUM

TO: Robert Martin, General Manager
FROM: R. Max Richter, Financial Administrator *RM*
DATE: June 5, 2009
SUBJECT: Financial Report – May

- Water sales for the month are under budget by \$0.4 million (9.0%). Sales are \$0.5 million (18.4%) more than the same month for last fiscal year.
- Water purchases from Chicago for the month are under budget by \$0.6 million (9.1%). Purchases are \$0.2 million (4.0%) more than the same month for last fiscal year.
- May sales tax collections (February sales) were \$532,444 (21.06%) less than the same period last fiscal year.
- Commission's investment portfolio had a market value of \$68.2 million on May 31, 2009. The original purchase price of the portfolio was \$68.3 million. The portfolio was earning approximately 1.274% based on market yield and 1.324% based on original purchase price.
- Principal and interest payment of \$11.9 million for the 2003 Revenue bonds was made on May 1.
- Following is a summary of the Historical Check Report and Accounts Payable for the June 11, 2009 Commission meeting:

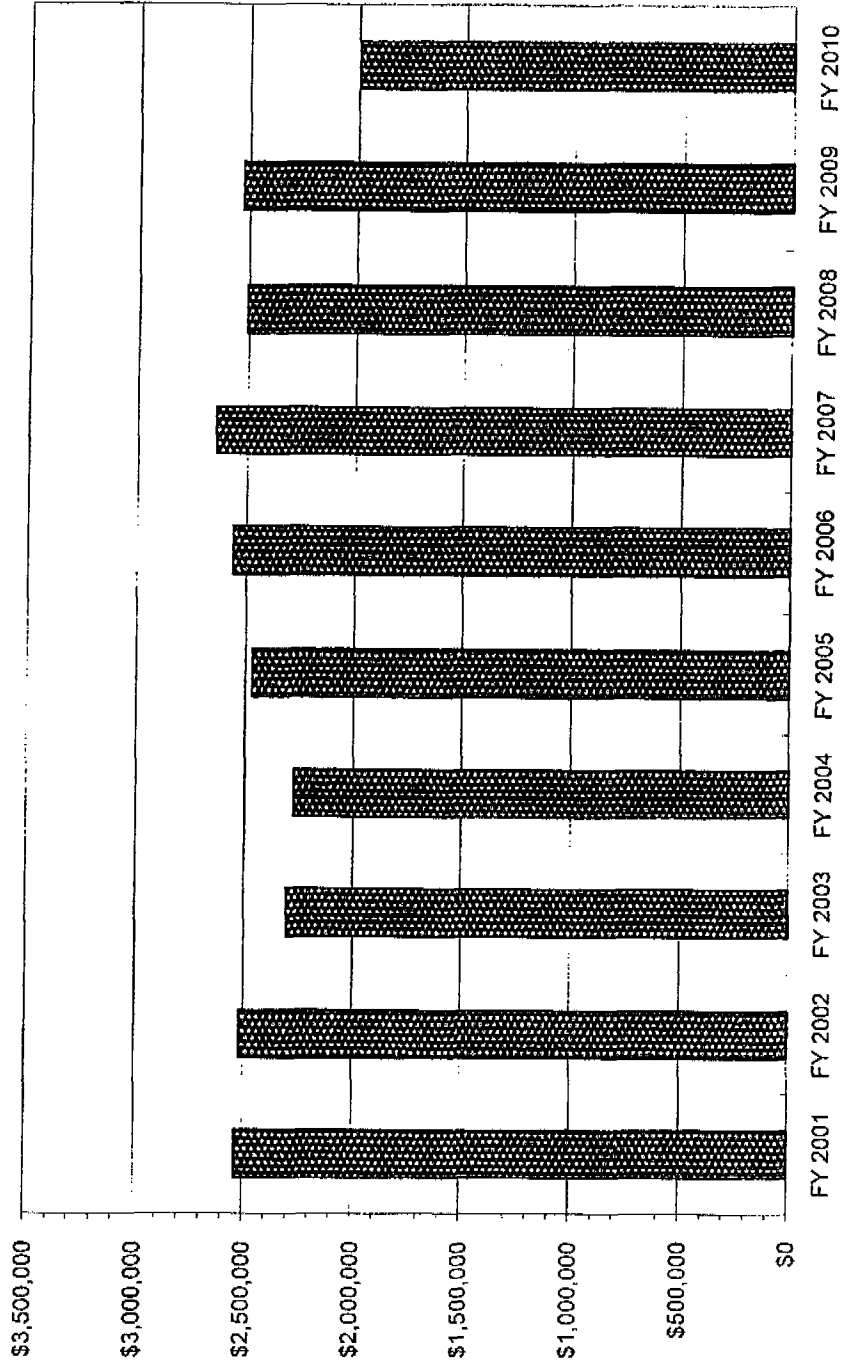
May A/P History Check Report (1)		\$5,108,839.20
Rossi Contractors, Inc	20,675.96	
Holland & Knight	2,171.50	
Martam Construction, Inc.	5,644.18	
A/P Regular Open Item Register		28,491.64
	Total	<u>\$5,137,330.84</u>

1) Previously authorized.

cc: Chairman and Commissioners

Financial Report – 2009.05

DuPage Water Commission
Sales Tax Collected - Current Month



DJ PAGE WATER COMMISSION
 INVESTMENTS
 (Unaudited)
 May 31, 2009

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	PURCHASED TO YIELD	MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 05/31/09	BID PRICE 05/31/09
Water Fund Depository Accounts (01-1210)											
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ 1,059,356.56	\$ 1,059,356.56	\$ -	\$ 1,059,356.56	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	1,227,592.63	1,227,592.63	-	1,227,592.63	-	100.000
				0.232%	0.232%	2,285,949.19	2,285,949.19	-	2,285,949.19	-	
Water Fund Oper. & Maint. Acct. (01-1211)											
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ 4,785,642.10	\$ 4,785,642.10	\$ -	\$ 4,785,642.10	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	6,315,990.78	6,315,990.78	-	6,315,990.78	-	100.000
				0.234%	0.234%	11,101,632.88	11,101,632.88	-	11,101,632.88	-	
Revenue Bond Interest Account (01-1212)											
One Group Government Money Market	0.000%	05/31/09	06/01/09	3.625%	3.625%	2,567,355.86	2,567,355.86	\$ -	2,567,355.86	\$ -	100.000
U. S. Treas. Notes (JP Morgan)	3.625%	05/29/09	10/31/09	3.625%	3.625%	347,000.00	347,000.00	(4,933.91)	351,933.91	5,241.15	100.000
				3.625%	3.625%	2,914,355.86	2,914,355.86	(4,933.91)	2,919,289.77	5,241.15	
Revenue Bond Principal (01-1213)											
One Group Government Money Market	3.625%	05/31/09	06/01/09	3.625%	3.625%	\$ 10,270,185.39	\$ 10,270,185.39	\$ -	\$ 10,270,185.39	\$ -	100.000
U. S. Treas. Notes (JP Morgan)	2.125%	05/29/09	04/30/10	0.000%	0.000%	624,000.00	626,275.00	(10,657.50)	637,132.50	7,285.83	100.313
				3.355%	3.355%	11,094,185.39	11,096,760.39	(10,657.50)	11,107,317.89	7,285.83	
Revenue Bond Debt Svc. Reserve (01-1214)											
Water Fund Oper. & Maint. Res. (01-1215)	N/A			N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ 6,563,650.64	\$ 6,563,650.64	\$ -	\$ 6,563,650.64	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	6,978,896.91	6,978,896.91	-	6,978,896.91	-	100.000
				0.231%	0.231%	13,542,547.55	13,542,547.55	-	13,542,547.55	-	

DU PAGE WATER COMMISSION
INVESTMENTS
(Unaudited)
May 31, 2009

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	PURCHASED TO YIELD	MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 05/31/09	BID PRICE 05/31/09
Water Fund Depreciation Account (01-1216)											
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ 1,124,124.37	\$ 1,124,124.37	\$ -	\$ 1,124,124.37	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	3,875,875.63	3,875,875.63	-	3,875,875.63	-	100.000
				0.248%	0.248%	\$ 5,000,000.00	\$ 5,000,000.00	\$ -	\$ 5,000,000.00	\$ -	
Water Fund General Account (01-1217)											
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ -	\$ -	\$ -	\$ -	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	-	-	-	-	-	100.000
				N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Fund General Account (01-1218)											
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ -	\$ -	\$ -	\$ -	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	-	-	-	-	-	100.000
				N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Tax Funds (01-1230)											
Illinois Funds-Money Market	0.195%	05/31/09	06/01/09	0.195%	0.195%	\$ 213,123.56	\$ 213,123.56	\$ -	\$ 213,123.56	\$ -	100.000
Illinois Funds-Prime Fund	0.264%	05/31/09	06/01/09	0.264%	0.264%	-	-	-	-	-	100.000
Cert. of Deposit (Winfield Community Bank)	3.000%	06/17/08	08/15/09	3.000%	3.000%	2,500,000.00	2,500,000.00	-	2,500,000.00	71,568.85	100.000
Cert. of Deposit (West Suburban Bank)	3.100%	07/17/08	07/17/09	3.100%	3.100%	5,935,100.00	5,935,100.00	-	5,935,100.00	160,298.48	100.000
Cert. of Deposit (West Suburban Bank)	3.195%	10/17/08	10/17/09	3.195%	3.195%	84,900.00	84,900.00	-	84,900.00	1,283.90	100.000
				3.001%	3.001%	\$ 8,713,123.56	\$ 8,713,123.56	\$ -	\$ 8,713,123.56	\$ 233,087.23	
2001 G. O. Bonds Debt Service (01-1243)											
570,583.07											
FAMGOFIC Money Market											
U. S. Treas. Notes (U.S. BANK)	4.000%	02/24/09	08/21/09	0.153%	0.153%	\$ 1,382,088.71	\$ 1,382,088.71	\$ -	\$ 1,382,088.71	\$ 237.91	100.000
U. S. Treas. Notes (U.S. BANK)	2.000%	02/24/09	02/28/10	0.524%	0.205%	674,000.00	683,166.40	(2,780.24)	683,926.84	2,246.67	101.360
				0.728%	0.452%	11,432,000.00	11,554,322.40	(24,150.10)	11,578,472.50	19,053.33	101.070
				0.657%	0.409%	\$ 13,498,088.71	\$ 13,625,688.51	\$ (28,910.34)	\$ 13,656,498.85	\$ 21,837.81	
TOTAL ALL FUNDS											
				1.324%	1.274%	\$ 68,148,894.14	\$ 68,283,957.94	\$ (42,401.75)	\$ 68,326,359.69	\$ 267,162.12	
90 DAY US TREASURY YIELD											
				0.162%							

May 31, 2009

DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: MAY 31ST, 2009

01 -WATER FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 08.33

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR FO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
REVENUE SUMMARY							
WATER SERVICE	56,008,336	4,270,439.66	0.00	4,270,439.66	0.00	51,737,896.34	7.62
TAXES	30,069,085	1,995,571.98	0.00	1,995,571.98	0.00	28,073,513.02	6.64
OTHER INCOME	1,555,485	2,531.60	0.00	2,531.60	0.00	1,552,964.32	0.16
TOTAL REVENUES	87,532,917	6,268,543.32	0.00	6,268,543.32	0.00	81,364,373.68	7.15
EXPENDITURE SUMMARY							
ADMINISTRATION							
PERSONNEL SERVICES	4,570,513	377,295.10	0.00	377,295.10	0.00	4,193,217.90	8.25
CONTRACT SERVICES	1,097,785	118,133.05	0.00	118,133.05	0.00	979,651.95	10.76
INSURANCE	767,182	50,219.90	0.00	50,219.90	0.00	716,962.10	6.55
OPERATIONAL SUPPORT SRVS	917,115	4,810.29	0.00	4,810.29	0.00	912,304.71	0.52
WATER OPERATION	70,228,963	5,229,862.84	0.00	5,229,862.84	0.00	64,959,100.29	7.45
BOND INTEREST	6,333,441	504,117.45	0.00	504,117.45	0.00	5,829,323.55	7.96
CAPITAL	6,944,978	557,401.20	0.00	557,401.20	0.00	6,387,576.80	6.03
WORK IN PROGRESS	26,223,412	6,315,450.40	0.00	6,315,450.40	0.00	19,907,961.60	24.08
TOTAL ADMINISTRATION	117,083,389	13,157,290.23	0.00	13,157,290.23	0.00	103,926,098.90	11.24
TOTAL EXPENDITURES	117,083,389	13,157,290.23	0.00	13,157,290.23	0.00	103,926,098.90	11.24
REVENUE OVER/(UNDER) EXPENDITURES	(29,450,472)	(6,888,746.91)	0.00	(6,888,746.91)	0.00	(22,561,725.22)	23.39

BALANCE SHEET

AS OF: MAY 31ST, 2009

01 -WATER FUND

ACCOUNT #	ACCOUNT NAME	2008-2009 BALANCE	2009-2010 BALANCE
ASSETS			
<u>CURRENT</u>			
CASH		74,447.97	(11,772,543.15)
INVESTMENTS		71,344,611.95	68,283,957.94
ACCOUNTS RECEIVABLE			
WATER SALES		4,192,283.86	5,778,081.27
INTEREST RECEIVABLE		808,870.14	245,705.00
OTHER		8,328,632.77	7,484,260.00
INVENTORY & PREPAIDS		<u>527,198.69</u>	<u>589,543.86</u>
TOTAL CURRENT ASSETS		85,276,045.38	70,609,004.92
<u>NONCURRENT ASSETS</u>			
FIXED ASSETS		448,278,851.24	448,182,833.06
LESS: ACCUMULATED DEPRECIATION		(99,532,116.74)	(106,226,003.14)
CONSTRUCTION WORK IN PROGRESS		23,871,843.06	24,573,658.55
LONG TERM RECEIVABLES		5,637,191.54	5,637,191.54
DEFERRED WATER SUPPLY CONTRACTS		<u>0.00</u>	<u>0.00</u>
TOTAL NONCURRENT ASSETS		<u>378,255,769.10</u>	<u>372,167,680.01</u>
TOTAL ASSETS		<u>463,531,814.48</u>	<u>442,776,684.93</u>
LIABILITIES			
<u>CURRENT LIABILITIES</u>			
ACCOUNTS PAYABLE		5,064,532.55	8,854,280.40
BONDS PAYABLE		20,830,000.00	22,445,000.00
DUE TO THE COUNTY		0.00	0.00
ACCROED INTEREST		859,178.13	671,605.21
CONTRACT RETENTION		131,943.20	1,802,643.45
DEFERRED REVENUE		<u>2,394,145.77</u>	<u>2,253,538.73</u>
TOTAL CURRENT LIABILITIES		29,279,799.65	36,027,067.79
<u>NONCURRENT LIABILITIES</u>			
REVENUE BONDS		78,412,667.20	68,192,854.75
GENERAL OBLIGATION BONDS		24,303,924.65	12,382,122.03
DUE TO THE COUNTY		<u>0.00</u>	<u>0.00</u>
TOTAL NONCURRENT LIABILITIES		102,716,591.85	80,574,976.78
TOTAL LIABILITIES		<u>131,996,391.50</u>	<u>116,602,044.57</u>
BEGINNING EQUITY/RESERVES		330,867,899.20	333,063,387.27
TOTAL REVENUE		5,926,192.22	6,268,543.32
TOTAL EXPENSES		<u>5,258,668.44</u>	<u>13,157,290.23</u>
TOTAL EQUITY/RESERVES		<u>667,529.78</u>	<u>(6,888,746.91)</u>
NET ASSETS		<u>463,531,814.48</u>	<u>442,776,684.93</u>

EXHIBIT 6

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 STATEMENT OF REVENUES & EXPENDITURES
 December 31, 2007

	CURRENT MONTH		YEAR TO DATE		INC - (DEC)	FY 2007	FY 2008	FY 2009	FY 2007	INC - (DEC)
	FY 2007	FY 2008	FY 2007	FY 2008						
REVENUE										
WATER SALES (NOTE 1)										
SALES TAX	3,811,471	453,849	31,615,126	23,464,305						(6,154,821)
INVESTMENT INCOME	3,055,360	118,711	24,292,050	28,858,481						(3,433,569)
OTHER INCOME	144,643	(181,323)	3,848,803	938,675						(2,909,128)
	-	-	132	-						(132)
TOTAL REVENUE	7,022,474	381,237	59,760,111	45,262,481						(14,497,650)
EXPENDITURES										
PERSONAL SERVICES	347,723	298,149	1,958,391	2,388,774						441,383
PROFESSIONAL SERVICES	8,572	1,462	110,586	151,537						40,981
CONTRACTUAL SERVICES	13,441	38,020	308,180	208,304						(101,876)
INSURANCE	8,248	2,187	675,316	48,989						(626,317)
WATER SUPPLY COSTS	3,458,520	3,217,209	34,412,424	30,021,759						(4,390,665)
BOND PRINCIPAL & INTEREST EXPENSE	-	-	16,078,513	14,072,937						(2,005,576)
LAND AND RIGHT OF WAY	-	-	100	-						(100)
CAPITAL EQUIPMENT PURCHASES	304,226	125,123	175,481	1,710,382						1,534,901
TOTAL EXPENDITURES	4,140,828	3,683,150	53,718,961	48,611,692						(5,107,269)
REBATES	-	-	-	40,000,000						40,000,000
TRANSFER TO OTHER GOVERNMENTS	-	-	-	15,000,000						15,000,000
NET INCREASE / (DECREASE) IN FUNDS	2,881,646	2,948,087	(6,958,850)	(66,441)						(8,390,361)

FUNDS CONSIST OF:

	December 31, 2007	December 31, 2006	December 31, 2005	INC - (DEC)	% CHANGE
PETTY CASH	800	800	-	-	-68.2%
CASH AT BANK ONE	7,326	7,528	-	-	-53.0%
CASH AT MB FINANCIAL LOCK BOX	749,762	701,457	48,305	48,305	391.6%
CASH AT HARRIS BANK	88,263	63,731	24,532	24,532	3.2%
TOTAL CASH	846,351	773,514	72,837	72,837	0.0%

December 31, 2007

	December 31, 2007	December 31, 2006	December 31, 2005	INC - (DEC)	% CHANGE
ILLINOIS FUNDS MONEY MARKET	25.97%	48.84%	71,885,188	(49,005,956)	-68.2%
ILLINOIS FUNDS PRIME FUND	20.40%	18.57%	26,792,351	(9,892,167)	-33.0%
GOVERNMENT MONEY MARKET FUNDS	1.49%	0.18%	1,041,583	1,041,583	391.6%
U. S. TREASURY INVESTMENTS	22.04%	13.04%	18,805,827	597,867	3.2%
U. S. AGENCY INVESTMENTS	0.00%	0.00%	-	-	0.0%
CERTIFICATES OF DEPOSIT	30.10%	18.37%	26,500,000	-	0.0%
TOTAL INVESTMENTS	100.00%	100.00%	144,249,764	(56,198,673)	
TOTAL FUNDS	88,896,842	145,022,878	(56,125,836)		
UNRESTRICTED FUNDS	39,103,012	94,800,816	(55,697,804)		
RESTRICTED FUNDS	49,793,830	50,221,862	(428,032)		
TOTAL FUNDS	88,896,842	145,022,878	(56,125,836)		

NOTE 1 - REDUCED WATER SALES DUE TO REDUCED WATER RATE FOR FY 2008

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 STATEMENT OF REVENUES & EXPENDITURES
 January 31, 2008

REVENUE	CURRENT MONTH		YEAR TO DATE		INC - (DEC)
	FY 2008	FY 2007	FY 2008	FY 2007	
WATER SALES (NOTE 1)	2,393,440	2,882,883	25,854,745	34,501,789	(8,647,044)
SALES TAX	2,890,098	2,337,314	23,748,579	27,239,364	(3,490,785)
INVESTMENT INCOME	138,680	387,764	1,075,335	4,246,897	(3,171,562)
OTHER INCOME	-	-	-	132	(132)
TOTAL REVENUE	5,416,198	6,217,771	50,678,659	65,977,882	(15,299,223)
EXPENDITURES					
PERSONAL SERVICES	284,756	311,643	2,684,530	2,270,034	414,496
PROFESSIONAL SERVICES	33,454	14,569	184,991	125,125	59,866
CONTRACTUAL SERVICES	1,560	975	207,864	309,155	(101,291)
INSURANCE	8,246	7,541	57,245	682,857	(625,612)
WATER SUPPLY COSTS	3,418,119	3,798,952	33,439,878	38,209,416	(4,769,538)
BOND PRINCIPAL & INTEREST EXPENSE	-	-	14,072,837	16,078,513	(2,005,676)
LAND AND RIGHT OF WAY	-	-	-	100	(100)
CAPITAL EQUIPMENT PURCHASES	197,137	1,808,349	1,907,519	1,983,830	(76,311)
TOTAL EXPENDITURES	3,943,272	5,940,069	52,554,964	59,859,030	(7,104,066)
REBATES	-	-	40,000,000	15,000,000	-
TRANSFER TO OTHER GOVERNMENTS	-	-	15,000,000	-	-
NET INCREASE / (DECREASE) IN FUNDS	1,472,926	277,702	(56,876,305)	(8,681,148)	(8,195,137)

FUNDS CONSIST OF:

	January 31, 2008	January 31, 2007	INC - (DEC)	% CHANGE
PETTY CASH	800	800	-	-
CASH AT BANK ONE	7,326	7,326	-	-
CASH AT MS FINANCIAL LOCK BOX	1,000	27,647	(26,647)	-
CASH AT HARRIS BANK	63,451	63,533	(82)	-
TOTAL CASH	74,777	99,506	(24,729)	-24.8%
TOTAL INVESTMENTS	100.00%	100.00%	(57,331,307)	-57.3%
TOTAL FUNDS	88,225,508	146,581,634	(57,356,126)	-39.1%
UNRESTRICTED FUNDS	38,043,733	96,612,696	(58,568,963)	-60.6%
RESTRICTED FUNDS	51,181,775	49,968,938	1,212,837	2.4%
TOTAL FUNDS	89,225,508	146,581,634	(57,356,126)	-39.1%

NOTE 1 - REDUCED WATER SALES DUE TO REDUCED WATER RATE FOR FY 2008

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 STATEMENT OF REVENUES & EXPENDITURES
 February 28, 2008

	CURRENT MONTH		YEAR TO DATE		INC. - (DEC)	INC. - (DEC)		
	FY 2007		FY 2008				FY 2007	
	FY 2008	INC. - (DEC)	FY 2008	INC. - (DEC)			FY 2007	INC. - (DEC)
REVENUE								
WATER SALES (NOTE 1)	3,691,902	712,524	28,546,647	37,481,177	(7,994,530)	(7,994,530)		
SALES TAX	3,034,876	2,958,015	28,781,255	30,187,379	(3,404,124)	(3,404,124)		
INVESTMENT INCOME	98,380	(456,123)	1,173,725	4,601,116	(3,427,391)	(3,427,391)		
OTHER INCOME	-	-	-	132	(132)	(132)		
TOTAL REVENUE	6,824,968	533,056	57,503,627	72,269,804	(14,766,177)	(14,766,177)		
EXPENDITURES								
PERSONAL SERVICES	337,224	267,709	3,011,754	2,537,743	474,011	474,011		
PROFESSIONAL SERVICES	44,516	39,143	226,507	164,268	65,239	65,239		
CONTRACTUAL SERVICES	2,027	1,502	209,691	309,680	(99,789)	(99,789)		
INSURANCE	16,483	7,241	71,738	690,398	(616,660)	(616,660)		
WATER SUPPLY COSTS (NOTE 2)	4,152,128	3,356,923	37,591,976	41,566,339	(3,974,363)	(3,974,363)		
BOND PRINCIPAL & INTEREST EXPENSE	-	-	14,072,937	18,076,513	(2,005,576)	(2,005,576)		
LAND AND RIGHT OF WAY	-	-	-	100	(100)	(100)		
CAPITAL EQUIPMENT PURCHASES	502,319	16,591	2,409,839	2,000,421	409,417	409,417		
TOTAL EXPENDITURES	5,044,707	3,688,432	57,599,641	63,347,462	(5,747,821)	(5,747,821)		
REBATES	-	-	40,000,000	15,000,000	-	-		
TRANSFER TO OTHER GOVERNMENTS	-	-	15,000,000	-	-	-		
NET INCREASE / (DECREASE) IN FUNDS	1,780,261	(623,219)	(55,096,014)	(6,077,658)	(9,018,356)	(9,018,356)		

	February 29, 2008		February 28, 2007		INC. - (DEC)	% CHANGE
	February 29, 2008	February 28, 2007	February 29, 2008	February 28, 2007		
FUNDS CONSIST OF:						
PETTY CASH	800	800	-	-	-	-
CASH AT BANK ONE	7,526	7,526	596,428	-	-	-
CASH AT MB FINANCIAL LOCK BOX	892,714	126,286	(40,714)	-	-	-
CASH AT HARRIS BANK	22,990	63,674	-	-	-	-
TOTAL CASH	724,000	198,286	525,714	-	200,000	0.0%
ILLINOIS FUNDS MONEY MARKET	25.04%	40.68%	60,745,078	(38,066,985)	(98,811,063)	-62.7%
ILLINOIS FUNDS PRIME FUND	19.95%	18.10%	18,071,524	27,018,223	(8,947,699)	-33.1%
GOVERNMENT MONEY MARKET FUNDS	14.79%	8.41%	13,391,391	12,547,942	843,439	6.7%
U.S. TREASURY INVESTMENTS	10.98%	15.06%	9,924,154	22,477,769	(12,553,635)	-55.8%
U.S. AGENCY INVESTMENTS	0.00%	0.00%	-	-	-	0.0%
CERTIFICATES OF DEPOSIT	28.28%	17.75%	28,500,000	-	-	0.0%
TOTAL INVESTMENTS	100.00%	100.00%	80,566,142	149,291,032	(68,724,890)	
TOTAL FUNDS			91,290,142	149,489,318	(58,199,176)	
UNRESTRICTED FUNDS			36,893,840	86,302,817	(49,419,177)	
RESTRICTED FUNDS			54,406,502	63,186,501	(8,779,999)	
TOTAL FUNDS			91,290,142	149,489,318	(58,199,176)	

NOTE 1 - REDUCED WATER SALES DUE TO REDUCED WATER RATE FOR FY 2008
 NOTE 2 - INCREASED WATER SUPPLY COSTS DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2008

DU PAGE WATER COMMISSION
TREASURER'S REPORT
STATEMENT OF REVENUES & EXPENDITURES
March 31, 2008

	CURRENT MONTH		YEAR TO DATE			
	FY 2008	FY 2007	INC - (DEC)	FY 2008	FY 2007	INC - (DEC)
REVENUE						
WATER SALES (NOTE 1)	2,178,713	3,289,792	(1,121,079)	31,725,360	41,724,961	(9,999,601)
SALES TAX	3,582,357	3,781,515	(199,158)	30,353,612	33,968,894	(3,615,282)
INVESTMENT INCOME	77,687	345,249	(267,562)	1,251,612	4,946,365	(3,694,753)
OTHER INCOME	-	-	-	-	132	(132)
TOTAL REVENUE	5,838,757	7,426,556	(1,587,799)	63,342,584	80,640,352	(17,297,768)
EXPENDITURES						
PERSONAL SERVICES	351,417	365,340	(14,923)	3,373,171	2,904,085	469,086
PROFESSIONAL SERVICES	47,700	8,481	39,219	277,207	172,749	104,458
CONTRACTUAL SERVICES	2,633	39,754	(38,121)	212,526	349,434	(135,908)
INSURANCE	6,247	15,082	(8,835)	81,985	705,480	(623,495)
WATER SUPPLY COSTS (NOTE 2)	3,877,765	3,213,765	664,000	41,469,761	44,780,044	(3,310,283)
BOND PRINCIPAL & INTEREST EXPENSE	11,916,323	11,961,450	(45,127)	25,989,262	27,739,863	(1,750,701)
LAND AND RIGHT OF WAY	-	-	-	-	100	(100)
CAPITAL EQUIPMENT PURCHASES	831,879	17,960	813,919	3,241,717	2,019,391	1,223,326
TOTAL EXPENDITURES	17,045,986	15,321,772	1,724,216	74,645,629	78,669,234	(4,023,605)
REBATES	-	-	-	40,000,000	15,000,000	25,000,000
TRANSFER TO OTHER GOVERNMENTS	-	-	-	15,000,000	-	15,000,000
NET INCREASE / (DECREASE) IN FUNDS	(11,207,031)	(7,895,216)	(3,311,815)	(66,303,045)	(13,028,882)	(13,274,183)

FUNDS CONSIST OF:

	CURRENT MONTH		YEAR TO DATE			% CHANGE
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	INC - (DEC)	
PETTY CASH	800	800	800	800	-	-
CASH AT BANK ONE	7,526	7,526	7,526	7,526	-	-
CASH AT MB FINANCIAL LOCK BOX	96,608	771,234	771,234	674,628	(96,606)	-8.1%
CASH AT HARRIS BANK	62,280	64,173	64,173	64,173	(1,883)	-2.9%
TOTAL CASH	167,222	843,733	843,733	(678,511)	(1,518,243)	-179.3%
ILLINOIS FUNDS - MONEY MARKET						
ILLINOIS FUNDS - MONEY MARKET	12.08%	44.82%	9,647,985	63,549,240	(53,901,245)	-84.8%
ILLINOIS FUNDS - PRIME FUND	22.69%	19.15%	18,115,231	27,139,553	(9,024,322)	-33.3%
GOVERNMENT MONEY MARKET FUNDS	0.00%	0.63%	3,227	888,815	(885,588)	-99.6%
U.S. TREASURY INVESTMENTS	32.04%	16.70%	23,583,043	23,665,213	(82,170)	-0.3%
U.S. AGENCY INVESTMENTS	0.00%	0.00%	26,500,000	26,500,000	-	0.0%
CERTIFICATES OF DEPOSIT	33.19%	18.70%	78,849,498	141,742,821	(62,893,323)	-44.4%
TOTAL INVESTMENTS	100.00%	100.00%	142,586,554	142,586,554	(1,518,243)	-1.1%
TOTAL FUNDS						
UNRESTRICTED FUNDS			25,478,453	88,199,968	(62,721,515)	-71.1%
RESTRICTED FUNDS			54,540,265	53,386,585	1,153,680	2.2%
TOTAL FUNDS			80,018,718	142,586,554	(62,567,836)	-44.0%

NOTE 1 - REDUCED WATER SALES DUE TO REDUCED WATER RATE FOR FY 2008

NOTE 2 - INCREASED WATER SUPPLY COSTS DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2008

DU PAGE WATER COMMISSION
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	CURRENT MONTH			YEAR TO DATE		
	FY 2008	FY 2007	INC - (DEC)	FY 2008	FY 2007	INC - (DEC)
REVENUE						
WATER SALES (NOTE 1)	3,131,827	3,066,388	64,439	34,857,187	44,791,784	(9,934,597)
SALES TAX	2,500,461	2,653,512	(153,051)	32,856,073	38,572,468	(3,706,333)
INVESTMENT INCOME	-	343,718	(343,718)	1,251,612	3,252,083	(4,340,471)
OTHER INCOME	-	-	-	132	-	(132)
TOTAL REVENUE	5,632,288	6,016,118	(383,830)	66,974,872	86,656,405	(17,681,533)
EXPENDITURES						
PERSONAL SERVICES	374,499	265,231	109,268	3,747,670	3,168,314	579,356
PROFESSIONAL SERVICES	41,602	50,008	(8,406)	316,809	222,757	94,052
CONTRACTUAL SERVICES	11,133	2,808	8,325	218,958	351,240	(127,581)
INSURANCE	8,246	7,541	705	50,231	713,021	(622,790)
WATER SUPPLY COSTS (NOTE 2)	4,085,882	3,863,236	222,746	45,555,743	48,643,280	(3,087,537)
BOND PRINCIPAL & INTEREST EXPENSE	-	-	-	23,969,262	27,739,953	(1,750,701)
LAND AND RIGHT OF WAY	-	-	-	-	100	(100)
CAPITAL EQUIPMENT PURCHASES	238,105	328,075	(110,060)	3,473,822	2,146,455	1,333,366
TOTAL EXPENDITURES	4,759,557	4,316,887	442,670	78,405,196	83,986,131	(3,580,935)
REBATES	-	-	-	40,000,000	-	40,000,000
TRANSFER TO OTHER GOVERNMENTS	-	-	-	15,000,000	15,000,000	-
NET INCREASE / (DECREASE) IN FUNDS	872,731	1,699,231	(826,500)	(65,430,324)	(11,328,726)	(14,100,596)
FUNDS CONSIST OF:						
PETTY CASH	-	800	(800)	-	800	(800)
CASH AT BANK ONE	-	7,526	(7,526)	-	7,526	(7,526)
CASH AT MB FINANCIAL LOCK BOX	-	1,000	(1,000)	210,128	(209,128)	(1,000)
CASH AT HARRIS BANK	-	130,430	(130,430)	65,135	65,295	(160)
TOTAL CASH	-	139,776	(139,776)	283,809	(143,833)	(425,624)
TOTAL INVESTMENTS	11.58%	44.14%	32.56%	9,395,109	62,998,418	(53,603,309)
ILLINOIS FUNDS MONEY MARKET	22.39%	10.10%	12.29%	16,151,541	27,256,291	(9,104,750)
GOVERNMENT MONEY MARKET FUNDS	15.44%	9.05%	6.39%	12,916,483	12,813,282	(986,799)
U. S. TREASURY INVESTMENTS	0.00%	9.14%	9.14%	14,509,873	13,042,711	1,467,162
U. S. AGENCY INVESTMENTS	32.69%	18.57%	14.12%	26,500,000	-	26,500,000
CERTIFICATES OF DEPOSIT	100.00%	100.00%	0.00%	61,072,986	142,710,682	(81,637,696)
TOTAL FUNDS				61,212,762	142,904,291	(81,781,529)
UNRESTRICTED FUNDS				26,288,255	89,484,360	(63,196,105)
RESTRICTED FUNDS				34,924,507	53,509,931	(18,585,424)
TOTAL FUNDS				61,212,762	142,994,291	(81,781,529)

NOTE 1 - REDUCED WATER SALES DUE TO REDUCED WATER RATE FOR FY 2008
 NOTE 2 - INCREASED WATER SUPPLY COSTS DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2008

DU PAGE WATER COMMISSION
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REVENUE

WATER SALES (NOTE 1)	
SALES TAX	
INVESTMENT INCOME	
OTHER INCOME	
TOTAL REVENUE	

EXPENDITURES

PERSONAL SERVICES	
PROFESSIONAL SERVICES	
CONTRACTUAL SERVICES	
INSURANCE	
WATER SUPPLY COSTS	
BOND PRINCIPAL & INTEREST EXPENSE	
LAND AND RIGHT OF WAY	
CAPITAL EQUIPMENT PURCHASES	
REBATES	
TRANSFER TO OTHER GOVERNMENTS	
NET INCREASE / (DECREASE) IN FUNDS	

FUNDS CONSIST OF:

PETTY CASH	
CASH AT BANK ONE	
CASH AT MB FINANCIAL LOCK BOX	
CASH AT HARRIS BANK	
TOTAL CASH	

ILLINOIS FUNDS MONEY MARKET

ILLINOIS FUNDS PRIME FUND	
GOVERNMENT MONEY MARKET	
U. S. TREASURY INVESTMENTS	
U. S. AGENCY INVESTMENTS	
CERTIFICATES OF DEPOSIT	
TOTAL INVESTMENTS	

UNRESTRICTED FUNDS

RESTRICTED FUNDS	
TOTAL FUNDS	

	CURRENT MONTH			YEAR TO DATE	
	FY 2008	FY 2008	INC - (DEC)	FY 2008	FY 2008
\$	3,795,946	4,106,771	(311,425)	12,849,734	14,414,231
	2,501,804	3,244,733	(342,819)	11,124,571	11,774,071
	90,710	143,252	(52,542)	523,487	859,374
	-	-	-	-	-
	6,787,990	7,494,776	(706,786)	24,497,792	26,847,916
					(2,349,624)

312,447	301,616	10,832	1,329,855	1,484,008	(154,153)
39,594	6,341	30,243	729,923	83,789	66,134
15,191	40,596	(25,405)	33,916	77,272	(41,356)
16,483	15,082	1,411	51,152	40,733	10,399
5,732,713	5,053,709	679,004	18,428,066	17,719,023	709,063
-	-	-	11,707,943	11,490,093	217,750
161,285	33,410	127,865	388,392	580,587	(172,145)
6,278,693	5,452,753	823,940	32,071,167	31,435,475	635,692
-	-	-	40,000,000	15,000,000	-
511,297	2,042,023	(1,530,726)	(62,573,373)	(19,597,859)	(2,965,516)

	August 31, 2008	August 31, 2007	% CHANGE	August 31, 2008	August 31, 2007	INC - (DEC)
	800	800	-26.93%	15,052,062	20,434,348	(5,382,286)
	7,526	7,526	3.5%	18,288,422	17,673,353	615,069
	141,736	1,146,728	-89.4%	5,465	900,895	(895,431)
	84,857	75,535	15.9%	19,797,448	17,067,766	2,709,682
	214,941	1,230,590	0.0%	20,500,000	26,500,000	(6,000,000)
			-22.3%	73,643,427	82,599,363	(8,955,936)
				73,646,368	83,629,973	(9,971,605)

100.00%	100.00%			22,930,968	34,220,282	
				50,927,480	49,609,721	
				73,535,368	83,829,973	

DUPAGE WATER COMMISSION
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May 31, 2008

	CURRENT MONTH:		YEAR TO DATE	
	FY 2008	FY 2008	FY 2009	FY 2008
REVENUE	INC. (DEC)	INC. (DEC)	INC. (DEC)	INC. (DEC)
WATER SALES	3,243,792	(11,139)	3,232,653	3,243,792
SALES TAX	2,528,015	(47,705)	2,575,721	2,575,721
INVESTMENT INCOME	189,156	(5,225)	199,158	254,383
OTHER INCOME				(5,225)
TOTAL REVENUE	5,959,925	(64,070)	5,959,926	6,023,895
EXPENDITURES				(64,070)
PERSONAL SERVICES	297,860	65,524	297,860	231,438
PROFESSIONAL SERVICES	15,005	(23,744)	15,005	38,750
CONTRACTUAL SERVICES	9,210	8,666	9,410	38,750
INSURANCE	18,092	12,552	18,092	444
WATER SUPPLY COSTS	3,700,795	7,540	3,700,795	7,540
BOND PRINCIPAL & INTEREST EXPENSE	11,707,843	217,750	11,707,843	3,233,598
LAND AND RIGHT OF WAY				11,490,933
CAPITAL EQUIPMENT PURCHASES	85,015	43,239	89,015	43,239
TOTAL EXPENDITURES	15,838,035	780,452	15,838,035	15,047,583
TRANSFER TO OTHER GOVERNMENTS				790,452
NET INCREASE / (DECREASE) IN FUNDS	(9,878,209)	(854,522)	(9,878,209)	(9,023,687)

	MAY 31, 2008		MAY 31, 2007		% CHANGE
	B/C	B/C	B/C	B/C	
FUNDS CONSIST OF					
PETTY CASH	7,325	7,526	7,526	7,526	
CASH AT BANK ONE	4,202	211,450	211,450	(207,278)	
CASH AT WBS FINANCIAL LOOK BOX	61,820	178,925	178,925	(116,905)	
CASH AT HARRIS BANK	74,448	368,631	368,631	(324,183)	
TOTAL CASH					
ILLINOIS FUNDS MONEY MARKET	27.84%	26.92%	25,459,013	19,167,024	33.0%
ILLINOIS FUNDS PRIME FUND	25.49%	28.95%	27,376,776	19,199,464	33.9%
GOVERNMENT MONEY MARKET FUNDS	0.01%	0.95%	898,755	189,437	89.4%
U.S. TREASURY INVESTMENTS	23.93%	15.16%	14,338,037	2,024,589	74.1%
U.S. AGENCY INVESTMENTS	0.00%	0.00%			0.0%
CERTIFICATES OF DEPOSIT	28.73%	28.92%	26,500,000	(5,000,000)	-22.8%
TOTAL INVESTMENTS	100.00%	100.00%	84,866,481	(23,223,666)	
TOTAL FUNDS			94,997,112	(23,540,048)	
UNRESTRICTED FUNDS			80,201,050	(25,607,735)	
RESTRICTED FUNDS			14,796,062	7,932,313	
TOTAL FUNDS			95,000,000	(17,675,422)	

NOTE - NEGATIVE AMOUNT DUE TO MATURITY OF INVESTMENT PURCHASED AT ABOVE PAR PRICE

DU PAGE WATER COMMISSION
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 June 30, 2008

	CURRENT MONTH			YEAR TO DATE		
	FY 2008	FY 2008	INC - (DEC)	FY 2008	FY 2008	INC - (DEC)
REVENUE						
WATER SALES	3,658,643	3,163,843	534,800	8,931,286	6,407,635	523,851
SALES TAX	2,803,594	3,029,664	(206,070)	5,331,959	5,595,325	(253,726)
INVESTMENT INCOME	173,176	175,492	(2,316)	372,334	378,875	(7,541)
OTHER INCOME	-	-	-	-	-	-
TOTAL REVENUE	6,635,413	6,348,938	326,464	12,635,229	12,372,835	262,394
EXPENDITURES						
PERSONAL SERVICES	396,551	382,142	14,549	694,651	613,578	81,073
PROFESSIONAL SERVICES	64,265	8,430	55,855	79,271	47,180	32,111
CONTRACTUAL SERVICES	6,080	7,490	(1,320)	15,490	7,844	7,646
INSURANCE	8,247	10,586	(2,343)	28,339	18,135	8,209
WATER SUPPLY COSTS	4,496,894	4,313,856	173,238	8,187,603	7,547,234	640,349
BOND PRINCIPAL & INTEREST EXPENSE	-	-	-	11,707,843	11,490,093	217,750
LAND AND RIGHT OF WAY	-	-	-	-	-	-
CAPITAL EQUIPMENT PURCHASES	185,769	54,477	131,292	1,075,784	100,199	975,585
TOTAL EXPENDITURES	5,147,946	4,776,675	371,271	21,785,981	19,824,258	1,962,723
REBATES	-	-	-	-	40,000,000	(40,000,000)
TRANSFER TO OTHER GOVERNMENTS	-	15,000,000	-	-	15,000,000	(15,000,000)
NET INCREASE / (DECREASE) IN FUNDS	1,927,457	(13,427,736)	(44,807)	(6,151,752)	(62,451,423)	53,299,671

FUNDS CONSIST OF:

	June 30, 2008	June 30, 2007	INC - (DEC)
PETTY CASH	800	800	-
CASH AT BANK ONE	7,526	7,526	-
CASH AT M3 FINANCIAL LOCK BOX	795,446	1,093,753	(298,307)
CASH AT HARRIS BANK	75,172	55,612	9,560
TOTAL CASH	878,944	1,187,691	(288,747)

June 30, 2008 June 30, 2007 % CHANGE

ILLINOIS FUNDS MONEY MARKET	21.69%	12.40%	15,850,620	10,016,252	5,804,368	58.2%
ILLINOIS FUNDS PRIME FUND	23.28%	34.03%	18,221,279	27,464,635	(9,273,256)	-33.7%
GOVERNMENT MONEY MARKET FUNDS	0.01%	1.11%	3,225	800,732	(893,527)	-88.4%
U. S. TREASURY INVESTMENTS	24.28%	19.72%	17,493,986	15,944,045	1,551,941	9.7%
U. S. AGENCY INVESTMENTS	0.00%	0.00%	-	-	-	0.0%
CERTIFICATES OF DEPOSIT	28.66%	32.77%	20,560,600	28,503,000	(8,000,000)	-22.8%
TOTAL INVESTMENTS	100.00%	100.00%	72,673,110	90,385,994	(17,712,474)	
TOTAL FUNDS			72,952,054	82,023,275	(9,071,221)	
UNRESTRICTED FUNDS			24,334,560	34,738,840	(10,405,280)	
RESTRICTED FUNDS			48,617,494	47,283,335	1,334,159	
TOTAL FUNDS			72,952,054	82,023,275	(9,071,221)	

DU PAGE WATER COMMISSION
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	CURRENT MONTH			YEAR TO DATE		
	FY 2008	FY 2008	INC - (DEC)	FY 2008	FY 2008	INC - (DEC)
REVENUE						
WATER SALES	2,123,092	3,869,825	(1,776,733)	9,054,388	10,307,460	(1,253,072)
SALES TAX	2,891,038	2,943,933	(52,895)	8,222,537	8,529,258	(306,621)
INVESTMENT INCOME	60,443	117,247	(56,804)	432,777	497,122	(64,345)
OTHER INCOME						
TOTAL REVENUE	5,074,573	6,931,005	(1,896,432)	17,709,802	19,333,840	(1,624,038)
EXPENDITURES						
PERSONAL SERVICES	322,757	559,815	(246,058)	1,917,408	1,182,393	(735,015)
PROFESSIONAL SERVICES	12,058	3,780	8,278	91,339	55,448	35,891
CONTRACTUAL SERVICES	5,235	28,832	(23,597)	20,725	39,676	(18,951)
INSURANCE	8,330	7,541	789	34,059	25,671	8,388
WATER SUPPLY COSTS	4,507,770	5,118,080	(610,280)	12,695,314	12,865,314	(170,000)
BOND PRINCIPAL & INTEREST EXPENSE				11,727,843	11,495,093	232,750
LAND AND RIGHT OF WAY						
CAPITAL EQUIPMENT PURCHASES	30,888	181,405	(150,517)	1,166,472	227,127	939,345
TOTAL EXPENDITURES	4,895,838	5,912,941	(1,026,103)	28,673,919	25,662,722	3,011,197
REBATES					40,000,000	(40,000,000)
TRANSFER TO OTHER GOVERNMENTS					15,000,000	(15,000,000)
NET INCREASE / (DECREASE) IN FUNDS	187,735	1,046,064	(858,329)	(8,964,117)	(61,348,882)	52,384,865

FUNDS CONSIST OF:	JULY 31, 2008		JULY 31, 2007		INC - (DEC)
	AMOUNT	% CHANGE	AMOUNT	% CHANGE	
PETTY CASH	800		800		
CASH AT BANK ONE	7,526		7,526		
CASH AT MB FINANCIAL LOCK BOX	13,901		1,000		112,801
CASH AT HARRIS BANK	62,913		1,278,831		(1,216,918)
TOTAL CASH	185,140		1,289,157		(1,104,017)

ILLINOIS FUNDS MONEY MARKET	JULY 31, 2008		JULY 31, 2007		% CHANGE
	AMOUNT	% CHANGE	AMOUNT	% CHANGE	
ILLINOIS FUNDS MONEY MARKET	21,57%		24,33%		-21.0%
ILLINOIS FUNDS PRIME FUND	24.94%		21.42%		3.7%
GOVERNMENT MONEY MARKET FUNDS	0.01%		1.10%		-99.4%
U.S. TREASURY INVESTMENTS	25.48%		20.88%		8.8%
U.S. AGENCY INVESTMENTS	0.00%		0.00%		0.0%
CERTIFICATES OF DEPOSIT	28.00%		32.27%		-22.6%
TOTAL INVESTMENTS	100.00%		100.00%		
TOTAL FUNDS	73,391,049		83,419,700		(10,028,651)
UNRESTRICTED FUNDS	23,940,888		35,742,798		(12,801,910)
RESTRICTED FUNDS	49,450,161		47,676,902		2,773,259
TOTAL FUNDS	73,391,049		83,419,700		(10,028,651)

DUPAGE WATER COMMISSION
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	CURRENT MONTH			YEAR TO DATE		
	FY 2008	INC. (DEC)	FY 2008	FY 2008	INC. (DEC)	INC. (DEC)
REVENUE						
WATER SALES	3,718,946	3,442,536	276,410	18,568,680	18,711,038	(142,358)
SALES TAX	2,983,156	3,270,742	(277,586)	14,177,727	15,228,734	(1,050,007)
INVESTMENT INCOME	80,383	170,280	(109,897)	563,670	667,415	(83,545)
OTHER INCOME						
TOTAL REVENUE	6,772,485	6,883,571	(111,086)	31,270,277	32,605,207	(1,334,930)
EXPENDITURES						
PERSONAL SERVICES	337,928	356,346	(18,440)	1,667,761	1,940,354	(172,593)
PROFESSIONAL SERVICES	71,440	6,363	65,077	201,363	70,132	131,211
CONTRACTUAL SERVICES	6,481	6,182	(1,681)	42,397	85,434	(43,037)
INSURANCE	8,247	7,340	707	59,399	48,283	11,106
WATER SUPPLY COSTS	5,695,066	4,470,275	1,209,811	24,108,172	22,189,298	1,918,874
BOND PRINCIPAL & INTEREST EXPENSE	363,450	1,201,325	(12,641,293)	12,641,293	12,691,418	(50,125)
LAND AND RIGHT OF WAY						
CAPITAL EQUIPMENT PURCHASES	65,707	465,857	(399,150)	455,099	1,028,394	(571,295)
TOTAL EXPENDITURES	7,104,317	6,515,668	588,649	38,178,484	37,951,343	1,224,141
REBATES						
TRANSFER TO OTHER GOVERNMENTS						
NET INCREASE / (DECREASE) IN FUNDS	(331,832)	367,703	(699,636)	(47,905,207)	(30,346,136)	(2,569,071)
FUNDS CONSIST OF						
PETTY CASH			800		800	
CASH AT BANK ONE			7,528		7,528	
CASH AT MB FINANCIAL LOCK BOX			196,132		923,348	(726,214)
CASH AT HARRIS BANK			64,491		68,552	(4,161)
TOTAL CASH			267,949		1,000,324	(732,375)
ILLINOIS FUNDS MONEY MARKET						
ILLINOIS FUNDS PRIME FUND	19.58%	24.83%	-31.5%	14,422,595	21,064,475	(6,641,009)
GOVERNMENT MONEY MARKET FUNDS	24.89%	20.91%	3.2%	18,320,628	17,747,412	573,216
U. S. TREASURY INVESTMENTS	0.53%	1.62%	-69.8%	389,666	1,291,588	(901,922)
U. S. AGENCY INVESTMENTS	27.15%	21.57%	9.4%	19,997,473	16,298,683	1,718,780
CERTIFICATES OF DEPOSIT	3.03%	0.00%	0.0%			
	27.86%	31.22%	-22.6%	20,500,000	28,560,000	(8,060,000)
TOTAL INVESTMENTS	100.00%	100.00%		73,620,333	84,972,178	(11,251,845)
TOTAL FUNDS				73,888,282	85,972,502	(11,984,220)
UNRESTRICTED FUNDS				22,651,016	35,474,828	(12,823,812)
RESTRICTED FUNDS				51,237,266	50,397,674	839,592
TOTAL FUNDS				73,888,282	85,872,502	(11,984,220)

DU PAGE WATER COMMISSION
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 October 31, 2008

REVENUE	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC - (DEC)	FY 2009	FY 2008	INC - (DEC)
WATER SALES	4,031,730	2,932,529	1,099,201	20,600,410	16,201,031	4,399,379
SALES TAX	2,320,224	2,988,943	(178,719)	16,937,951	14,772,554	2,165,397
INVESTMENT INCOME	285,854	185,749	120,105	869,724	562,871	206,853
OTHER INCOME						
TOTAL REVENUE	7,137,808	6,096,821	1,040,987	38,408,085	31,636,455	5,771,629
EXPENDITURES						
PERSONAL SERVICES	354,538	270,113	84,423	2,022,287	1,754,121	268,176
PROFESSIONAL SERVICES	40,265	2,471	37,795	241,629	56,260	175,369
CONTRACTUAL SERVICES	6,429	94,242	(87,813)	48,328	171,514	(122,686)
INSURANCE	500,278	4,428,096	558,677	28,632,581	40,753	518,824
WATER SUPPLY COSTS	4,534,409		95,313	12,541,293	11,490,093	1,151,200
BOND PRINCIPAL & INTEREST EXPENSE						
LAND AND RIGHT OF WAY						
CAPITAL EQUIPMENT PURCHASES	1,356,257	457,921	898,346	1,811,365	1,018,458	792,908
TOTAL EXPENDITURES	6,782,185	5,253,843	1,528,342	45,957,659	36,689,318	9,268,351
REBATES						
TRANSFER TO OTHER GOVERNMENTS				40,000,000		40,000,000
NET INCREASE / (DECREASE) IN FUNDS	355,623	842,978	(487,355)	(47,549,584)	(20,052,862)	(2,496,722)

FUNDS CONSIST OF:	October 31, 2009		October 31, 2007		INC - (DEC)
		% CHANGE		% CHANGE	
NET INCREASE / (DECREASE) IN FUNDS	355,623	100.00%	(47,549,584)	-22.6%	(47,905,207)
PETTY CASH	800	100.00%	800	100.00%	-
CASH AT BANK ONE	7,526	100.00%	7,526	100.00%	-
CASH AT MB FINANCIAL LOCK BOX	114,462	100.00%	1,000	100.00%	113,462
CASH AT HARRIS BANK	65,148	100.00%	139,028	100.00%	(73,880)
TOTAL CASH	187,966	100.00%	142,354	100.00%	39,612

TOTAL INVESTMENTS	October 31, 2009		October 31, 2007		% CHANGE
		% CHANGE		% CHANGE	
TOTAL INVESTMENTS	86,984,166	100.00%	86,984,166	100.00%	(12,787,977)
TOTAL FUNDS	87,132,520	100.00%	87,132,520	100.00%	(12,748,365)
UNRESTRICTED FUNDS	22,719,714	100.00%	37,071,913	100.00%	(14,352,199)
RESTRICTED FUNDS	51,654,441	100.00%	50,060,607	100.00%	1,593,834
TOTAL FUNDS	74,384,155	100.00%	87,132,520	100.00%	(12,748,365)

ILLINOIS FUNDS MONEY MARKET	October 31, 2009		October 31, 2007		% CHANGE
		% CHANGE		% CHANGE	
ILLINOIS FUNDS MONEY MARKET	19.40%	100.00%	21,751,390	100.00%	(8,110,769)
ILLINOIS FUNDS PRIME FUND	24.72%	100.00%	17,821,907	100.00%	519,905
GOVERNMENT MONEY MARKET FUNDS	4.14%	100.00%	4,175,298	100.00%	(1,502,253)
U.S. TREASURY INVESTMENTS	25.11%	100.00%	16,735,571	100.00%	1,965,137
U.S. AGENCY INVESTMENTS	0.00%	100.00%	28,500,000	100.00%	(8,000,000)
CERTIFICATES OF DEPOSIT	27.63%	100.00%	74,196,189	100.00%	(12,787,977)

DU PAGE WATER COMMISSION
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 November 30, 2008

	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC - (DEC)	FY 2009	FY 2008	INC - (DEC)
REVENUE						
WATER SALES (NOTE 1)	3,325,940	3,451,603	(125,663)	23,926,350	19,652,834	4,273,516
SALES TAX	2,848,099	3,019,567	(171,468)	19,796,050	17,782,121	1,993,929
INVESTMENT INCOME	95,866	133,161	(36,295)	965,590	785,032	170,558
OTHER INCOME				2,743,279		(2,743,279)
TOTAL REVENUE	6,269,905	6,604,331	(333,626)	44,677,990	40,983,266	3,694,724
EXPENDITURES						
PERSONAL SERVICES	314,313	297,830	16,383	2,336,610	2,052,051	284,559
PROFESSIONAL SERVICES	35,715	76,805	(40,890)	277,344	142,965	134,479
CONTRACTUAL SERVICES	428	21,348	(20,923)	49,252	182,953	(143,611)
INSURANCE				558,677	46,753	518,924
WATER SUPPLY COSTS	4,158,120	4,415,120	(257,000)	32,780,701	26,563,239	6,227,462
BOND PRINCIPAL & INTEREST EXPENSE	2,354,718	2,362,844	(228,126)	14,195,011	14,072,937	923,074
LAND AND RIGHT OF WAY						
CAPITAL EQUIPMENT PURCHASES	32,609	387,698	(355,089)	1,843,975	1,406,196	437,819
TOTAL EXPENDITURES	6,895,901	7,781,548	(885,645)	52,653,570	44,470,864	8,382,706
REBATES					40,000,000	
TRANSFER TO OTHER GOVERNMENTS					15,000,000	
NET INCREASE / (DECREASE) IN FUNDS	(625,996)	(1,178,015)	552,019	(8,175,590)	(56,487,598)	(4,667,962)

FUNDS CONSIST OF:

	November 30, 2008	November 30, 2007	INC - (DEC)	% CHANGE
PETTY CASH	800	800	-	
CASH AT BANK ONE	7,326	7,326	-	
CASH AT MB FINANCIAL LOCK BOX	239,708	115,669	124,019	
CASH AT HARRIS BANK	67,013	70,738	(3,725)	
TOTAL CASH	315,047	194,753	120,294	33.2%

ILLINOIS FUNDS MONEY MARKET
 ILLINOIS FUNDS PRIME FUND
 GOVERNMENT MONEY MARKET FUNDS
 U. S. TREASURY INVESTMENTS
 U. S. AGENCY INVESTMENTS
 CERTIFICATES OF DEPOSIT

	November 30, 2008	November 30, 2007	INC - (DEC)	% CHANGE
ILLINOIS FUNDS MONEY MARKET	14,453,342	21,692,457	(7,198,115)	-33.2%
ILLINOIS FUNDS PRIME FUND	18,358,045	17,890,954	467,091	2.6%
GOVERNMENT MONEY MARKET FUNDS	350,946	1,302,538	(951,592)	-70.0%
U. S. TREASURY INVESTMENTS	20,123,331	18,244,678	1,878,653	10.3%
U. S. AGENCY INVESTMENTS				0.0%
CERTIFICATES OF DEPOSIT	20,500,000	26,500,000	(6,000,000)	-22.6%
TOTAL INVESTMENTS	73,665,664	65,631,627	(8,034,037)	-12.2%
TOTAL FUNDS	74,160,711	65,826,380	(8,334,331)	-12.5%

UNRESTRICTED FUNDS
 RESTRICTED FUNDS
 TOTAL FUNDS

UNRESTRICTED FUNDS	23,911,022	37,674,523	(13,763,501)	
RESTRICTED FUNDS	50,289,689	48,151,657	2,117,632	
TOTAL FUNDS	74,180,711	85,826,380	(11,645,669)	

DU PAGE WATER COMMISSION
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 December 31, 2008

	CURRENT MONTH:		YEAR TO DATE	
	FY 2009	FY 2008	FY 2009	FY 2008
REVENUE				
WATER SALES	\$ 4,618,330	\$ 3,811,471	27,844,580	23,464,305
SALES TAX	2,712,184	3,088,360	22,458,234	20,839,481
INVESTMENT INCOME	93,321	144,643	1,031,591	939,675
OTHER INCOME	-	-	-	121,416
TOTAL REVENUE	8,026,015	7,022,474	51,304,005	45,262,461
EXPENDITURES				
PERSONAL SERVICES	308,832	347,723	2,843,442	2,389,774
PROFESSIONAL SERVICES	53,331	6,872	340,875	151,537
CONTRACTUAL SERVICES	28,005	13,441	78,257	206,304
INSURANCE	17,572	8,246	577,246	48,595
WATER SUPPLY COSTS	3,754,739	3,458,620	38,545,440	30,021,759
BOND PRINCIPAL & INTEREST EXPENSE	-	-	14,989,011	14,072,937
LAND AND RIGHT OF WAY	-	-	-	1,710,382
CAPITAL EQUIPMENT PURCHASES	418,258	394,226	2,260,233	1,710,382
TOTAL EXPENDITURES	4,889,737	4,140,828	57,443,307	48,811,692
REBATES	-	-	-	40,000,000
TRANSFER TO OTHER GOVERNMENTS	-	-	-	15,000,000
NET INCREASE / (DECREASE) IN FUNDS	2,236,278	2,881,646	(6,139,302)	(66,349,231)

	CURRENT MONTH:		YEAR TO DATE		% CHANGE
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	
FUNDS CONSIST OF					
PETTY CASH	800	900	-	-	-31.2%
CASH AT BANK ONE	7,529	7,529	748,782	(748,782)	2.3%
CASH AT MB FINANCIAL LOCK BOX	1,000	-	88,283	(22,984)	-70.0%
CASH AT HARRIS BANK	65,289	-	74,825	(771,728)	9.4%
TOTAL CASH	74,618	846,351	832,390	(762,494)	-22.6%
ILLINOIS FUNDS MONEY MARKET	20.95%	25.97%	15,749,047	22,879,232	(7,130,185)
ILLINOIS FUNDS PRIME FUND	24.75%	20.40%	18,373,082	17,580,184	412,898
GOVERNMENT MONEY MARKET FUNDS	0.51%	1.49%	382,049	1,307,881	(915,832)
U.S. TREASURY INVESTMENTS	27.85%	23.04%	21,233,417	19,403,494	1,829,923
U.S. AGENCY INVESTMENTS	0.00%	0.00%	-	-	0.0%
CERTIFICATES OF DEPOSIT	26.99%	36.10%	29,500,503	26,500,000	2,999,503
TOTAL INVESTMENTS	100.00%	100.00%	75,247,585	88,502,481	(11,822,696)
TOTAL FUNDS			75,322,220	88,866,842	(12,574,922)
UNRESTRICTED FUNDS			24,707,852	39,103,012	(14,395,160)
RESTRICTED FUNDS			51,614,368	49,763,830	1,850,538
TOTAL FUNDS			76,322,220	88,866,842	(12,544,622)

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
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 January 31, 2009

	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC. (DEC)	FY 2009	FY 2008	INC. (DEC)
REVENUE						
WATER SALES	2,271,891	2,392,440	(118,549)	28,128,936	34,501,789	(\$375,153)
SALES TAX	2,510,570	2,890,088	(379,428)	23,008,963	25,597,482	(\$78,577)
INVESTMENT INCOME	73,568	135,650	(62,071)	1,148,924	4,246,597	(3,087,673)
OTHER INCOME	-	-	-	-	132	(132)
TOTAL REVENUE	4,856,029	5,418,178	(562,149)	54,286,823	64,346,000	(10,059,177)
EXPENDITURES						
PERSONAL SERVICES	305,153	284,759	20,407	2,982,893	2,720,034	718,859
PROFESSIONAL SERVICES	6,568	33,454	(26,886)	194,569	428,135	68,464
CONTRACTUAL SERVICES	38,455	1,550	36,905	245,320	395,155	(22,535)
INSURANCE	8,785	3,246	5,539	69,031	882,857	(816,825)
WATER SUPPLY COSTS	4,208,016	3,418,119	790,197	37,648,194	38,239,416	(591,222)
BOND PRINCIPAL & INTEREST EXPENSE	-	-	-	14,072,837	16,078,513	(2,005,676)
LAND AND RIGHT OF WAY	-	-	-	-	100	(100)
CAPITAL EQUIPMENT PURCHASES	102,864	197,137	(94,303)	2,610,353	1,985,300	28,523
TOTAL EXPENDITURES	4,970,123	3,943,772	726,351	57,223,987	59,699,030	(2,433,843)
REBATES	-	-	-	40,000,000	-	40,000,000
TRANSFER TO OTHER GOVERNMENTS	-	-	-	15,000,000	-	15,000,000
NET INCREASE / (DECREASE) IN FUNDS	198,927	1,474,406	(1,286,899)	(57,940,922)	(10,333,030)	(7,617,592)

	January 31, 2009		January 31, 2008		INC. (DEC)	% CHANGE
	100.00%	100.00%	100.00%	100.00%		
FUNDS CONSIST OF						
PETTY CASH	800	800	-	-	-	-
CASH AT BANK ONE	7,528	7,528	-	-	-	-
CASH AT MB FINANCIAL LOCK BOX	1,000	1,000	-	-	-	-
CASH AT HARRIS BANK	66,378	65,451	927	1,125	1,125	1.25%
TOTAL CASH	75,506	74,777	729	1,125	1,125	1.25%

	January 31, 2009		January 31, 2008		INC. (DEC)	% CHANGE
	100.00%	100.00%	100.00%	100.00%		
ILLINOIS FUNDS MONEY MARKET	19,598	25,597	(6,000)	22,729,260	(2,868,342)	-13.09%
ILLINOIS FUNDS PRIME FUND	23,988	20,228	3,760	18,024,048	959,734	2.02%
GOVERNMENT MONEY MARKET FUNDS	2,514	1,474	1,040	1,315,903	(822,499)	-70.22%
U.S. TREASURY INVESTMENTS	28,185	23,093	5,092	20,585,514	1,195,843	8.73%
U.S. AGENCY INVESTMENTS	3,504	5,028	(1,524)	20,500,000	(5,000,000)	-24.39%
CERTIFICATES OF DEPOSIT	28,744	29,724	(980)	69,150,737	(12,486,160)	-18.06%
TOTAL INVESTMENTS	107,518	124,150	(16,632)	131,434,562	(17,435,981)	-13.27%
TOTAL FUNDS	183,024	198,927	(15,903)	198,927	(15,903)	-8.00%
UNRESTRICTED FUNDS	29,353,464	37,988,963	(8,635,499)	14,615,489	14,615,489	100.00%
RESTRICTED FUNDS	3,238,595	3,238,595	-	3,238,595	3,238,595	100.00%
TOTAL FUNDS	32,592,059	41,227,558	(8,635,499)	17,854,084	17,854,084	100.00%

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 STATEMENT OF REVENUES & EXPENDITURES
 February 28, 2009

	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC. (DEC)	FY 2009	FY 2008	INC. (DEC)
REVENUE						
WATER SALES	3,066,692	3,561,802	305,050	28,546,547	28,546,547	2,679,681
SALES TAX	2,650,721	3,034,678	383,957	28,461,798	28,461,798	(1,233,696)
INVESTMENT INCOME	51,652	52,300	(648)	1,200,676	1,173,725	26,951
OTHER INCOME	6,702,365	6,524,870	(177,495)	61,565,407	60,562,170	1,003,237
TOTAL REVENUE						
EXPENDITURES						
PERSONAL SERVICES	211,678	337,224	(115,546)	3,331,371	3,011,754	319,617
PROFESSIONAL SERVICES	21,547	44,516	(22,969)	213,103	229,957	(16,854)
CONTRACTUAL SERVICES	2,009	2,007	(2)	248,306	209,881	38,425
INSURANCE	8,758	16,493	(7,735)	74,817	73,733	1,084
WATER SUPPLY COSTS (NOTE 1)	4,708,052	4,152,123	555,929	42,356,292	37,591,978	4,764,314
BOND PRINCIPAL & INTEREST EXPENSE	-	-	-	14,072,937	-	14,072,937
LAND AND RIGHT OF WAY	-	-	-	-	-	-
CAPITAL EQUIPMENT PURCHASES	510,250	502,319	7,931	2,325,803	2,408,838	(83,035)
TOTAL EXPENDITURES	5,771,335	5,044,707	726,628	62,985,422	57,599,541	5,385,881
REBATES	-	-	-	-	40,000,000	40,000,000
TRANSFER TO OTHER GOVERNMENTS	-	-	-	-	15,000,000	15,000,000
NET INCREASE / (DECREASE) IN FUNDS	93,030	1,720,253	(1,627,223)	(5,419,015)	(52,417,471)	(47,000,000)

	February 28, 2009		February 28, 2008		INC. (DEC)	% CHANGE
	2009	2008	2009	2008		
FUNDS CONSIST OF						
PRETTY CASH	800	800	7,526	7,526	-	-
CASH AT BANK ONE	250,142	592,714	65,854	(432,572)	25.9%	-60.2%
CASH AT MB FINANCIAL LOCK BOX	55,854	22,560	33,294	43,034	(9,740)	-22.6%
TOTAL CASH	314,452	726,000	74,674	(149,538)	10.4%	-20.5%

	February 28, 2009		February 28, 2008		INC. (DEC)	% CHANGE
	2009	2008	2009	2008		
ILLINOIS FUNDS MONEY MARKET	19,756	25,026	14,920,445	22,879,833	(17,959,377)	-34.2%
ILLINOIS FUNDS PRIME FUND	31,726	19,953	15,381,014	18,071,524	(2,690,510)	-14.9%
GOVERNMENT MONEY MARKET FUNDS	3,031	14,786	13,391,351	13,398,232	(6,881)	-0.1%
U.S. TREASURY INVESTMENTS	68,076	10,684	58,719,256	9,921,154	25,798,102	260.8%
U.S. AGENCY INVESTMENTS	0,000	0,000	3,500,000	28,500,000	(25,000,000)	-87.7%
CERTIFICATES OF DEPOSIT	10,854	23,291	71,527,505	80,506,142	(8,978,637)	-11.2%
TOTAL INVESTMENTS	124,443	183,054	106,079,061	113,267,781	(7,188,720)	-6.3%
TOTAL FUNDS	438,895	909,054	280,753,683	270,867,322	9,886,361	3.6%
UNRESTRICTED FUNDS	438,895	909,054	280,753,683	270,867,322	9,886,361	3.6%
RESTRICTED FUNDS	-	-	-	-	-	-
TOTAL FUNDS	438,895	909,054	280,753,683	270,867,322	9,886,361	3.6%

NOTE 1 - INCREASED WATER SUPPLY COSTS DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2009

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 STATEMENT OF REVENUES & EXPENDITURES
 March 31, 2009

	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC. (DEC)	FY 2009	FY 2008	INC. (DEC)
REVENUE						
WATER SALES	3,183,910	2,178,713	944,797	35,550,133	31,725,330	3,824,778
SALES TAX	2,354,303	3,532,257	(928,054)	31,192,505	30,385,612	806,894
INVESTMENT INCOME	59,074	77,837	(18,763)	1,259,650	1,251,622	7,028
OTHER INCOME	-	-	-	-	-	-
TOTAL REVENUE	5,597,287	5,788,807	(291,520)	37,902,288	33,362,564	4,539,724
EXPENDITURES						
PERSONAL SERVICES	344,057	351,417	(7,320)	3,545,458	3,373,171	172,287
PROFESSIONAL SERVICES	30,727	47,700	(16,973)	243,233	277,207	(33,974)
CONTRACTUAL SERVICES	11,081	2,635	8,459	259,417	212,525	46,891
INSURANCE	12,001	3,754	8,247	68,318	81,085	(12,767)
WATER SUPPLY COSTS (NOTE 1)	4,153,191	3,277,785	295,318	45,518,383	41,489,761	4,028,622
BOND PRINCIPAL & INTEREST EXPENSE	12,183,450	11,916,325	267,125	23,258,357	25,982,262	(2,723,905)
LAND AND RIGHT OF WAY	460,716	331,879	(128,837)	438,318	3,241,717	(2,752,399)
CAPITAL EQUIPMENT PURCHASES	17,235,192	17,045,988	189,204	77,400,534	74,845,039	2,555,495
REBATES	-	-	-	-	45,000,000	(45,000,000)
TRANSFER TO OTHER GOVERNMENTS	-	-	-	-	15,000,000	(15,000,000)
NET INCREASE (DECREASE) IN FUNDS	(1,099,285)	(1,237,031)	137,746	(8,893,310)	(56,303,045)	47,410,735

	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC. (DEC)	FY 2009	FY 2008	INC. (DEC)
FUNDS CONSIST OF						
NET INCREASE (DECREASE) IN FUNDS	800	7,506	(6,706)	800	7,506	(6,706)
PERPETUAL FUND	240,835	240,835	-	96,505	144,019	(47,514)
PERPETUAL FUND	92,290	92,290	-	32,290	32,290	-
TOTAL CASH	311,241	311,241	-	137,222	144,019	(6,797)

	CURRENT MONTH			YEAR TO DATE		
	FY 2009	FY 2008	INC. (DEC)	FY 2009	FY 2008	INC. (DEC)
UNRESTRICTED FUNDS						
ILLINOIS FUNDS MONEY MARKET	24,031	12,031	12,000	9,647,905	8,387,038	1,260,867
ILLINOIS FUNDS PRIME FUND	25,791	22,891	2,900	18,115,331	17,383,172	732,159
GOVERNMENT MONEY MARKET FUNDS	2,034	2,034	-	3,327	3,387,271	(59,944)
U S TREASURY INVESTMENTS	36,775	32,048	4,727	25,830,249	11,723,427	14,106,822
U S AGENCY INVESTMENTS	0,000	0,000	0,000	3,500,000	3,500,000	0,000
CERTIFICATES OF DEPOSIT	12,236	12,236	-	25,800,000	118,000,000	(92,200,000)
TOTAL INVESTMENTS	76,767	61,199	15,568	79,340,291	144,019	78,900,272
RESTRICTED FUNDS						
UNRESTRICTED FUNDS	12,688,253	12,688,253	-	35,000,000	35,000,000	-
RESTRICTED FUNDS	45,837,235	45,837,235	-	35,000,000	35,000,000	-
TOTAL FUNDS	58,505,515	58,525,488	(19,973)	114,340,291	179,019	114,161,172

NOTE: INCREASED WATER SUPPLY COSTS DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2009

DU PAGE WATER COMMISSION
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 April 30, 2009

	CURRENT MONTH		YEAR TO DATE		INC. - (DEC)
	FY 2009	FY 2008	FY 2009	FY 2008	
REVENUE					
WATER SALES	3,349,344	3,131,627	217,517	34,857,187	3,745,295
SALES TAX	2,178,184	2,500,461	(322,277)	32,596,073	504,617
INVESTMENT INCOME	56,047	77,987	(19,840)	1,251,812	65,085
OTHER INCOME					
TOTAL REVENUE	5,583,575	5,710,075	(124,800)	68,974,872	4,311,997
EXPENDITURES					
PERSONAL SERVICES	280,043	374,499	(114,456)	3,747,670	57,844
PROFESSIONAL SERVICES	31,748	41,602	(9,854)	318,409	(40,228)
CONTRACTUAL SERVICES	10,865	11,133	(168)	223,459	46,723
INSURANCE	33,685	8,246	27,439	122,503	60,231
WATER SUPPLY COSTS (NOTE 1)	4,109,518	4,085,962	23,556	45,545,743	5,073,138
BOND PRINCIPAL & INTEREST EXPENSE				26,246,387	26,712,5
LAND AND RIGHT OF WAY					
CAPITAL EQUIPMENT PURCHASES	403,758	238,105	165,653	3,479,822	(2,586,746)
TOTAL EXPENDITURES	4,851,717	4,750,557	92,150	78,405,196	2,847,125
REBATES				40,000,000	
TRANSFER TO OTHER GOVERNMENTS				15,000,000	
NET INCREASE / (DECREASE) IN FUNDS	730,858	959,608	(216,750)	(6,430,324)	1,464,672

FUNDS CONSIST OF:	April 30, 2009		April 30, 2008		INC. - (DEC)	% CHANGE
	800	7,526	800	7,526		
PETTY CASH						
CASH AT BANK ONE						
CASH AT MB FINANCIAL LOCK BOX						
CASH AT HARRIS BANK						
TOTAL CASH	262,579	138,776	123,803			

	April 30, 2009		April 30, 2008		INC. - (DEC)	% CHANGE
	15,073,687	18,398,353	9,395,109	5,677,958		
ILLINOIS FUNDS MONEY MARKET	21.84%	11.58%	15,073,687	9,395,109	5,677,958	60.4%
ILLINOIS FUNDS PRIME FUND	26.67%	23.33%	18,398,353	18,151,541	246,812	1.4%
GOVERNMENT MONEY MARKET FUNDS	18.14%	15.44%	12,516,463	14,509,873	(1,993,410)	-13.7%
U. S. TREASURY INVESTMENTS	21.03%	17.80%	14,509,873	26,500,000	(11,990,127)	-49.0%
U. S. AGENCY INVESTMENTS	0.00%	0.00%				0.0%
CERTIFICATES OF DEPOSIT	12.32%	32.69%	8,500,000	68,997,756	(60,497,756)	-68.9%
TOTAL INVESTMENTS	100.00%	100.00%	68,997,756	112,075,330	(43,077,574)	-38.4%
TOTAL FUNDS			69,260,335	61,212,762	8,047,573	13.1%
UNRESTRICTED FUNDS			11,938,895	26,388,285	(14,449,390)	-54.8%
RESTRICTED FUNDS			57,321,440	34,824,477	22,496,963	64.6%
TOTAL FUNDS			69,260,335	61,212,762	8,047,573	13.1%

NOTE 1 - INCREASED WATER SUPPLY COSTS DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2009

DU PAGE WATER COMMISSION
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 May 31, 2009

REVENUE	CURRENT MONTH			YEAR TO DATE		
	FY 2010	FY 2009	INC - (DEC)	FY 2010	FY 2009	INC - (DEC)
WATER SALES	4,414,568	3,232,653	1,181,935	4,414,568	3,232,653	1,181,935
SALES TAX	1,995,572	2,528,015	(532,443)	1,995,572	2,528,015	(532,443)
INVESTMENT INCOME	150,284	199,158	(48,874)	150,284	199,158	(48,874)
OTHER INCOME						
TOTAL REVENUE	6,560,444	5,959,826	600,618	6,560,444	5,959,826	600,618
EXPENDITURES						
PERSONAL SERVICES	398,153	297,960	100,193	398,153	297,960	100,193
PROFESSIONAL SERVICES	28,860	15,006	13,854	28,860	15,006	13,854
CONTRACTUAL SERVICES	10,238	9,410	828	10,238	9,410	828
INSURANCE	8,786	18,092	(9,306)	8,786	18,092	(9,306)
WATER SUPPLY COSTS	4,026,248	3,700,709	325,539	4,026,248	3,700,709	325,539
BOND PRINCIPAL & INTEREST EXPENSE	11,934,718	11,707,843	226,875	11,934,718	11,707,843	226,875
LAND AND RIGHT OF WAY						
CAPITAL EQUIPMENT PURCHASES	963,610	89,015	874,595	963,610	89,015	874,595
TOTAL EXPENDITURES	17,370,613	15,838,035	1,532,578	17,370,613	15,838,035	1,532,578
TRANSFER TO OTHER GOVERNMENTS						
NET INCREASE / (DECREASE) IN FUNDS	(10,810,169)	(9,878,208)	(931,960)	(10,810,169)	(9,878,209)	(931,960)

DU PAGE WATER COMMISSION
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FUNDS CONSIST OF:	May 31, 2009	May 31, 2008	INC - (DEC)
PETTY CASH	800	800	-
CASH AT BANK ONE	7,528	7,528	-
CASH AT MB FINANCIAL LOCK BOX	6,404	4,202	2,202
CASH AT HARRIS BANK	60,201	61,920	(1,719)
TOTAL CASH	74,931	74,448	483

	May 31, 2009	May 31, 2008	% CHANGE
ILLINOIS FUNDS MONEY MARKET	20.12%	22.64%	-15.6%
ILLINOIS FUNDS PRIME FUND	26.83%	26.46%	1.2%
GOVERNMENT MONEY MARKET FUNDS	5.79%	0.01%	74353.8%
U. S. TREASURY INVESTMENTS	34.72%	22.93%	45.0%
U. S. AGENCY INVESTMENTS	0.00%	0.00%	0.0%
CERTIFICATES OF DEPOSIT	12.44%	26.73%	-56.5%
TOTAL INVESTMENTS	100.00%	100.00%	
	68,326,350	71,344,615	(3,018,265)
TOTAL FUNDS	68,401,281	71,419,063	(3,017,782)
UNRESTRICTED FUNDS	10,999,072	24,637,315	(13,638,243)
RESTRICTED FUNDS	57,402,209	46,781,748	10,620,461
TOTAL FUNDS	68,401,281	71,419,063	(3,017,782)

NOTE 1 - NEGATIVE AMOUNT DUE TO MATURITY OF INVESTMENT PURCHASED AT ABOVE PAR PRICE

DU PAGE WATER COMMISSION
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 June 30, 2009

	CURRENT MONTH		YEAR TO DATE	
	FY 2010	FY 2009	FY 2010	FY 2009
REVENUE				
WATER SALES	4,784,554	3,898,640	9,209,142	6,931,286
SALES TAX	2,338,250	2,853,584	4,334,822	5,331,559
INVESTMENT INCOME	135,129	173,176	285,413	372,334
OTHER INCOME				
TOTAL REVENUE	7,258,933	6,925,400	13,829,377	12,635,229
				1,194,148
EXPENDITURES				
PERSONAL SERVICES	318,246	396,691	718,369	694,651
PROFESSIONAL SERVICES	87,031	64,265	55,891	79,271
CONTRACTUAL SERVICES	12,728	6,648	22,956	15,490
INSURANCE	-	8,247	8,786	26,339
WATER SUPPLY COSTS	4,853,688	4,486,694	8,879,636	8,187,603
BOND PRINCIPAL & INTEREST EXPENSE	-	-	11,534,718	11,707,843
LAND AND RIGHT OF WAY	-	-	-	-
CAPITAL EQUIPMENT PURCHASES	2,862,878	185,769	3,826,188	1,075,784
TOTAL EXPENDITURES	8,114,571	5,147,946	25,484,884	21,788,981
REBATES	-	-	-	-
TRANSFER TO OTHER GOVERNMENTS	-	-	-	-
NET INCREASE / (DECREASE) IN FUNDS	(845,638)	1,527,457	(11,655,507)	(9,151,752)
				(2,503,755)

	June 30, 2009	June 30, 2008	INC - (DEC)
NET INCREASE / (DECREASE) IN FUNDS	800	800	-
PETTY CASH	7,528	7,528	-
CASH AT BANK ONE	59,736	795,446	(735,710)
CASH AT MF FINANCIAL LOCK BOX	65,712	75,172	(9,460)
CASH AT HARRIS BANK	133,774	878,844	(745,170)

% CHANGE

	June 30, 2009	June 30, 2008	% CHANGE
NET INCREASE / (DECREASE) IN FUNDS	100.00%	100.00%	0.0%
PETTY CASH	24.80%	21.99%	3.1%
CASH AT BANK ONE	27.66%	25.28%	0.0%
CASH AT MF FINANCIAL LOCK BOX	0.01%	0.01%	0.0%
CASH AT HARRIS BANK	16.41%	24.28%	-35.2%
TOTAL CASH	0.00%	0.00%	0.0%
TOTAL INVESTMENTS	31.12%	28.44%	0.0%
TOTAL FUNDS	65,873,672	72,073,110	(6,199,238)
UNRESTRICTED FUNDS	66,007,646	72,952,054	(6,944,408)
RESTRICTED FUNDS	18,915,476	24,334,560	(5,419,084)
TOTAL FUNDS	47,092,170	48,817,494	(1,525,324)
	66,007,646	72,952,054	(6,944,408)

FUNDS CONSIST OF:

ILLINOIS FUNDS MONEY MARKET
 ILLINOIS FUNDS PRIME FUND
 GOVERNMENT MONEY MARKET FUNDS
 U. S. TREASURY INVESTMENTS
 U. S. AGENCY INVESTMENTS
 CERTIFICATES OF DEPOSIT

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
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 July 31, 2008

REVENUE	CURRENT MONTH			YEAR TO DATE		
	FY 2010	FY 2009	INC - (DEC)	FY 2010	FY 2008	INC - (DEC)
WATER SALES	3,012,066	2,123,062	888,968	12,221,202	9,054,388	3,166,814
SALES TAX	2,317,950	2,891,028	(578,088)	6,647,772	8,222,637	(1,574,865)
INVESTMENT INCOME	41,802	60,443	(18,641)	327,015	432,777	(105,762)
OTHER INCOME						
TOTAL REVENUE	5,366,612	5,074,573	292,038	18,195,989	17,709,802	4,886,187
EXPENDITURES						
PERSONAL SERVICES	396,182	322,757	75,425	1,114,591	1,017,408	97,173
PROFESSIONAL SERVICES	70,535	12,068	58,467	196,426	91,309	75,097
CONTRACTUAL SERVICES	26,688	5,235	21,453	49,654	20,725	28,929
INSURANCE	17,571	8,320	9,251	26,357	34,859	(8,502)
WATER SUPPLY COSTS	5,266,269	4,507,770	758,529	14,146,226	12,635,379	1,450,865
BOND PRINCIPAL & INTEREST EXPENSE				11,934,718	11,707,649	226,875
LAND AND RIGHT OF WAY						
CAPITAL EQUIPMENT PURCHASES	1,470,972	161,405	1,289,567	5,297,160	1,106,472	4,190,688
TOTAL EXPENDITURES	7,250,247	5,037,555	2,212,692	32,735,134	26,873,819	6,061,315
REBATES						
TRANSFER TO OTHER GOVERNMENTS						
NET INCREASE / (DECREASE) IN FUNDS	(1,883,635)	37,018	(1,920,653)	(13,539,146)	(9,964,017)	(4,575,128)

FUNDS CONSIST OF:

	JULY 31, 2009	JULY 31, 2008	INC - (DEC)
PETTY CASH	800	800	
CASH AT BANK ONE	1,000	7,526	(6,526)
CASH AT MB FINANCIAL LOCK BOX	100,109	113,901	(13,792)
CASH AT HARRIS BANK	91,331	60,913	28,408
TOTAL CASH	183,230	185,140	8,090

	JULY 31, 2009	JULY 31, 2008	% CHANGE
ILLINOIS FUNDS MONEY MARKET	43.89%	21.56%	77.5%
ILLINOIS FUNDS PRIME FUND	0.00%	24.94%	-100.0%
GOVERNMENT MONEY MARKET FUNDS	0.01%	0.01%	0.0%
U. S. TREASURY INVESTMENTS	42.77%	25.48%	46.4%
U. S. AGENCY INVESTMENTS	0.00%	0.00%	0.0%
CERTIFICATES OF DEPOSIT	13.31%	28.00%	-58.5%
TOTAL INVESTMENTS	88.88%	100.01%	
TOTAL FUNDS	64,035,260	73,361,049	(9,355,789)
UNRESTRICTED FUNDS	13,673,260	22,940,886	(9,265,626)
RESTRICTED FUNDS	50,362,000	50,420,163	(60,163)
TOTAL FUNDS	64,035,260	73,361,049	(9,355,789)

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
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 August 31, 2009

REVENUE	CURRENT MONTH		YEAR TO DATE		INC - (DEC)
	FY 2010	FY 2009	FY 2010	FY 2009	
WATER SALES (NOTE 1)	3,795,346	4,106,771	12,848,734	14,414,231	(1,564,497)
SALES TAX	2,901,934	3,244,783	11,124,571	11,774,011	(649,440)
INVESTMENT INCOME	99,710	143,252	523,487	659,374	(135,887)
OTHER INCOME					
TOTAL REVENUE	6,787,990	7,494,776	24,497,792	26,847,616	(2,349,824)
EXPENDITURES					
PERSONAL SERVICES	312,447	301,615	1,329,855	1,484,008	(154,153)
PROFESSIONAL SERVICES	38,594	8,341	129,823	63,789	66,134
CONTRACTUAL SERVICES	15,191	40,596	55,916	77,272	(41,356)
INSURANCE	16,493	15,082	51,152	40,753	10,399
WATER SUPPLY COSTS	5,732,713	5,053,708	18,429,086	17,719,023	709,063
BOND PRINCIPAL & INTEREST EXPENSE			11,707,943	11,490,953	217,750
LAND AND RIGHT OF WAY					
CAPITAL EQUIPMENT PURCHASES	161,265	33,410	388,392	560,537	(172,145)
REBATES	6,276,693	5,452,753	32,071,167	31,435,475	635,692
TRANSFER TO OTHER GOVERNMENTS				15,000,000	
NET INCREASE / (DECREASE) IN FUNDS	511,297	2,042,023	(7,573,375)	(19,597,659)	(2,086,516)

FUNDS CONSIST OF:	August 31, 2009	August 30, 2008	INC - (DEC)
PETTY CASH	800	800	-
CASH AT BANK ONE	7,528	7,528	-
CASH AT MB FINANCIAL LOCK BOX	141,759	1,146,729	(1,004,971)
CASH AT HARRIS BANK	54,957	75,535	(10,678)
TOTAL CASH	214,941	1,230,590	(1,015,649)

	August 31, 2009	August 30, 2008	% CHANGE
ILLINOIS FUNDS MONEY MARKET	33.16%	20.44%	37.7%
ILLINOIS FUNDS PRIME FUND	0.00%	24.83%	-100.0%
GOVERNMENT MONEY MARKET FUNDS	22.75%	0.01%	260281.5%
U.S. TREASURY INVESTMENTS	11.14%	26.86%	-64.9%
U.S. AGENCY INVESTMENTS	19.36%	0.00%	12,106,000
CERTIFICATES OF DEPOSIT	13.59%	27.84%	-65.5%
TOTAL INVESTMENTS	100.00%	100.00%	
TOTAL FUNDS	62,751,316	73,643,427	(11,107,952)
UNRESTRICTED FUNDS	14,646,344	34,220,252	(19,573,908)
RESTRICTED FUNDS	48,104,972	40,863,765	7,241,207
TOTAL FUNDS	62,751,316	74,874,017	(12,122,701)

EXHIBIT 7

DU PAGE WATER COMMISSION - 5 YEAR PROJECTION
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
MAY 1, 2003 TO APRIL 30, 2008

ACCOUNT TITLE	ALL FUNDS FY 02-03		ALL FUNDS FY 03-04		ASSUMPTION FY 02-07		ALL FUNDS FY 04-05		ALL FUNDS FY 05-06		ALL FUNDS FY 06-07		ALL FUNDS FY 07-08		ALL FUNDS FY 08-09	
	ACTUAL	FORECAST	ACTUAL	FORECAST	OR % CHGE	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
REVENUES	42,819,524	42,803,836	42,803,836	42,803,836	CALCULATED	46,935,940	47,486,509	46,231,400	48,632,815	49,030,289	49,030,289	49,030,289	49,030,289	49,030,289	49,030,289	49,030,289
O & M PAYMENTS	0	0	0	0	CALCULATED	0	0	0	0	0	0	0	0	0	0	0
SALES TAXES USED FOR O & M COSTS	10,164,758	8,916,329	8,916,329	8,916,329	50.0%	7,143,969	7,144,469	(7,692,234)	2,459,232	13,073,972	13,073,972	13,073,972	13,073,972	13,073,972	13,073,972	13,073,972
FIXED COST PAYMENTS (% PAID BY SALES TAX)	984,590	853,150	853,150	853,150	1.0%	861,682	870,299	879,002	887,792	898,670	898,670	898,670	898,670	898,670	898,670	898,670
SUBSEQUENT CUSTOMER DIFFERENTIAL/EMERGENCY SUPPLY	30,704,457	31,580,715	31,580,715	31,580,715	2.0%	32,212,329	38,583,202	41,205,942	31,724,750	21,793,690	21,793,690	21,793,690	21,793,690	21,793,690	21,793,690	21,793,690
SALES TAXES USED FOR CONSTRUCTION AND BOND PAYMENTS	5,808,624	2,707,302	2,707,302	2,707,302	EXTRAPOLATED	2,758,921	2,646,443	2,247,612	1,974,795	2,028,710	2,028,710	2,028,710	2,028,710	2,028,710	2,028,710	2,028,710
INTEREST INCOME	989,493	63,589	63,589	63,589	0.0%	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	91,061,456	86,931,021	86,931,021	86,931,021	0.0%	89,912,841	91,014,296	92,016,816	92,824,728	93,968,050	93,968,050	93,968,050	93,968,050	93,968,050	93,968,050	93,968,050
TOTAL REVENUE	39,037,395	39,427,165	39,427,165	39,427,165	CALCULATED	42,966,596	44,779,703	46,502,166	48,280,560	50,149,034	50,149,034	50,149,034	50,149,034	50,149,034	50,149,034	50,149,034
OPERATING EXPENDITURES	2,041,455	4,810,523	4,810,523	4,810,523	CALCULATED	790,000	0	0	0	0	0	0	0	0	0	0
WATER PURCHASES (3% ANNUAL RATE INCREASES)	9,038,873	10,814,451	10,814,451	10,814,451	5.0%	11,460,174	12,033,183	12,634,842	13,266,584	13,929,913	13,929,913	13,929,913	13,929,913	13,929,913	13,929,913	13,929,913
20% CREDIT THRU OCTOBER 2004	17,832,908	21,147,964	21,147,964	21,147,964	CALCULATED	14,287,938	14,288,937	14,290,188	14,290,887	14,289,438	14,289,438	14,289,438	14,289,438	14,289,438	14,289,438	14,289,438
5 YEAR CAPITAL PLAN MAJOR REPAIRS	13,122,650	13,112,650	13,112,650	13,112,650	CALCULATED	13,122,150	13,124,150	13,117,900	13,117,900	13,116,900	13,116,900	13,116,900	13,116,900	13,116,900	13,116,900	13,116,900
OTHER OPERATING EXPENSES (EXCL. BOND INTEREST/DEPRIC)	98,591	55,864	55,864	55,864	5.0%	58,657	61,550	64,670	67,904	71,299	71,299	71,299	71,299	71,299	71,299	71,299
REVENUE BOND PRINCIPAL AND INTEREST COSTS	73,364,393	81,583,184	81,583,184	81,583,184	CALCULATED	78,156,701	84,287,563	86,609,766	89,023,385	91,535,564	91,535,564	91,535,564	91,535,564	91,535,564	91,535,564	91,535,564
G.O. BOND PRINCIPAL AND INTEREST COSTS	5,448,543	3,470,185	3,470,185	3,470,185	CALCULATED	19,105,000	30,508,000	21,704,000	1,549,000	2,046,000	2,046,000	2,046,000	2,046,000	2,046,000	2,046,000	2,046,000
CAPITAL EQUIPMENT	0	0	0	0	CALCULATED	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	333,769	0	0	0	4.0%	250,000	280,000	270,400	281,216	292,465	292,465	292,465	292,465	292,465	292,465	292,465
5 YEAR CAPITAL PLAN NEW CONSTRUCTION	3,805,524	75,000,000	75,000,000	75,000,000	PAGS-0225	0	0	0	0	0	0	0	0	0	0	0
5 YEAR CONSTRUCTION PLAN (DELAY)-CATCH-UP	10,000,000	0	0	0	BOARD POLICY	0	0	0	0	0	0	0	0	0	0	0
OTHER MINOR RELATED OUTLAYS	92,932,259	160,053,369	160,053,369	160,053,369	BOARD POLICY	0	0	0	0	0	0	0	0	0	0	0
DU PAGE COUNTY SALES TAX GRANT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR SERVICE PENSION COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER QUALITY LOANS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CASH OUTLAYS AND COMMITMENTS	92,932,259	160,053,369	160,053,369	160,053,369	0	97,511,701	115,055,563	108,584,166	90,853,601	93,894,049	93,894,049	93,894,049	93,894,049	93,894,049	93,894,049	93,894,049
NET TRANSACTIONS	(1,890,803)	(73,122,348)	(73,122,348)	(73,122,348)	CALCULATED	(7,598,860)	(24,041,267)	(16,567,350)	1,971,127	74,001	74,001	74,001	74,001	74,001	74,001	74,001
UNRESTRICTED NET ASSETS - BEGINNING	27,243,034	122,716,067	122,716,067	122,716,067	0	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112	69,458,112
CONVERTED (TO) - FROM RESTRICTED OR CAPITAL NET ASSETS	(2,636,164)	19,864,393	19,864,393	19,864,393	0	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED OPERATING NET ASSETS - ENDING	122,716,067	69,458,112	69,458,112	69,458,112	0	61,859,252	37,817,985	21,250,635	23,221,762	23,286,763	23,286,763	23,286,763	23,286,763	23,286,763	23,286,763	23,286,763
HELD FOR EMERGENCY REPAIRS-TARGET (1)	28,100,000	11,400,000	11,400,000	11,400,000	3.0%	11,700,000	12,100,000	12,500,000	12,900,000	13,300,000	13,300,000	13,300,000	13,300,000	13,300,000	13,300,000	13,300,000
O&M RATE STABILIZATION RESERVE	45,005,162	40,389,977	40,389,977	40,389,977	0	38,860,701	25,717,985	6,750,635	0	0	0	0	0	0	0	0
CONSTRUCTION RESERVE	49,572,314	17,688,135	17,688,135	17,688,135	0	11,289,551	0	0	10,321,762	9,995,763	9,995,763	9,995,763	9,995,763	9,995,763	9,995,763	9,995,763
UNRESTRICTED NET ASSETS - ENDING	122,617,476	69,458,112	69,458,112	69,458,112	0	61,859,252	37,817,985	21,250,635	23,221,762	23,286,763	23,286,763	23,286,763	23,286,763	23,286,763	23,286,763	23,286,763
O & M RATE	1.34	1.38	1.38	1.38	0	1.43	1.43	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
FIXED COST RATE	0.32	0.29	0.29	0.29	0	0.22	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
TOTAL RATE	1.66	1.67	1.67	1.67	0	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65

(1) TO MAX OF 20,000,000

A-B = \$ 98,591
Adjust (2) to \$ 9,734,757 and (3) should be the same

Source: FY 2004-2005 Five Year Plan

EXHIBIT 8

DUPAGE R COMMISSION - 14 YEAR PROJECTION
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
MAY 1, 2006 TO APRIL 30, 2020
50% REVENUE BOND SUBSIDY - \$1.45 RATE THRU FY09-10 - THEN \$1.55 - RESERV. ACCELERATED

ACCOUNT TITLE	ALL FUNDS FY 04-05 ACTUAL	ALL FUNDS FY 05-06 FORECAST	ASSUMPTION OR % CHGE	ALL FUNDS FY 06-07 FORECAST	ALL FUNDS FY 07-08 FORECAST	ALL FUNDS FY 08-09 FORECAST	ALL FUNDS FY 09-10 FORECAST	ALL FUNDS FY 10-11 FORECAST
REVENUES								
O & M PAYMENTS	43,486,319	41,023,413	CALCULATED	41,532,694	41,876,257	42,220,527	42,559,653	46,348,412
SALES TAX USED FOR O & M COSTS	0	0	CALCULATED	0	0	12,877,304	12,839,022	14,747,828
FIXED COST PAYMENTS (%PAID BY SALES TAX)	7,143,969	7,144,469	50.0%	7,145,094	7,145,344	7,144,719	7,145,219	7,146,219
SUBSEQUENT CUSTOMER DIFFERENTIAL (ONE TIME REFUND - FY 2006)	709,918	573,581	1.0%	714,437	721,581	728,737	736,085	743,446
EMERGENCY SUPPLY	59,072	6,344	2.0%	6,511	6,681	6,855	7,032	9,213
SALES TAX USED FOR CONSTRUCTION AND BOND PAYMENTS	34,394,906	34,977,839	2.0%	35,677,396	36,390,944	37,141,459	37,922,115	39,700,533
INTEREST INCOME	2,856,461	4,874,005	EXTRAPOLATED	4,537,780	4,281,877	3,707,266	3,259,717	3,079,590
OTHER INCOME	6,393	2,500	0.0%	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUE	88,647,038	88,604,131		89,616,412	90,429,284	90,931,427	91,572,344	95,947,741
OPERATING EXPENDITURES								
WATER PURCHASES (3% ANNUAL RATE INCR. AFTER 1/1/07)	39,657,670	44,584,319	CALCULATED	45,187,726	46,920,176	48,706,282	50,560,904	52,506,924
20% CREDIT THRU 10/31/04; 10% FOR GENERATORS STARTING FY2010	(3,743,946)	0	CALCULATED	(668,166)	0	0	(5,059,090)	(2,061,910)
5 YEAR CAPITAL PLAN MAJOR REPAIRS	4,810,523	1,926,006	CALCULATED	2,668,006	0	0	0	0
OTHER OPERATING EXPENSES (EXCL BOND INTEREST/DEPR)	8,035,655	10,226,824	3.0%	10,738,165	11,275,073	11,836,827	12,430,769	13,052,306
REVENUE BOND PRINCIPAL AND INTEREST COSTS	14,287,938	14,288,937	CALCULATED	14,290,188	14,290,687	14,290,438	14,290,437	14,292,438
G.O. BOND PRINCIPAL AND INTEREST COSTS	13,122,150	13,124,150	CALCULATED	13,117,900	13,117,650	13,116,900	13,121,275	13,119,413
CAPITAL EQUIPMENT	193,747	397,056	5.0%	200,000	210,000	220,500	231,525	243,101
TOTAL OPERATING EXPENDITURES AND COMMITMENTS	76,964,337	84,547,282	CALCULATED	85,603,813	86,813,586	88,171,947	89,596,819	91,151,272
5 YEAR CAPITAL PLAN NEW CONSTRUCTION	13,792,352	5,356,901	CALCULATED	1,218,000	14,760,000	22,275,000	17,775,000	9,231,000
5 YEAR CONSTRUCTION PLAN (DELAY)-CATCH-UP	0	0	CALCULATED	0	0	0	0	0
OTHER MINOR RELATED OUTLAYS	0	0	4.0%	250,000	260,000	270,400	281,216	292,465
DUPAGE COUNTY SALES TAX GRANT	15,000,000	15,000,000	PA93-0226	15,000,000	15,000,000	0	0	0
WATER QUALITY LOANS	2,103,547	(932,956)	BOARD POLICY	(700,000)	(637,409)	0	0	0
TOTAL CASH OUTLAYS AND COMMITMENTS	107,260,236	104,001,237		101,371,813	115,516,177	110,717,347	108,653,035	100,674,737
NET TRANSACTIONS	(18,613,198)	(15,397,106)	CALCULATED	(11,753,401)	(25,086,893)	(19,786,920)	(12,068,691)	(4,726,986)
BEGINNING FIVE YEAR PLAN CASH AND EQUIVALENTS	138,776,328	119,903,760		104,508,674	92,753,273	67,666,380	47,860,460	35,799,769
CONVERTED (TO) - FROM RESTRICTED OR CAPITAL NET ASSETS	(259,350)	0		0	0	0	0	0
ENDING FIVE YEAR PLAN CASH AND EQUIVALENTS	119,903,760	104,506,674		92,753,273	67,666,380	47,860,460	35,799,769	31,072,773
Held for Emergency Repairs-Target (1)	12,300,000	12,400,000	3.0%	12,800,000	13,200,000	13,600,000	14,000,000	14,400,000
O&M Rate Stabilization Reserve	42,862,885	30,074,422		16,371,763	2,650,668	0	0	0
Construction Reserve	15,679,132	27,287,543		43,116,801	46,013,574	26,478,342	15,997,651	10,870,655
PA93-0226 Undistributed	45,000,000	30,000,000		15,000,000	0	0	0	0
Undistributed Water Quality Loans	3,661,753	4,764,709		5,464,709	5,802,118	5,802,118	5,802,118	5,802,118
ENDING FIVE YEAR PLAN CASH AND EQUIVALENTS BY CATEGORY	119,903,760	104,506,674		92,753,273	67,666,380	47,860,460	35,799,769	31,072,773
O & M RATE	1.43	1.23		1.24	1.24	1.24	1.24	1.34
FIXED COST RATE	0.23	0.21		0.21	0.21	0.21	0.21	0.21
TOTAL RATE	1.66	1.44		1.45	1.45	1.45	1.45	1.55

NOTE (1) - TO MAX OF 25,000,000

REVISED: 01/04/06

DUPAGE WATER ISSION - 14 YEAR PROJECTION
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
MAY 1, 2006 TO APRIL 30, 2020
50% REVENUE BOND SUBSIDY - \$1.48 RATE THRU FY08-10 - THEN \$1.55 - RESERV. ACCELERATI

ACCOUNT TITLE	ALL FUNDS FY 11-12 FORECAST		ALL FUNDS FY 12-13 FORECAST		ALL FUNDS FY 13-14 FORECAST		ALL FUNDS FY 14-15 FORECAST		ALL FUNDS FY 15-16 FORECAST		ALL FUNDS FY 16-17 FORECAST		ALL FUNDS FY 17-18 FORECAST		ALL FUNDS FY 18-19 FORECAST		ALL FUNDS FY 19-20 FORECAST		
REVENUES																			
O & M PAYMENTS	46,700,658	47,403,895	47,758,769	48,113,494	48,475,633	48,839,770	49,203,909	49,568,048	49,932,187	50,296,326	50,660,465	51,024,604	51,388,743	51,752,882	52,117,021	52,481,160	52,845,299	53,209,438	
SALES TAX USED FOR O & M COSTS	19,616,544	21,410,846	23,746,223	26,101,941	28,618,769	31,318,500	34,208,231	37,288,962	40,564,693	44,041,424	47,815,155	51,882,886	56,240,617	60,988,348	66,121,079	71,734,810	78,522,541	86,561,272	
FIKED COST PAYMENTS (% PAID BY SALES TAX)	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	7,144,594	
SUBSEQUENT CUSTOMER DIFFERENTIAL (ONE TIME REFUND - FY 2006)	750,880	758,369	765,973	773,633	781,369	789,133	796,937	804,771	812,645	820,559	828,513	836,507	844,541	852,615	860,729	868,883	877,077	885,311	
EMERGENCY SUPPLY	9,397	9,595	9,777	9,973	10,172	10,375	10,579	10,783	10,987	11,191	11,395	11,599	11,803	12,007	12,211	12,415	12,619	12,823	
SALES TAX USED FOR CONSTRUCTION AND BOND PAYMENTS	19,774,184	18,767,697	17,235,891	15,898,815	14,019,092	11,803,909	9,973,133	8,228,257	6,754,381	5,528,505	4,548,629	3,808,753	3,282,877	2,867,001	2,556,125	2,345,249	2,134,373	1,923,497	
INTEREST INCOME	2,993,502	3,289,208	3,580,582	3,786,273	3,993,558	4,212,249	4,436,940	4,666,631	4,901,322	5,141,013	5,385,704	5,635,395	5,890,086	6,149,777	6,414,468	6,684,159	6,958,850	7,238,541	
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	
TOTAL REVENUE	96,992,258	98,786,984	100,229,859	101,842,604	103,044,867	104,523,137	105,991,400	107,459,663	108,927,926	110,396,189	111,864,452	113,332,715	114,800,978	116,269,241	117,737,504	119,205,767	120,674,030	122,142,293	
OPERATING EXPENDITURES																			
WATER PURCHASES (3% ANNUAL RATE INCR. AFTER 1/1/07)	54,484,220	56,559,486	58,694,265	60,892,006	63,199,341	65,579,480	68,051,374	70,618,742	73,281,110	76,042,478	78,903,846	81,866,214	84,930,582	88,106,950	91,395,318	94,796,686	98,311,054	101,940,422	
20% CREDIT THRU 10/31/04; 10% FOR GENERATORS STARTING FY2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5 YEAR CAPITAL PLAN MAJOR REPAIRS	599,352	611,339	623,566	636,037	648,758	661,733	674,968	688,467	702,236	715,771	729,574	743,647	757,981	772,584	787,457	802,590	817,983	833,636	
OTHER OPERATING EXPENSES (EXCL BOND INTEREST/DEPRIC)	13,704,921	14,390,167	15,109,675	15,865,159	16,658,417	17,491,338	18,365,905	19,284,200	20,248,410	21,258,620	22,318,830	23,429,040	24,584,250	25,789,460	27,040,670	28,342,880	29,691,090	31,091,300	
REVENUE BOND PRINCIPAL AND INTEREST COSTS	14,289,187	14,289,688	14,288,325	14,289,937	14,287,687	0	0	0	0	0	0	0	0	0	0	0	0	0	
G.O. BOND PRINCIPAL AND INTEREST COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CAPITAL EQUIPMENT	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130	395,039	413,898	432,757	451,616	470,475	489,334	508,193	527,052	545,911	
TOTAL OPERATING EXPENDITURES AND COMMITMENTS	83,332,936	86,117,699	88,997,251	91,978,630	95,104,469	98,380,317	101,808,165	105,387,013	109,117,861	112,999,709	117,033,557	121,220,405	125,661,253	130,358,101	135,314,949	140,532,807	146,013,655	151,760,503	
5 YEAR CAPITAL PLAN NEW CONSTRUCTION	2,500,000	2,550,000	2,601,000	2,653,020	2,706,080	2,760,202	2,815,406	2,871,714	2,929,148	2,987,700	3,047,360	3,108,120	3,169,980	3,232,940	3,297,000	3,362,160	3,428,420	3,495,780	
5 YEAR CONSTRUCTION PLAN (DELAY)-CATCH-UP	304,164	316,331	328,984	342,143	355,829	370,062	384,864	400,259	416,269	432,894	450,043	467,817	486,146	505,040	524,500	544,535	565,155	586,370	
DUPAGE COUNTY SALES TAX GRANT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WATER QUALITY LOANS	0	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	(368,308)	
TOTAL CASH OUTLAYS AND COMMITMENTS	86,137,100	88,615,722	91,558,927	94,605,485	97,799,070	101,148,627	104,696,673	108,445,221	112,394,770	116,544,318	120,893,865	125,443,413	130,192,961	135,142,509	140,292,057	145,641,605	151,191,153	156,940,701	
NET TRANSACTIONS	10,855,158	10,171,242	8,664,931	7,007,119	5,246,797	3,182,821	937,240	(1,184,607)	(2,486,844)	(3,808,087)	(5,149,332)	(6,506,577)	(7,878,822)	(9,266,067)	(10,668,312)	(12,085,557)	(13,517,802)	(14,965,047)	
BEGINNING FIVE YEAR PLAN CASH AND EQUIVALENTS	31,072,773	41,927,932	52,099,174	60,764,105	67,801,224	73,048,021	76,594,819	79,341,617	81,188,415	82,135,213	82,182,011	81,228,809	79,275,607	75,322,405	69,369,203	61,416,001	50,462,799	36,509,597	
CONVERTED (10) - FROM RESTRICTED OR CAPITAL NET ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ENDING FIVE YEAR PLAN CASH AND EQUIVALENTS	41,927,932	52,099,174	60,764,105	67,801,224	73,048,021	76,594,819	79,341,617	81,188,415	82,135,213	82,182,011	81,228,809	79,275,607	75,322,405	69,369,203	61,416,001	50,462,799	36,509,597	21,544,390	
HELD FOR EMERGENCY REPAIRS-TARGET (1)	14,800,000	15,200,000	15,700,000	16,200,000	16,700,000	17,200,000	17,700,000	18,200,000	18,700,000	19,200,000	19,700,000	20,200,000	20,700,000	21,200,000	21,700,000	22,200,000	22,700,000	23,200,000	
O&M RATE STABILIZATION RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CONSTRUCTION RESERVE	21,325,814	30,728,748	38,525,371	44,694,182	48,072,671	49,651,160	50,339,649	51,028,138	51,716,627	52,405,116	53,093,605	53,782,094	54,470,583	55,159,072	55,847,561	56,536,050	57,224,539	57,913,028	
PA93-0226 UNDISTRIBUTED	5,802,118	6,170,428	6,538,734	6,907,042	7,275,350	7,643,658	8,011,966	8,380,274	8,748,582	9,116,890	9,485,198	9,853,506	10,221,814	10,590,122	10,958,430	11,326,738	11,695,046	12,063,354	
UNDISTRIBUTED WATER QUALITY LOANS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ENDING FIVE YEAR PLAN CASH AND EQUIVALENTS BY CATEGORY	41,927,932	52,099,174	60,764,105	67,801,224	73,048,021	76,594,819	79,341,617	81,188,415	82,135,213	82,182,011	81,228,809	79,275,607	75,322,405	69,369,203	61,416,001	50,462,799	36,509,597	21,544,390	
O & M RATE	1.34	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	
FIXED COST RATE	0.21	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
TOTAL RATE	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	

NOTE (1) - TO MAX OF 25,000,000

REVISED: 01/04/06

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.15 RATE THROUGH FY 2014-15
THEN INCREASED TO \$1.25 (RESERVOIR IN FY 2014-18)

	ACTUAL FY 05-06	PROJECTED FY 06-07	ASSUMPTIONS OR % CHANGE	FORECAST FY 07-08	FORECAST FY 08-08	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12
REVENUES:								
FIXED RATE	7,144,469	7,145,084		7,145,344	7,144,719	7,145,219	7,146,219	7,144,594
O & M REVENUE	41,589,001	41,589,077	50.0% CALCULATED	31,689,526	31,872,711	32,281,609	32,402,210	32,694,471
SALES TAX	34,894,007	35,677,398	2.0% CALCULATED	36,390,944	37,118,763	37,861,139	38,618,561	39,390,728
INVESTMENT INCOME	5,429,133	5,297,712		5,050,378	4,448,791	4,211,285	4,181,984	3,921,108
SUBSEQUENT CUSTOMER	572,780	714,437	1.0%	721,581	728,797	736,085	743,446	750,880
EMERGENCY SUPPLY	9,854	10,061	2.0%	10,252	10,457	10,668	10,879	11,097
OTHER INCOME	1,236	2,500		2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	88,859,490	90,380,267		80,990,525	81,324,738	82,259,512	83,105,599	83,815,378
EXPENDITURES:								
WATER PURCHASE	45,059,449	45,187,726	3.0%	46,920,176	48,706,282	50,590,904	52,505,924	54,484,220
CREDIT FROM CHICAGO	-	(868,166)		(2,746,000)	(5,990,500)	(3,873,500)	-	-
OPERATING EXPENSES	9,349,198	9,813,508	5.0%	10,304,183	10,819,392	11,360,362	11,928,390	12,524,799
MINOR CAPITAL	397,056	200,000	5.0%	200,000	210,000	220,500	231,525	243,101
MAJOR REPAIRS	-	2,938,000		-	-	-	-	-
REV BOND P & I	14,288,937	14,290,188	CALCULATED	14,280,888	14,289,438	14,290,438	14,292,438	14,289,188
GO BOND P & I	13,124,150	13,117,900	CALCULATED	13,117,650	13,116,900	13,121,275	13,119,413	-
TOTAL EXPENDITURES	83,214,780	84,679,156		82,066,667	81,151,512	85,599,978	82,077,680	81,541,308
5 YEAR CONSTRUCTION PLAN	5,356,901	1,902,000	CALCULATED	10,185,000	14,833,000	12,265,000	3,278,000	-
DUPAGE COUNTY PAYMENT	15,000,000	15,000,000	CALCULATED	15,000,000	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	BOARD POLICY	-	-	-	-	-
QUALITY LOAN REPAYMENT	-	-		-	-	-	-	-
NET TRANSACTIONS	(14,672,201)	(11,200,889)		(26,281,172)	(14,659,774)	(15,626,467)	(12,250,081)	2,274,070
BEGINNING BALANCE	134,832,327	120,160,126		108,959,237	92,678,065	68,018,291	52,391,824	40,141,744
ENDING BALANCE	120,160,126	108,959,237		82,678,065	68,018,291	52,391,824	40,141,744	42,415,814
UNRESTRICTED								
3 MONTH RESERVE	12,900,000	13,300,000	3.0%	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
O & M RATE STABILIZATION	31,082,607	22,281,708		12,825,328	3,972,837	-	-	-
CONSTRUCTION RESERVE	42,417,219	53,351,228		46,686,437	41,019,354	29,365,524	17,115,444	19,389,514
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	30,000,000	15,000,000		3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED PA93-0226	3,790,300	3,026,300		-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	-	-		-	-	-	-	-
TOTAL UNRESTRICTED CASH & EQUIVALENTS	120,160,126	108,959,237		82,678,065	68,018,291	52,391,824	40,141,744	42,415,814
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	11,112,075	11,182,964		10,989,343	11,899,236	13,228,644	13,755,184	14,309,506
O & M RESERVE	11,532,818	11,606,381		11,405,439	12,349,784	13,727,452	14,275,984	14,851,315
TOTAL RESTRICTED CASH & EQUIVALENTS	27,644,893	27,789,335		27,394,783	29,249,020	31,954,096	33,031,148	34,160,822
TOTAL CASH & EQUIVALENTS	147,805,019	136,748,572		110,072,848	97,267,311	84,345,920	73,172,892	76,576,635
O & M RATE	1.23	1.24		0.94	0.94	0.94	0.94	0.94
FIXED COST RATE	0.21	0.21		0.21	0.21	0.21	0.21	0.21
TOTAL RATE	1.44	1.45		1.15	1.15	1.15	1.15	1.15

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.15 RATE THROUGH FY 2014-15
THEN INCREASED TO \$1.25 (RESERVOIR IN FY 2014-18)

	FORECAST FY 12-13	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:									
FIXED RATE	7,144,844	7,144,844	7,144,844	7,143,844	-	-	-	-	-
O & M REVENUE	33,471,101	33,646,765	33,929,779	37,592,310	45,400,737	45,400,512	45,899,612	46,415,295	46,230,309
SALES TAX	40,178,543	40,882,114	41,801,756	42,637,791	43,480,547	44,380,388	45,247,565	46,152,516	47,075,566
INVESTMENT INCOME	4,118,876	4,380,301	4,602,347	4,781,816	4,916,823	6,152,140	6,602,163	6,412,669	6,412,669
SUBSEQUENT CUSTOMER	758,389	765,973	773,633	781,369	795,163	797,075	805,046	813,096	821,227
EMERGENCY SUPPLY	11,319	11,545	11,776	12,012	12,252	12,497	12,747	13,002	13,262
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	85,685,572	86,935,361	88,266,754	92,951,642	94,612,042	96,725,062	98,569,653	99,809,078	100,555,533
EXPENDITURES:									
WATER PURCHASE	56,558,486	58,694,265	60,692,006	63,199,341	65,579,480	68,061,374	70,611,378	73,268,742	75,478,616
CREDIT FROM CHICAGO	13,151,039	13,809,591	14,489,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,430,077
OPERATING EXPENSES	255,256	269,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130
MINOR CAPITAL	14,289,688	14,289,325	14,289,938	14,287,688	-	-	-	-	-
MAJOR REPAIRS	-	-	-	-	-	-	-	-	-
REV BOND P & I	-	-	-	-	-	-	-	-	-
GO BOND P & I	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	84,254,469	87,059,200	89,662,385	93,006,492	97,874,917	101,171,583	104,577,096	108,132,746	111,385,823
5 YEAR CONSTRUCTION PLAN	5,000,000	5,000,000	5,000,000	5,110,000	5,550,000	6,050,000	6,600,000	7,150,000	7,700,000
DUPAGE COUNTY PAYMENT	-	-	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	-	-	-	-	-
QUALITY LOAN REPAYMENT	358,308	369,308	380,308	391,308	402,308	413,308	424,308	435,308	446,308
QUALITY LOAN REPAIRMENT	(3,200,589)	(4,755,332)	(6,327,323)	(7,965,542)	(9,644,567)	(11,371,807)	(13,140,865)	(14,951,018)	(16,801,018)
NET TRANSACTIONS	42,415,814	39,215,225	34,459,893	28,132,370	20,335,828	17,691,261	15,123,933	12,600,571	10,150,571
BEGINNING BALANCE	39,215,225	34,459,893	28,132,370	20,335,828	17,691,261	15,123,933	12,600,571	10,150,571	7,699,571
ENDING BALANCE	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
UNRESTRICTED	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
3 MONTH RESERVE	16,188,825	11,433,393	5,106,070	(2,690,472)	(44,255,065)	(40,383,278)	(35,022,413)	(31,977,775)	(31,339,757)
OAM RATE STABILIZATION	-	-	-	-	-	-	-	-	-
CONSTRUCTION RESERVE	-	-	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	-	-	-	-	-
UNDISTRIBUTED PAS9-0268	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED QUALITY LOANS	-	-	-	-	-	-	-	-	-
TOTAL UNRESTRICTED CASH & EQUIVALENTS	39,215,225	34,459,693	28,132,370	20,335,828	17,691,261	15,123,933	12,600,571	10,150,571	7,699,571
RESTRICTED	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
DEPRECIATION	14,882,903	15,475,767	16,098,214	16,743,047	-	-	-	-	-
O & M	15,446,423	16,061,735	16,707,761	17,376,999	-	-	-	-	-
O & M RESERVE	-	-	-	-	-	-	-	-	-
TOTAL RESTRICTED CASH & EQUIVALENTS	35,329,325	36,537,502	37,805,985	39,120,046	39,120,046	39,120,046	39,120,046	39,120,046	39,120,046
TOTAL CASH & EQUIVALENTS	74,544,550	70,997,195	65,938,355	59,455,874	56,812,507	54,243,969	51,720,617	49,270,617	46,819,617
O & M RATE	0.95	0.95	0.95	1.05	1.25	1.25	1.25	1.25	1.25
FIXED COST RATE	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
TOTAL RATE	1.15	1.15	1.15	1.25	1.25	1.25	1.25	1.25	1.25

EXHIBIT 9

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.15 RATE THROUGH FY 2014-15
THEN INCREASED TO \$1.25 (RESERVOIR IN FY 2014-18)

	ACTUAL FY 05-06	PROJECTED FY 06-07	ASSUMPTIONS OR % CHANGE	FORECAST FY 07-08	FORECAST FY 08-09	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12
REVENUES:								
FIXED RATE	7,144,469	7,145,094		7,145,344	7,144,719	7,145,219	7,146,219	7,144,594
O & M REVENUE	40,848,001	41,593,077	50.0%	31,666,526	31,872,711	32,291,609	32,402,210	32,694,471
SALES TAX	34,894,007	35,677,396	2.0%	36,390,944	37,116,763	37,861,138	38,616,361	39,390,728
INVESTMENT INCOME	5,429,133	5,237,712		5,050,378	4,446,781	4,211,295	4,181,984	3,821,108
SUBSEQUENT CUSTOMER	572,790	714,437	1.0%	721,581	728,787	736,085	743,446	750,880
EMERGENCY SUPPLY	9,164	10,051	2.0%	10,252	10,457	10,666	10,879	11,097
OTHER INCOME	1,236	2,500		2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	88,859,490	90,390,267		80,990,525	81,324,738	82,258,512	83,105,598	83,815,378
EXPENDITURES:								
WATER PURCHASE	46,058,449	46,187,726	3.0%	46,920,176	48,706,282	50,580,904	52,505,924	54,484,220
CREDIT FROM CHICAGO	-	(898,166)		(2,746,000)	(5,990,500)	(3,973,500)	-	-
OPERATING EXPENSES	9,346,198	9,813,508	5.0%	10,304,183	10,819,392	11,360,382	11,928,380	12,524,799
MINOR CAPITAL	397,056	200,000	5.0%	200,000	210,000	220,500	231,525	243,101
MAJOR REPAIRS	-	2,938,000		-	-	-	-	-
REV BOND P&I	14,288,937	14,290,188		14,290,688	14,289,438	14,290,438	14,282,438	14,289,188
GO BOND P & I	13,124,150	13,117,900		13,117,650	13,116,900	13,121,279	13,119,413	-
TOTAL EXPENDITURES	83,214,790	84,579,156		82,096,697	81,151,512	85,599,979	82,077,680	81,541,308
5 YEAR CONSTRUCTION PLAN	5,358,801	1,902,000		10,185,000	14,833,000	12,285,000	3,278,000	-
DUPAGE COUNTY PAYMENT	15,000,000	15,000,000		15,000,000	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-		-	-	-	-	-
QUALITY LOAN REPAYMENT	-	-		-	-	-	-	-
NET TRANSACTIONS	(14,672,201)	(11,200,889)		(26,281,172)	(14,658,774)	(15,626,467)	(12,250,081)	2,274,070
BEGINNING BALANCE	134,832,327	120,160,126		108,959,237	82,678,065	66,018,291	52,391,824	40,141,744
ENDING BALANCE	120,160,126	108,959,237		82,678,065	68,018,291	52,391,824	40,141,744	42,415,814
UNRESTRICTED								
3 MONTH RESERVE	12,900,000	13,300,000	3.0%	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
O&M RATE STABILIZATION	31,052,607	22,281,709		12,825,328	3,972,637	-	-	-
CONSTRUCTION RESERVE	42,417,219	55,351,228		46,826,437	41,019,354	26,365,524	17,115,444	19,389,514
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-		-	-	-	-	-
UNDISTRIBUTED PA93-0226	30,000,000	15,000,000		-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	3,790,300	3,026,300		3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
TOTAL UNRESTRICTED CASH & EQUIVALENTS	120,160,126	108,959,237		82,678,065	68,018,291	52,391,824	40,141,744	42,415,814
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	11,112,075	11,182,954		10,989,343	11,899,238	13,226,644	13,755,164	14,309,508
O & M RESERVE	11,532,818	11,606,381		11,406,439	12,349,784	13,727,452	14,275,884	14,851,315
TOTAL RESTRICTED CASH & EQUIVALENTS	27,644,893	27,789,335		27,394,783	29,249,020	31,954,096	33,031,148	34,160,822
TOTAL CASH & EQUIVALENTS	147,805,019	136,748,572		110,072,848	97,267,311	84,345,920	73,172,882	76,576,636
O & M RATE	1.23	1.24	0.84	0.84	0.94	0.94	0.94	0.94
FIXED COST RATE	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
TOTAL RATE	1.44	1.45	1.15	1.15	1.15	1.15	1.15	1.15

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.15 RATE THROUGH FY 2014-15
THEN INCREASED TO \$1.25 (RESERVOIR IN FY 2014-18)

	FORECAST FY 12-13	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:									
FIXED RATE	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-
O & M REVENUE	33,471,101	33,648,765	33,929,773	37,592,310	45,400,737	45,400,512	45,899,812	46,415,295	46,230,309
SALES TAX	40,178,543	40,982,114	41,801,756	42,637,791	43,490,547	44,380,358	45,247,565	46,152,516	47,075,566
INVESTMENT INCOME	4,118,876	4,380,301	4,602,347	4,781,816	4,916,823	5,152,140	5,392,183	5,642,669	5,912,669
SUBSEQUENT CUSTOMER	755,389	765,973	773,633	781,369	789,183	797,075	805,046	813,096	821,227
EMERGENCY SUPPLY	11,319	11,545	11,776	12,012	12,252	12,497	12,747	13,002	13,262
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	85,685,572	86,635,361	88,266,754	92,951,542	94,612,042	96,725,082	98,569,653	99,809,078	100,555,533
EXPENDITURES:									
WATER PURCHASE	56,559,486	58,694,265	60,892,006	63,199,341	65,579,480	68,061,374	70,811,376	73,268,742	75,478,616
CREDIT FROM CHICAGO	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES	13,151,039	13,808,591	14,489,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,430,077
MINOR CAPITAL	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130
MAJOR REPAIRS	14,289,688	14,288,325	14,289,938	14,287,688	-	-	-	-	-
GO BOND P & I	84,254,489	67,059,200	89,962,385	93,006,462	81,874,917	65,171,583	58,577,096	52,132,748	95,285,823
5 YEAR CONSTRUCTION PLAN	5,000,000	5,000,000	5,000,000	8,110,000	15,560,000	8,050,000	5,000,000	5,000,000	5,000,000
DUPAGE COUNTY PAYMENT	-	-	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	-	-	-	-	-
QUALITY LOAN REPAYMENT	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308
NET TRANSACTIONS	(3,200,589)	(4,755,632)	(6,327,323)	(7,796,542)	(2,444,567)	3,871,807	5,360,665	3,044,638	638,018
BEGINNING BALANCE	42,415,814	39,215,225	34,459,693	28,132,370	20,335,828	17,891,261	21,763,068	27,123,933	30,168,571
ENDING BALANCE	39,215,225	34,459,693	28,132,370	20,335,828	17,891,261	21,763,068	27,123,933	30,168,571	30,806,589
UNRESTRICTED	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
3 MONTH RESERVE	-	-	-	-	-	-	-	-	-
O&M RATE STABILIZATION	-	-	-	-	-	-	-	-	-
CONSTRUCTION RESERVE	16,188,925	11,433,893	5,106,070	(2,690,472)	(44,255,085)	(40,383,278)	(35,022,413)	(31,977,775)	(31,339,757)
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	39,120,046	39,120,046	39,120,046	39,120,046	39,120,046
UNDISTRIBUTED P&G-0226	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED QUALITY LOANS	-	-	-	-	-	-	-	-	-
TOTAL UNRESTRICTED CASH & EQUIVALENTS	39,215,225	34,459,693	28,132,370	20,335,828	17,891,261	21,763,068	27,123,933	30,168,571	30,806,589
RESTRICTED									
DEPRECIATION	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-	-
O & M	14,882,903	15,475,767	16,098,214	16,743,047	-	-	-	-	-
O & M RESERVE	15,446,423	16,061,735	16,707,751	17,376,969	-	-	-	-	-
TOTAL RESTRICTED CASH & EQUIVALENTS	35,329,326	36,537,502	37,805,965	39,120,046	-	-	-	-	-
TOTAL CASH & EQUIVALENTS	74,544,550	70,997,195	65,938,335	59,455,874	17,891,261	21,763,068	27,123,933	30,168,571	30,806,589
O & M RATE	0.95	0.95	0.95	1.05	1.25	1.25	1.25	1.25	1.25
FIXED COST RATE	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
TOTAL RATE	1.15	1.15	1.15	1.25	1.25	1.25	1.25	1.25	1.25

EXHIBIT 10

DMPAGE WATER COMMISSION
 SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
 50% REVENUE BOND SUBSIDY - \$1.15 RATE THROUGH FY 2009-10
 THEN INCREASED TO \$1.28 THROUGH FY 2013-14
 THEN INCREASED TO \$1.40 THROUGH FY 2016-17
 THEN DECREASED TO \$1.16 THROUGH 2020-21
 (RESERVOIR IN FY 2014-18)

	ACTUAL FY 05-06	PROJECTED FY 06-07	ASSUMPTIONS OR % CHANGE	FORECAST FY 07-08	FORECAST FY 08-09	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12
REVENUES:								
FIXED RATE	7,144,469	7,145,094		7,144,344	7,144,719	7,145,219	7,146,219	7,144,594
O & M REVENUE	40,848,001	41,023,413	50.0%	31,699,526	31,872,711	32,291,609	37,244,561	37,373,644
SALES TAX	34,894,007	36,392,668	2.0%	36,390,944	37,118,753	37,861,138	38,616,351	38,990,728
INVESTMENT INCOME	5,429,133	5,237,712	CALCULATED	5,030,378	4,445,791	4,211,285	4,161,964	3,821,108
SUBSEQUENT CUSTOMER	572,790	714,437	1.0%	721,691	728,797	736,085	743,446	750,890
EMERGENCY SUPPLY	9,854	10,051	2.0%	10,252	10,457	10,666	10,879	11,097
OTHER INCOME	1,236	65,156		2,600	2,500	2,500	2,500	2,500
TOTAL REVENUES	88,899,490	90,979,531		80,950,925	81,324,798	82,268,512	87,947,970	88,694,551
EXPENDITURES:								
WATER PURCHASE	46,058,449	45,187,726		46,920,176	48,706,282	50,580,904	52,505,924	54,484,220
CREDIT FROM CHICAGO	(868,166)	(868,166)	3.0%	(2,746,000)	(5,990,500)	(9,973,500)	-	-
OPERATING EXPENSES	9,346,198	9,813,508	5.0%	10,304,183	10,819,392	11,360,362	11,928,390	12,524,759
MINOR CAPITAL	387,056	200,000	5.0%	200,000	210,000	220,500	231,525	243,101
MAJOR REPAIRS	14,288,937	14,280,188	CALCULATED	14,290,688	14,289,438	14,290,438	14,292,438	14,289,188
REV BOND P & I	13,124,150	13,117,900	CALCULATED	13,117,650	13,116,900	13,121,275	13,119,413	13,119,413
5 YEAR CONSTRUCTION PLAN	83,214,750	84,679,156	CALCULATED	82,086,697	81,151,512	85,599,979	92,077,680	81,541,308
DMPAGE COUNTY PAYMENT	5,356,901	1,902,000	CALCULATED	10,185,000	14,833,000	12,285,000	3,270,000	-
REBATE	15,000,000	15,000,000	PA 93-0226	15,000,000	7,000,000	-	-	7,000,000
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED			CALCULATED	-	-	-	-	-
QUALITY LOAN REPAYMENT			BOARD POLICY	-	-	-	-	-
NET TRANSACTIONS	(14,672,201)	(11,001,625)		(41,281,172)	(21,659,774)	(15,606,467)	(7,407,710)	153,243
BEGINNING BALANCE	134,832,327	120,160,126		109,199,501	67,877,329	46,217,655	90,961,098	23,183,379
ENDING BALANCE	120,160,126	109,158,501		67,917,329	46,217,655	30,591,088	23,183,379	23,336,622
UNRESTRICTED								
HELD FOR EMERGENCY REPAIRS	12,900,000	13,300,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
O&M RATE STABILIZATION	31,082,607	22,291,709	3.0%	12,825,328	3,972,637	-	-	-
CONSTRUCTION RESERVE	42,417,219	55,590,492		32,025,701	19,218,618	7,564,788	157,079	310,322
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED				3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED PA93-0226	30,000,000	16,000,000		-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	3,790,300	3,026,300		-	-	-	-	-
TOTAL UNRESTRICTED CASH & EQUIVALENTS	120,160,126	109,158,501		67,917,329	46,217,655	30,591,088	23,183,379	23,336,622
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	11,112,075	11,182,954		10,989,243	11,889,236	13,226,644	13,795,164	14,309,506
O & M RESERVE	11,532,818	11,606,381		11,408,439	12,346,784	13,727,452	14,275,984	14,851,315
TOTAL RESTRICTED CASH & EQUIVALENTS	27,644,893	27,789,335		27,394,789	29,249,020	31,954,096	33,031,148	34,160,822
TOTAL CASH & EQUIVALENTS	147,805,019	136,947,836		95,272,112	75,466,675	62,545,184	56,214,627	57,497,443
O & M RATE	1.23	1.24	0.94	0.94	0.94	0.94	1.08	1.08
FIXED COST RATE	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
TOTAL RATE	1.44	1.45	1.15	1.15	1.15	1.15	1.28	1.28

DUPAGE WATER COMMISSION
 SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
 50% REVENUE BOND SUBSIDY - \$1.15 RATE THROUGH FY 2009-10
 THEN INCREASED TO \$1.29 THROUGH FY 2013-14
 THEN INCREASED TO \$1.40 THROUGH FY 2016-17
 THEN DECREASED TO \$1.15 THROUGH 2020-21
 (RESERVOIR IN FY 2014-18)

	FORECAST FY 12-13	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:									
FIXED RATE	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-
O & M REVENUE	38,387,060	38,601,526	42,839,680	42,978,491	50,827,811	41,755,306	42,227,215	42,715,661	42,530,675
SALES TAX	40,178,543	40,982,114	41,801,755	42,637,791	43,960,547	44,390,358	45,247,555	46,182,516	47,075,566
INVESTMENT INCOME	4,118,878	4,380,301	4,602,947	4,781,816	4,916,823	5,152,140	5,402,183	5,642,669	5,883,689
SUBSEQUENT CUSTOMER	758,388	753,973	773,633	781,369	789,183	797,075	805,046	813,086	821,227
EMERGENCY SUPPLY	11,319	11,516	11,776	12,012	12,252	12,487	12,747	13,002	13,262
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	90,801,531	91,888,122	97,178,961	98,337,823	100,039,116	93,079,876	94,887,256	96,109,444	96,855,898
EXPENDITURES:									
WATER PURCHASE	58,558,486	58,694,265	60,892,008	63,196,341	65,579,480	68,061,374	70,611,376	73,268,742	75,478,616
CREDIT FROM CHICAGO									
OPERATING EXPENSES	13,151,038	13,608,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,490,077
MINOR CAPITAL	285,266	268,019	281,420	295,481	310,266	325,779	342,068	359,171	377,130
MAJOR REPAIRS	14,289,688	14,288,325	14,288,938	14,287,688	-	-	-	-	-
GO BOND P & I	84,254,469	87,059,200	89,962,385	93,006,492	81,874,917	85,171,583	88,577,066	92,132,748	95,285,823
5 YEAR CONSTRUCTION PLAN	5,000,000	5,000,000	5,000,000	8,110,000	15,550,000	8,050,000	5,000,000	5,000,000	5,000,000
DUPAGE COUNTY PAYMENT	2,000,000	-	-	-	-	-	-	-	-
REBATE	-	-	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308
QUALITY LOAN REPAYMENT	(294,630)	197,230	2,692,584	(2,410,381)	2,982,507	226,601	1,688,468	(654,996)	(3,061,616)
NET TRANSACTIONS	23,336,622	23,051,892	23,248,221	25,631,905	23,421,444	26,403,951	26,630,552	28,319,020	27,664,024
BEGINNING BALANCE	23,051,892	23,249,221	23,631,805	23,921,444	26,403,951	26,630,552	28,319,020	27,664,024	24,602,408
ENDING BALANCE	-	-	-	-	-	-	-	-	-
UNRESTRICTED	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
HELD FOR EMERGENCY REPAIRS	-	-	-	-	-	-	-	-	-
O&M RATE STABILIZATION	25,692	222,921	2,805,505	395,144	(35,742,395)	(33,827,326)	(34,488,322)	(37,543,938)	(39,120,046)
CONSTRUCTION RESERVE	-	-	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED P493-0226	-	-	-	-	-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	-	-	-	-	-	-	-	-	-
TOTAL UNRESTRICTED CASH & EQUIVALENTS	23,051,892	23,249,221	25,631,805	23,421,444	26,403,951	26,630,552	28,319,020	27,664,024	24,602,408
RESTRICTED									
DEPRECIATION	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-	-
O & M	14,882,903	15,475,767	16,098,214	16,743,047	-	-	-	-	-
O & M RESERVE	15,446,423	16,081,735	16,707,751	17,376,989	-	-	-	-	-
TOTAL RESTRICTED CASH & EQUIVALENTS	35,329,326	36,557,502	37,805,965	39,120,046	-	-	-	-	-
TOTAL CASH & EQUIVALENTS	58,381,317	59,796,723	63,637,770	62,541,490	26,403,951	26,630,552	28,319,020	27,664,024	24,602,408
O & M RATE	1.09	1.06	1.20	1.20	1.40	1.15	1.15	1.15	1.15
FIXED COST RATE	0.20	0.20	0.20	0.20	-	-	-	-	-
TOTAL RATE	1.29	1.29	1.40	1.40	1.40	1.15	1.15	1.15	1.15

EXHIBIT 11

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.25 RATE THROUGH FY 15-16; DECREASED TO \$1.10 IN FY 17-18
WITH \$40.0 MILLION REBATE IN FY 07-08

	ACTUAL FY 05-06	PROJECTED FY 05-07	ASSUMPTIONS OR % CHANGE	FORECAST FY 08-09	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12
REVENUES:							
FIXED RATE	7,144,469	7,145,064		7,144,719	7,145,219	7,146,219	7,144,594
O & M REVENUE	40,849,001	41,023,413	50.0%	35,277,592	35,723,758	35,861,047	36,179,595
SALES TAX	34,894,007	36,582,668	2.0%	37,119,763	37,861,138	38,619,361	39,390,728
INVESTMENT INCOME	5,429,133	5,237,712		4,448,791	4,211,295	4,181,984	3,821,108
SUBSEQUENT CUSTOMER	572,790	714,437	1.0%	728,797	738,085	743,446	750,880
EMERGENCY SUPPLY	9,854	10,051	2.0%	10,457	10,866	11,067	11,067
OTHER INCOME	1,226	68,156		2,500	2,500	2,500	2,500
TOTAL REVENUES	88,859,480	90,579,551		84,729,619	85,690,661	86,564,436	87,300,502
EXPENDITURES:							
WATER PURCHASE	46,058,449	45,187,726		48,706,282	50,580,904	52,505,924	54,484,220
CREDIT FROM CHICAGO	(868,166)	(868,166)	3.0%	(5,950,500)	(3,973,500)		
OPERATING EXPENSES	9,348,188	9,813,508	5.0%	10,819,382	11,360,362	11,828,380	12,524,799
MINOR CAPITAL	387,056	200,000	5.0%	210,000	220,500	231,525	243,101
MAJOR REPAIRS	2,988,000	2,988,000					
REV BOND P & I	14,288,937	14,290,188		14,289,438	14,290,438	14,292,438	14,289,188
GO BOND P & I	13,124,150	13,117,900		13,116,900	13,121,275	13,119,413	
TOTAL EXPENDITURES	83,214,780	84,579,156		81,151,512	85,599,979	92,077,680	81,541,308
5 YEAR CONSTRUCTION PLAN	5,356,901	1,902,000		14,833,000	12,265,000	3,278,000	
DUPAGE COUNTY PAYMENT	15,000,000	15,000,000					
REBATE							
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED							
QUALITY LOAN REPAYMENT							
NET TRANSACTIONS	(14,672,201)	(11,001,625)		(62,903,893)	(11,254,893)	(8,791,244)	5,759,194
BEGINNING BALANCE	120,160,126	120,160,126		109,158,501	46,254,608	34,999,715	22,805,397
ENDING BALANCE							
UNRESTRICTED	12,900,000	13,300,000		20,000,000	20,000,000	20,000,000	20,000,000
HELD FOR EMERGENCY REPAIRS	31,052,607	22,281,709		3,972,637			
O&M RATE STABILIZATION	42,417,219	55,550,482		8,000,778	(220,903)	(9,012,147)	(3,252,653)
CONSTRUCTION RESERVE	30,000,000	15,000,000					
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	3,780,300	3,026,300		3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED PA93-0226							
UNDISTRIBUTED QUALITY LOANS							
TOTAL UNRESTRICTED CASH & EQUIVALENTS	120,160,126	109,158,501		34,999,715	22,805,397	14,014,154	19,773,348
RESTRICTED	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000
DEPRECIATION	11,112,075	11,182,954		10,989,236	13,228,644	13,755,164	14,309,506
O & M RESERVE	11,532,818	11,606,381		11,405,439	12,349,784	14,275,964	14,851,315
TOTAL RESTRICTED CASH & EQUIVALENTS	27,644,893	27,789,335		29,249,020	31,954,096	33,031,148	34,160,822
TOTAL CASH & EQUIVALENTS	147,805,019	136,947,836		64,248,735	54,759,493	47,045,302	53,934,169
O & M RATE	1.23	1.24		1.04	1.04	1.04	1.04
FIXED COST RATE	0.21	0.21		0.21	0.21	0.21	0.21
TOTAL RATE	1.44	1.45		1.25	1.25	1.25	1.25

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.25 RATE THROUGH FY 15-16; D
WITH \$40.0 MILLION REBATE IN FY 07-08

	FORECAST FY 12-13	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:									
FIXED RATE	7,144,844	7,144,163	7,144,969	7,143,844	39,973,862	39,982,703	40,391,017	40,865,645	-
O & M REVENUE	36,982,500	37,186,451	37,493,736	37,592,310	43,490,547	44,360,366	45,247,565	46,152,516	40,880,859
SALES TAX	40,178,543	40,982,114	41,801,756	42,637,791	4,916,923	6,152,140	6,602,183	6,412,669	6,412,669
INVESTMENT INCOME	4,118,876	4,360,301	4,602,347	4,791,816	789,183	797,075	805,046	813,066	821,227
SUBSEQUENT CUSTOMER	755,369	765,973	773,633	781,369	12,252	12,487	12,747	13,002	13,262
EMERGENCY SUPPLY	11,319	11,545	11,776	12,012	2,500	2,500	2,500	2,500	2,500
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	89,195,971	90,473,047	91,630,717	92,951,642	89,184,867	91,257,273	93,061,058	94,259,628	95,066,083
EXPENDITURES:									
WATER PURCHASE	58,559,486	58,694,265	60,892,006	63,189,341	65,579,460	68,061,374	70,611,376	73,268,742	75,478,616
CREDIT FROM CHICAGO									
OPERATING EXPENSES	13,151,009	13,809,591	14,499,021	15,223,972	15,995,171	16,784,430	17,623,652	18,504,835	19,430,077
MINOR CAPITAL	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130
MAJOR REPAIRS									
REV BOND P & I	14,289,898	14,288,325	14,289,938	14,287,898	-	-	-	-	-
GO BOND P & I									
TOTAL EXPENDITURES	84,254,466	87,059,200	89,969,385	93,006,462	91,874,917	95,171,583	98,577,096	102,132,748	105,285,823
5 YEAR CONSTRUCTION PLAN	5,000,000	5,000,000	5,000,000	6,110,000	15,550,000	8,050,000	5,000,000	5,000,000	5,000,000
DUPAGE COUNTY PAYMENT									
REBATE									
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED									
QUALITY LOAN REPAYMENT	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308
NET TRANSACTIONS	310,810	(1,217,846)	(2,763,390)	(7,796,542)	(7,871,642)	(1,586,002)	(1,477,330)	(2,504,812)	(4,911,432)
BEGINNING BALANCE	19,773,348	20,084,158	18,866,312	16,102,952	8,306,410	434,768	(1,161,234)	(1,308,964)	(3,613,776)
ENDING BALANCE	20,084,158	18,866,312	16,102,952	8,306,410	434,768	(1,161,234)	(1,308,964)	(3,613,776)	(6,725,208)
UNRESTRICTED	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
HELD FOR EMERGENCY REPAIRS									
O&M RATE STABILIZATION									
CONSTRUCTION RESERVE	(2,942,143)	(4,159,899)	(6,923,348)	(14,719,890)	(61,711,578)	(63,307,590)	(63,455,310)	(65,960,122)	(70,871,554)
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED									
UNDISTRIBUTED PA93-0226	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
UNDISTRIBUTED QUALITY LOANS									
TOTAL UNRESTRICTED CASH & EQUIVALENTS	20,084,158	18,866,312	16,102,952	8,306,410	434,768	(1,161,234)	(1,308,964)	(3,613,776)	(6,725,208)
RESTRICTED	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-	-
DEPRECIATION	14,882,903	15,475,767	16,098,214	16,743,047	-	-	-	-	-
O & M	15,446,423	16,081,735	16,707,751	17,376,899	-	-	-	-	-
O & M RESERVE									
TOTAL RESTRICTED CASH & EQUIVALENTS	35,369,325	36,557,502	37,895,965	39,120,046	-	-	-	-	-
TOTAL CASH & EQUIVALENTS	55,413,483	55,403,814	53,998,917	47,426,456	434,768	(1,161,234)	(1,308,964)	(3,613,776)	(8,725,208)
O & M RATE	1.05	1.05	1.05	1.05	1.10	1.10	1.10	1.10	1.10
FIXED COST RATE	0.20	0.20	0.20	0.20	-	-	-	-	-
TOTAL RATE	1.25	1.25	1.25	1.25	1.10	1.10	1.10	1.10	1.10

EXHIBIT 12

From: Max Richter
Sent: Monday, December 11, 2006 12:12 PM
To: Rick Skiba
Subject: Forecast
Attachments: RATE REDUCTION CASH FLOW (version 1).xls

Rick:

Attached is the worksheet I want you to review.

Tab = Fund Reduced Rate is the Forecast

Thanks

Max Richter
Financial Administrator
DuPage Water Commission
600 East Butterfield Road
Elmhurst, IL
630-834-0100

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1/21/2010

DUPAGE WATER COMMISSION - 14 YEAR PROJECTION
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES

	ALL FUNDS		ALL FUNDS		ALL FUNDS		ALL FUNDS		ALL FUNDS		ALL FUNDS		ALL FUNDS		ALL FUNDS		ALL FUNDS	
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	ACTUAL	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
TAX REVENUES																		
SALES TAX COLLECTED	34,894,007	35,677,366	35,390,944	37,118,763	37,861,136	38,618,361	39,390,728	40,178,543	40,962,114	41,801,756	42,637,791	43,490,547	44,360,358					
G.O. BOND PRINCIPAL & INTEREST	13,124,150	13,117,650	13,116,900	13,121,275	13,119,413													
REV BOND SUBSIDY		7,145,094																
SALES TAX TO BE USED FOR CONSTRUCTION		15,414,402	23,273,294	24,001,863	24,739,863	25,486,949	26,244,728	27,013,543	27,793,414	28,583,456	29,383,667	30,194,047	31,014,598					
WATER REVENUES																		
O & M PAYMENTS	40,849,001	41,532,694	41,878,257	42,220,527	42,558,653	42,899,575	43,215,534	43,692,495	44,221,083	44,549,531	44,884,845	45,221,121	45,556,359					
FIXED PAYMENTS	7,144,469	7,145,094	7,144,719	7,145,219	7,145,719	7,146,219	7,146,719	7,147,219	7,147,719	7,148,219	7,148,719	7,149,219	7,149,719					
SUBSEQUENT CUSTOMER	572,790	714,437	721,581	728,737	736,085	743,446	750,880	758,389	765,973	773,633	781,369	789,183	797,075					
EMERGENCY SUPPLY	9,854	10,051	10,252	10,457	10,666	10,879	11,087	11,299	11,514	11,731	11,951	12,175	12,403					
INVESTMENT INCOME	5,429,133	5,237,712	5,050,378	4,446,791	4,211,285	4,181,984	3,821,108	4,118,876	4,380,301	4,602,347	4,818,816	5,030,301	5,241,796					
OTHER INCOME	1,236	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500					
TOTAL WATER REVENUES	54,005,483	54,808,312	54,808,312	54,553,791	54,684,418	54,974,603	54,945,713	55,928,423	56,525,565	57,084,756	57,606,386	58,182,479	58,819,706					
WATER EXPENDITURES																		
WATER PURCHASES	46,059,449	45,187,726	45,920,176	48,706,292	50,580,904	52,505,924	54,484,220	56,558,486	58,694,265	60,892,006	63,199,341	65,579,480	68,081,374					
10% CREDIT FOR GENERATORS		(868,166)	(2,790,000)	(5,118,000)	(4,037,000)													
OPERATING EXPENDITURES	9,346,198	9,813,503	10,304,183	10,819,932	11,360,362	11,928,380	12,524,799	13,151,039	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430					
MINOR CAPITAL		200,000	200,000	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491	310,266	325,779					
MAJOR REPAIRS		2,953,000																
REVENUE BOND PRIN & INTEREST	14,288,937	14,290,188	14,289,688	14,289,438	14,292,438	14,289,188	14,289,688	14,289,688	14,289,325	14,289,938	14,287,668	14,285,188	14,282,688					
TOTAL WATER EXPENDITURES	69,693,584	71,561,256	69,925,047	67,907,112	67,415,204	68,958,257	67,541,308	68,254,469	67,059,200	66,862,385	66,006,492	65,171,583	64,344,188					
5 YEAR CONSTRUCTION		15,000,000	11,573,000	16,623,000	11,377,000	4,976,000	5,000,000	5,100,000	5,202,000	5,306,000	5,412,161	5,520,404	5,630,812					
DUPAGE COUNTY PAYMENT																		
FUNDS																		
INVESTMENT INCOME - G.O. DEFEASED		5,237,712	3,824,335	3,543,076	3,638,627	3,949,453	3,957,850	4,043,093	4,322,430	4,562,874	4,761,239	4,915,655	5,081,906					
INVESTMENT INCOME - GO & REV DEFEASED		5,237,712	3,824,335	3,543,076	3,638,627	3,949,453	3,957,850	4,043,093	4,322,430	4,562,874	4,761,239	4,915,655	5,081,906					
O&M RATE	1.23	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.25	1.25	1.25	1.25	1.25	1.45	1.45	1.45	1.45	1.45
DNR LMO 84-2 ALLOCATION MAY 1 - SEP 30	96,323	97,156	97,958	98,778	99,571	100,367	101,132	101,899	102,664	103,431	104,196	104,961	105,726					
DNR LMO 84-2 ALLOCATION OCT 1 - APR 30	97,156	97,958	98,778	99,571	100,367	101,132	101,899	102,664	103,431	104,196	104,961	105,726	106,491					
ALLOCATI	35,334,491	35,632,030	35,928,498	36,222,140	36,512,228	36,796,135	37,075,784	37,355,315	37,634,964	37,914,495	38,193,966	38,473,437	38,752,908					
SALES (00	33,552,368	33,494,108	33,772,788	34,048,812	34,321,494	34,598,367	34,851,237	35,113,995	35,376,866	35,639,625	35,902,384	36,165,143	36,427,902					
SALES AS	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%					
ESTIMATED WATER PURCHASES FROM CHICAGO	34,948,474	34,948,474	34,948,474	35,065,718	35,334,644	35,621,087	35,928,436	36,244,885	36,571,334	36,907,783	37,254,232	37,611,681	37,979,130					
AT AN ACCOUNTABILITY OF	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%					
AVERAGE CHICAGO WATER RATE	\$1,298	\$1,310	\$1,349	\$1,389	\$1,431	\$1,474	\$1,518	\$1,564	\$1,611	\$1,659	\$1,709	\$1,760	\$1,813					

ALL FUNDS	ALL FUNDS	ALL FUNDS	ALL FUNDS
FY 18-19	FY 19-20	FY 20-21	FORECAST
FORECAST	FORECAST	FORECAST	FORECAST
45,247,565	46,152,516	47,075,565	0
0	0	0	0
45,247,565	46,152,516	47,075,566	
53,249,752	53,644,683	53,644,883	
805,046	813,096	821,227	
12,747	13,002	13,262	
6,602,183	6,412,669	6,412,669	
2,500	2,500	2,500	
60,872,228	60,885,950	60,894,341	
70,611,376	73,288,742	75,478,616	
17,823,652	18,504,835	19,430,077	
342,068	359,171	377,130	
88,577,096	92,132,748	95,285,823	
5,743,428	5,856,297	5,875,463	
6,641,425	7,065,824	7,428,521	
6,207,348	6,843,891	7,444,987	
1.45	1.45	1.45	
106,574	107,369	107,369	
107,369	108,162	108,162	
38,068,050	38,357,801	38,357,801	
36,723,967	36,996,333	36,996,333	
37,820,769	38,101,270	38,101,270	
\$1,867	\$1,923	\$1,981	

DuPAGE WATER COMMISSION
2001 G. O. BOND ISSUE
SCHEDULE OF PRINCIPAL, INTEREST AND TAX LEVIES

	PRINCIPAL	OUTSTANDING BALANCE	INTEREST	TOTAL	FISCAL YEAR	PROPERTY TAX	LEVY YEAR
March 1, 2002	\$ 1,295,000.00	\$92,675,000.00	\$ 1,196,850.00	\$ 2,491,850.00	2002	\$ -	NEVER
September 1, 2002			\$ 2,361,325.00	\$ 2,361,325.00			
March 1, 2003	\$ 8,400,000.00	\$84,275,000.00	\$ 2,361,325.00	\$ 10,761,325.00	2003	\$ 13,122,650.00	2001
September 1, 2003			\$ 2,151,325.00	\$ 2,151,325.00			
March 1, 2004	\$ 8,810,000.00	\$75,465,000.00	\$ 2,151,325.00	\$ 10,961,325.00	2004	\$ 13,112,650.00	2002
September 1, 2004			\$ 1,931,075.00	\$ 1,931,075.00			
March 1, 2005	\$ 9,260,000.00	\$66,205,000.00	\$ 1,931,075.00	\$ 11,191,075.00	2005	\$ 13,122,150.00	2003
September 1, 2005			\$ 1,699,575.00	\$ 1,699,575.00			
March 1, 2006	\$ 9,725,000.00	\$56,480,000.00	\$ 1,699,575.00	\$ 11,424,575.00	2006	\$ 13,124,150.00	2004
September 1, 2006			\$ 1,456,450.00	\$ 1,456,450.00			
March 1, 2007	\$10,205,000.00	\$46,275,000.00	\$ 1,456,450.00	\$ 11,661,450.00	2007	\$ 13,117,900.00	2005
September 1, 2007			\$ 1,201,325.00	\$ 1,201,325.00			
March 1, 2008	\$10,715,000.00	\$35,560,000.00	\$ 1,201,325.00	\$ 11,916,325.00	2008	\$ 13,117,650.00	2006
September 1, 2008			\$ 933,450.00	\$ 933,450.00			
March 1, 2009	\$11,250,000.00	\$24,310,000.00	\$ 933,450.00	\$ 12,183,450.00	2009	\$ 13,116,900.00	2007
September 1, 2009			\$ 638,137.50	\$ 638,137.50			
March 1, 2010	\$11,845,000.00	\$12,465,000.00	\$ 638,137.50	\$ 12,483,137.50	2010	\$ 13,121,275.00	2008
September 1, 2010			\$ 327,206.25	\$ 327,206.25			
March 1, 2011	\$12,465,000.00	\$ -	\$ 327,206.25	\$ 12,792,206.25	2011	\$ 13,119,412.50	2009
TOTAL	\$93,970,000.00		\$26,596,587.50	\$120,566,587.50		\$118,074,737.50	

DUPAGE WATER COMMISSION
2003 REVENUE BOND ISSUE
SCHEDULE OF PRINCIPAL, INTEREST AND ANNUAL REQUIREMENTS

	PRINCIPAL	OUTSTANDING BALANCE	INTEREST	TOTAL	FISCAL YEAR TOTAL	FISCAL YEAR
May 1, 2004	\$ 10,355,000.00	\$ 125,640,000.00	\$ 3,937,838.78	\$ 14,292,838.78	\$ 14,292,838.78	2004
November 1, 2004			\$ 3,203,968.75	\$ 3,203,968.75		
May 1, 2005	\$ 7,880,000.00	\$ 117,760,000.00	\$ 3,203,968.75	\$ 11,083,968.75	\$ 14,287,937.50	2005
November 1, 2005			\$ 3,006,968.75	\$ 3,006,968.75		
May 1, 2006	\$ 8,275,000.00	\$ 109,485,000.00	\$ 3,006,968.75	\$ 11,281,968.75	\$ 14,288,937.50	2006
November 1, 2006			\$ 2,800,093.75	\$ 2,800,093.75		
May 1, 2007	\$ 8,690,000.00	\$ 100,795,000.00	\$ 2,800,093.75	\$ 11,490,093.75	\$ 14,290,187.50	2007
November 1, 2007			\$ 2,582,843.75	\$ 2,582,843.75		
May 1, 2008	\$ 9,125,000.00	\$ 91,670,000.00	\$ 2,582,843.75	\$ 11,707,843.75	\$ 14,290,687.50	2008
November 1, 2008			\$ 2,354,718.75	\$ 2,354,718.75		
May 1, 2009	\$ 9,580,000.00	\$ 82,090,000.00	\$ 2,354,718.75	\$ 11,934,718.75	\$ 14,289,437.50	2009
November 1, 2009			\$ 2,115,218.75	\$ 2,115,218.75		
May 1, 2010	\$ 10,060,000.00	\$ 72,030,000.00	\$ 2,115,218.75	\$ 12,175,218.75	\$ 14,290,437.50	2010
November 1, 2010			\$ 1,863,718.75	\$ 1,863,718.75		
May 1, 2011	\$ 10,565,000.00	\$ 61,465,000.00	\$ 1,863,718.75	\$ 12,428,718.75	\$ 14,292,437.50	2011
November 1, 2011			\$ 1,599,593.75	\$ 1,599,593.75		
May 1, 2012	\$ 11,090,000.00	\$ 50,375,000.00	\$ 1,599,593.75	\$ 12,689,593.75	\$ 14,289,187.50	2012
November 1, 2012			\$ 1,322,343.75	\$ 1,322,343.75		
May 1, 2013	\$ 11,645,000.00	\$ 38,730,000.00	\$ 1,322,343.75	\$ 12,967,343.75	\$ 14,289,687.50	2013
November 1, 2013			\$ 1,016,662.50	\$ 1,016,662.50		
May 1, 2014	\$ 12,255,000.00	\$ 26,475,000.00	\$ 1,016,662.50	\$ 13,271,662.50	\$ 14,288,325.00	2014
November 1, 2014			\$ 694,968.75	\$ 694,968.75		
May 1, 2015	\$ 12,900,000.00	\$ 13,575,000.00	\$ 694,968.75	\$ 13,594,968.75	\$ 14,289,937.50	2015
November 1, 2015			\$ 356,343.75	\$ 356,343.75		
May 1, 2016	\$ 13,575,000.00	\$ -	\$ 356,343.75	\$ 13,931,343.75	\$ 14,287,687.50	2016
TOTAL	\$ 135,995,000.00		\$ 49,772,726.28	\$ 185,767,726.28	\$ 185,767,726.28	

**DuPAGE WATER COMMISSION
SUMMARY OF ESTIMATED NEW CONSTRUCTION COSTS**

DESCRIPTION (BASED ON FY 05-08 COSTS)	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	TOTAL
DuPAGE PUMP STATION IMPROVEMENTS						
8 MW Electrical Generator Facility - Engineering	970,000	450,000	250,000			1,670,000
8 MW Electrical Generator Facility - Construction	4,500,000	3,500,000	2,500,000			10,500,000
Cadwell Avenue Realignment- Engineering	27,000					27,000
Cadwell Avenue Realignment- Construction	385,000					385,000
Pump #10-Engineering				40,000		40,000
Pump #10-Installation				438,000		438,000
LEXINGTON PUMP STATION IMPROVEMENTS 1						
Generator Facility - Engineering	1,114,000	630,000	416,000			2,160,000
Generator Facility - Construction	2,409,000	7,085,000	4,676,000			14,170,000
Variable Frequency Drive Replacement - Engineering	86,000	48,000	31,000			165,000
Variable Frequency Drive Replacement - Construction	190,000	560,000	370,000			1,120,000
Photovoltaic - Engineering	543,000	273,000	179,000			995,000
Photovoltaic - Construction	1,238,000	3,640,000	2,402,000			7,280,000
STANDPIPE IMPROVEMENTS						
Standpipe Riser Pipe Modifications- Engineering	13,000	13,000	13,000	13,000		52,000
Standpipe Riser Pipe Modifications- Construction	98,000	98,000	98,000	98,000		392,000
Undefined Capital Projects				4,100,000	5,000,000	9,100,000
INFLATION FACTOR 2% PER YEAR	11,573,000	16,297,000	10,935,000	4,669,000	5,000,000	48,494,000
	100.0%	102.0%	104.0%	106.1%	100.0%	
	11,573,000	16,623,000	11,377,000	4,976,000	5,000,000	49,549,000
MINOR CAPITAL (5% ANNUAL INCREASE)	200,000	210,000	220,500	231,525	243,101	1,105,126
	11,773,000	16,833,000	11,597,500	5,207,525	5,243,101	50,654,126
NOTE:	1 Chicago Paying 50%					

**DUPAGE WATER COMMISSION
SUMMARY OF ESTIMATED NEW CONSTRUCTION COSTS**

DESCRIPTION (BASED ON FY 05-06 COSTS)	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	TOTAL
DUPAGE PUMP STATION IMPROVEMENTS						
8 MW Electrical Generator Facility - Engineering	970,000	450,000	250,000			1,670,000
8 MW Electrical Generator Facility - Construction	4,500,000	3,500,000	2,500,000			10,500,000
Cadwell Avenue Realignment- Engineering	27,000					27,000
Cadwell Avenue Realignment- Construction	385,000					385,000
Pump #10-Engineering				40,000		40,000
Pump #10-Installation				438,000		438,000
LEXINGTON PUMP STATION IMPROVEMENTS 1						
Generator Facility - Engineering	1,114,000	630,000	416,000			2,160,000
Generator Facility - Construction	2,409,000	7,085,000	4,676,000			14,170,000
Variable Frequency Drive Replacement - Engineering	86,000	48,000	31,000			165,000
Variable Frequency Drive Replacement - Construction	190,000	560,000	370,000			1,120,000
Photovoltaic - Engineering	543,000	273,000	179,000			995,000
Photovoltaic - Construction	1,238,000	3,640,000	2,402,000			7,280,000
STANDPIPE IMPROVEMENTS						
Standpipe Riser Pipe Modifications- Engineering	13,000	13,000	13,000	13,000		52,000
Standpipe Riser Pipe Modifications- Construction	98,000	98,000	98,000	98,000		392,000
Undefined Capital Projects	11,573,000	16,287,000	10,935,000	4,100,000	5,000,000	9,100,000
				4,589,000	5,000,000	48,484,000
INFLATION FACTOR 2% PER YEAR	100.0%	102.0%	104.0%	106.1%	100.0%	
	11,573,000	16,623,000	11,377,000	4,976,000	5,000,000	49,549,000
MINOR CAPITAL (5% ANNUAL INCREASE)	200,000	210,000	220,500	231,525	243,101	1,105,126
	11,773,000	16,833,000	11,597,500	5,207,525	5,243,101	50,654,126
NOTE:	1 Chicago Paying 50%					

DUPAGE WATER COMMISSION

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
REVENUES:							
FIXED RATE	7,145,094	7,145,344	7,144,719	7,145,219	7,146,219	7,144,594	7,144,844
O & M REVENUE	41,593,077	41,757,363	42,300,343	42,524,557	42,778,720	43,149,842	44,005,299
SALES TAX	35,677,396	36,390,944	37,118,763	37,861,138	38,618,361	39,390,728	40,178,543
INVESTMENT INCOME	5,237,712	5,060,378	4,446,791	4,211,295	4,181,984	3,821,108	4,118,876
SUBSEQUENT CUSTOMER	714,437	721,581	728,797	736,085	743,446	750,880	758,389
EMERGENCY SUPPLY	10,051	10,252	10,457	10,666	10,879	11,097	11,319
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	90,380,287	91,078,362	91,752,370	92,491,460	93,482,109	94,270,749	96,219,770

EXPENDITURES:

WATER PURCHASE	45,187,726	46,920,176	48,706,282	50,580,904	52,505,924	54,484,220	56,558,486
CREDIT FORM CHICAGO	(868,166)	(2,790,000)	(6,118,000)	(4,037,000)	-	-	-
OPERATING EXPENSES	9,813,508	10,304,183	10,819,392	11,360,362	11,928,380	12,524,799	13,151,039
MINOR CAPITAL	200,000	200,000	210,000	220,500	231,525	243,101	255,256
MAJOR REPAIRS	2,988,000	-	-	-	-	-	-
REV BOND P & I	14,290,188	14,290,688	14,289,438	14,290,438	14,292,438	14,289,188	14,289,688
GO BOND P & I	13,117,900	13,117,650	13,116,900	13,121,275	13,119,413	-	-
TOTAL EXPENDITURES	84,679,156	82,042,637	81,024,012	85,536,479	92,077,680	81,541,308	84,254,469
5 YEAR CONSTRUCTION PLAN	1,902,000	11,573,000	16,623,000	11,377,000	4,976,000	5,000,000	5,100,000
DUPAGE CTY PAYMENT	15,000,000	-	-	-	-	-	-
QUALITY LOAN REPAYMENT	(11,200,889)	(2,537,335)	(5,894,642)	(4,422,019)	(3,571,571)	7,729,441	368,308
NET TRANSACTIONS							
HELD FOR EMERGENCY RESERVE	13,300,000	13,700,000	14,100,000	14,500,000	14,900,000	15,300,000	15,800,000
O&M RATE STABILIZATION							
CONSTRUCTION RESERVE	15,000,000						
UNDISTRIBUTED PA93-0226	3,026,300						
UNDISTRIBUTED QUALITY LOANS							
ENDING CASH AND EQUIVALENTS	31,326,300						

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
	7,144,163	7,144,969	7,143,844	-	-	-	-	-
	44,261,824	44,621,661	44,773,885	52,636,836	52,690,925	53,244,405	53,814,561	53,629,575
	40,982,114	41,801,756	42,637,791	43,490,547	44,360,358	45,247,565	46,152,516	47,075,566
	4,380,301	4,602,347	4,781,816	4,916,823	6,152,140	6,602,183	6,412,669	6,412,669
	765,973	773,633	781,369	789,183	797,075	805,046	813,096	821,227
	11,545	11,776	12,012	12,252	12,497	12,747	13,002	13,262
	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
	97,548,420	98,958,642	100,133,217	101,848,141	104,015,495	105,914,446	107,208,344	107,954,799
	58,694,265	60,892,006	63,199,341	65,579,480	68,061,374	70,611,376	73,268,742	75,478,616
	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,430,077
	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130
	14,288,325	14,289,938	14,287,688	-	-	-	-	-
	87,059,200	89,952,385	93,006,492	81,874,917	85,171,583	88,577,096	92,132,748	95,285,823
	5,202,000	5,306,040	5,412,161	5,520,404	5,630,612	5,743,428	5,858,297	5,975,463
	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308
	5,655,528	4,058,525	2,082,872	14,821,128	13,581,408	11,962,230	9,585,607	7,061,821
	16,300,000	16,800,000	17,300,000	17,800,000	18,300,000	18,800,000	19,400,000	20,000,000

	One Year Reserve													
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
REVENUES	86,012,443	86,645,048	87,343,236	88,293,854	89,043,064	90,952,671	92,241,891	93,612,698	94,747,036	96,421,066	98,547,686	100,405,851	101,658,894	102,405,349
DEBT SERV	27,408,338	27,406,338	27,411,713	27,411,851	14,289,188	14,289,688	14,288,325	14,289,938	14,287,688	81,564,651	84,845,804	88,235,028	91,773,577	94,908,693
OPERATION EXP	54,434,359	53,407,674	57,904,266	64,434,304	67,009,019	69,709,525	72,502,856	75,391,027	78,423,313	81,564,651	84,845,804	88,235,028	91,773,577	94,908,693
CAPITAL	11,573,000	16,623,000	11,377,000	4,976,000	5,000,000	5,100,000	5,202,000	5,306,040	5,412,161	5,520,404	5,630,812	5,743,428	5,858,297	5,975,463
RESTRICT	27,341,447	29,222,457	31,954,096	33,031,148	34,160,822	35,329,325	36,537,502	37,805,965	39,120,046	40,487,105	41,878,185	43,291,820	44,731,820	46,193,348
UNRESTRICT	96,355,983	75,354,019	65,783,776	57,023,951	59,525,707	61,492,217	61,841,215	60,553,796	57,250,487	105,764,586	113,878,185	120,331,820	124,367,977	125,880,348

DUPAGE WATER COMMISSION
 RATE PROJECTION
 REVENUE BOND 5% SURSEIDY
 TOTAL WATER RATE MAINTAINED AT \$1.30 UTILIZING RATE STABILIZATION AND SALES TAX

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
FIXED RATE																
REV. BOND P. E.I.	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188	14,800,188
COLLECTED VIA RATE	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094	7,145,094
SUBSIDIZED RATE	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
CONTRACTUAL RATE	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43
O & M RATE																
EXPENDITURES																
1 WATER PURCHASES	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704	45,187,704
2 CREDIT FROM CHICAGO	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)	(888,188)
3 MAJOR CAPITAL EXPENSES	9,813,558	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183	10,304,183
4 MAJOR REPAIRS	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
5 SURTAX	57,871,098	54,834,358	53,817,874	53,134,706	54,858,139	57,255,138	59,854,731	62,729,875	65,872,417	69,384,904	73,257,417	77,491,917	82,107,533	87,112,748	92,618,522	98,624,358
REVENUE																
6 INVESTMENT INCOME	5,237,712	5,050,378	4,845,736	4,621,126	4,381,108	4,125,878	3,851,108	3,551,108	3,225,878	2,881,108	2,525,878	2,161,108	1,781,108	1,391,108	951,108	501,108
7 SURPLUSAGE	10,651	10,262	10,437	10,898	11,598	12,548	13,648	14,898	16,298	17,848	19,448	21,198	23,098	25,148	27,348	29,698
8 OTHER INCOME	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
9 SURTAX	5,864,730	5,744,711	5,598,548	5,428,548	5,228,548	5,003,548	4,753,548	4,478,548	4,178,548	3,853,548	3,508,548	3,143,548	2,758,548	2,353,548	1,928,548	1,483,548
TOTAL	77,271,098	74,034,358	72,817,874	71,534,706	74,058,139	77,255,138	80,854,731	84,729,875	88,872,417	93,284,904	97,991,917	102,996,917	108,207,533	113,612,748	119,218,522	125,024,358
SALES TAX SURSEIDY																
10 RATE STABILIZATION	9,713,281	12,158,204	14,911,112	17,877,007	21,058,458	24,564,378	28,395,487	32,556,861	37,053,474	41,894,251	47,083,116	52,629,061	58,541,076	64,828,151	71,500,286	78,567,481
TOTAL REVENUE REQUIREMENT	41,590,077	36,891,444	37,193,021	37,826,333	37,850,415	37,826,333	37,850,415	37,826,333	37,850,415	37,826,333	37,850,415	37,826,333	37,850,415	37,826,333	37,850,415	37,826,333
O&M RATE	1.24	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09
TOTAL WATER RATE	1.45	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
UNRESTRICTED FUNDS																
11 BEGINNING BALANCE	28,759,000	40,271,402	44,829,352	43,002,000	43,456,257	44,744,371	45,855,497	46,894,251	47,864,651	48,772,800	49,624,600	50,414,600	51,150,000	51,838,000	52,475,000	53,060,000
12 SALES TAX COLLECTION	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)	(13,117,800)
13 RATE STABILIZATION	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
14 RATE SURSEIDY	40,271,402	43,002,000	44,829,352	43,002,000	43,456,257	44,744,371	45,855,497	46,894,251	47,864,651	48,772,800	49,624,600	50,414,600	51,150,000	51,838,000	52,475,000	53,060,000
15 TOTAL CONSTRUCTION	13,300,000	13,700,000	14,100,000	14,500,000	14,900,000	15,300,000	15,700,000	16,100,000	16,500,000	16,900,000	17,300,000	17,700,000	18,100,000	18,500,000	18,900,000	19,300,000
16 WATER QUALITY LOAN	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
17 UNRESTRICTED FUNDS	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
TOTAL	33,973,611	74,377,998	81,134,437	80,881,457	82,607,732	84,334,007	86,060,282	87,786,557	89,512,832	91,239,107	92,965,382	94,691,657	96,417,932	98,144,207	99,870,482	101,596,757
RESTRICTED VIA BONDS																
18 TOTAL	8,880,000	9,426,000	9,972,000	10,518,000	11,064,000	11,610,000	12,156,000	12,702,000	13,248,000	13,794,000	14,340,000	14,886,000	15,432,000	15,978,000	16,524,000	17,070,000
19 DEPRECIATION	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
20 OPERATION & MAINTENANCE	11,175,222	10,982,171	10,789,119	10,596,067	10,403,015	10,210,063	10,017,011	9,824,059	9,631,007	9,438,055	9,245,003	9,052,051	8,859,099	8,666,047	8,473,095	8,280,043
TOTAL FUNDS	38,200,000	40,200,000	41,200,000	42,200,000	43,200,000	44,200,000	45,200,000	46,200,000	47,200,000	48,200,000	49,200,000	50,200,000	51,200,000	52,200,000	53,200,000	54,200,000
ASSUMPTIONS																
1 5% ANNUAL RATE INCREASE ON JANUARY 1 BEGINNING 10/07																
2 CREDIT IN FY 08 - 07 FOR INITIAL CONSTRUCTION																
3 5.0% ANNUAL INCREASE																
4 5.0% ANNUAL INCREASE																
5 5.0% ANNUAL INCREASE																
6 5.0% ANNUAL INCREASE																
7 5.0% ANNUAL INCREASE																
8 5.0% ANNUAL INCREASE																
9 5.0% ANNUAL INCREASE																
10 5.0% ANNUAL INCREASE																

FROM 2007-2008 CIP
 \$2.5 MILLION IN FY 12-13 2.0% ANNUAL INCREASE AFTER
 REVENUE BOND SALES
 \$2.5 MILLION IN FY 14-15 2.0% ANNUAL INCREASE
 \$2.5 MILLION IN FY 16-17 2.0% ANNUAL INCREASE
 \$2.5 MILLION IN FY 18-19 2.0% ANNUAL INCREASE
 \$2.5 MILLION IN FY 20-21 2.0% ANNUAL INCREASE
 PAID ON MAY 1, 2007

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.30 RATE

	ACTUAL FY 05-06	PROJECTED FY 06-07	ASSUMPTIONS OR % CHANGE	FORECAST FY 07-08	FORECAST FY 08-09	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12
REVENUES:								
FIXED RATE	7,144,469	7,145,084	50.0%	7,145,344	7,144,719	7,145,219	7,146,219	7,144,594
O & M REVENUE	40,848,001	41,593,077	CALCULATED	36,891,444	37,193,021	37,376,333	37,590,465	37,922,157
SALES TAX	34,894,007	35,677,396	2.0%	36,890,944	37,118,763	37,861,138	38,618,361	39,380,728
INVESTMENT INCOME	5,428,133	5,237,712	CALCULATED	5,050,378	4,446,791	4,211,295	4,181,984	3,821,108
SUBSEQUENT CUSTOMER	572,790	714,437	1.0%	721,581	728,797	736,085	743,446	750,880
EMERGENCY SUPPLY	9,854	10,051	2.0%	10,252	10,457	10,666	10,879	11,087
OTHER INCOME	1,236	2,500	0.0%	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	88,899,490	90,380,287		86,012,443	86,645,048	87,343,236	88,293,854	89,043,064
EXPENDITURES:								
WATER PURCHASE	46,058,449	45,187,726	3.0%	46,920,176	48,706,282	50,580,904	52,505,924	54,484,220
CREDIT FORM CHICAGO		(868,166)		(2,780,000)	(6,118,000)	(4,037,000)		
OPERATING EXPENSES	9,346,198	9,813,508	5.0%	10,304,183	10,819,392	11,360,362	11,928,380	12,524,799
MINOR CAPITAL	397,056	200,000	5.0%	200,000	210,000	220,500	231,525	243,101
MAJOR REPAIRS		2,938,000						
REV BOND P&I	14,288,997	14,290,188	CALCULATED	14,290,668	14,289,438	14,290,438	14,292,438	14,288,188
GO BOND P & I	13,124,150	13,117,900	CALCULATED	13,117,650	13,116,900	13,121,275	13,119,413	
TOTAL EXPENDITURES	83,214,790	84,679,156		82,042,897	81,024,012	85,536,479	92,077,680	81,541,308
5 YEAR CONSTRUCTION PLAN	5,356,801	1,982,000	CALCULATED	11,573,000	16,623,000	11,377,000	4,976,000	5,000,000
DUPAGE COUNTY PAYMENT	15,000,000	15,000,000	PA 93-0226	15,000,000				
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED			CALCULATED					
QUALITY LOAN REPAYMENT			BOARD POLICY					
NET TRANSACTIONS	(14,672,201)	(11,200,869)		(22,603,254)	(11,001,964)	(9,570,243)	(8,759,826)	2,501,756
BEGINNING BALANCE	134,832,327	120,160,126		108,959,237	86,355,983	75,354,019	65,783,776	57,023,951
ENDING BALANCE	120,160,126	108,959,237		86,355,983	75,354,019	65,783,776	57,023,951	59,525,707
UNRESTRICTED								
HELD FOR EMERGENCY RESERVE	12,900,000	13,300,000	3.0%	13,700,000	14,100,000	14,500,000	14,900,000	15,300,000
O&M RATE STABILIZATION	31,052,807	22,281,709		12,825,328	3,972,637			
CONSTRUCTION RESERVE	42,417,219	55,351,228		59,804,355	54,255,082	48,257,476	39,097,651	41,199,407
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
UNDISTRIBUTED PA93-0226	30,000,000	15,000,000						
UNDISTRIBUTED QUALITY LOANS	3,790,300	3,026,300		3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
TOTAL UNRESTRICTED CASH & EQUIVALENTS	120,160,126	108,959,237	TARGET AT ONE YEAR	86,355,983	75,354,019	65,783,776	57,023,951	59,525,707
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	11,112,075	11,173,922		10,863,171	11,886,201	13,226,644	13,755,164	14,309,506
O & M RESERVE	11,532,818	11,597,007		11,378,276	12,336,256	13,727,452	14,275,984	14,851,315
TOTAL RESTRICTED CASH & EQUIVALENTS	27,644,893	27,770,929		27,341,447	29,222,457	31,954,096	33,031,148	34,160,822
TOTAL CASH & EQUIVALENTS	147,805,019	136,730,166		113,697,430	104,576,476	97,737,872	90,055,099	93,686,528

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCE:
50% REVENUE BOND SUBSIDY - \$1.30 RATE

	FORECAST FY 12-13	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:									
FIXED RATE	7,144,844	7,144,163	7,144,969	7,143,844	-	47,223,116	47,735,810	48,265,111	48,080,125
O & M REVENUE	36,739,200	38,955,295	39,275,717	39,387,704	47,209,761	44,360,356	45,247,565	46,152,516	47,075,566
SALES TAX	40,118,876	40,982,114	41,801,756	42,637,791	43,490,547	6,152,140	6,602,183	6,412,669	6,412,669
INVESTMENT INCOME	4,380,301	4,380,301	4,602,347	4,781,816	4,916,823	781,369	805,046	813,096	821,227
SUBSEQUENT CUSTOMER	758,989	765,973	773,633	781,369	789,183	12,497	12,747	13,002	13,262
EMERGENCY SUPPLY	11,319	11,545	11,776	12,012	12,252	2,500	2,500	2,500	2,500
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	90,952,671	92,241,891	93,612,698	94,747,036	96,421,066	98,547,666	100,405,851	101,658,894	102,408,349
EXPENDITURES:									
WATER PURCHASE	56,558,486	58,694,285	60,892,006	63,199,341	65,579,480	68,061,374	70,611,376	73,268,742	75,478,616
CREDIT FROM CHICAGO									
OPERATING EXPENSES	13,151,039	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,952	18,504,835	19,430,077
MINOR CAPITAL	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130
MAJOR REPAIRS	14,289,688	14,288,325	14,289,538	14,287,688	-	-	-	-	-
REV BOND P & I									
GO BOND P & I									
TOTAL EXPENDITURES	84,254,469	87,059,200	89,962,385	93,006,492	96,874,917	100,171,583	103,577,096	107,332,748	111,285,823
5 YEAR CONSTRUCTION PLAN	5,100,000	5,202,000	5,306,040	5,412,161	5,520,404	5,630,812	5,743,428	5,858,287	5,975,463
DUPAGE COUNTY PAYMENT									
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED									
QUALITY LOAN REPAYMENT	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308
NET TRANSACTIONS	1,966,510	348,999	(1,287,419)	(3,303,309)	48,514,099	8,113,599	8,463,635	4,036,157	1,512,371
BEGINNING BALANCE	59,525,707	61,492,217	61,841,215	60,553,796	57,250,487	105,764,586	113,878,185	120,331,820	124,367,977
ENDING BALANCE	61,492,217	61,841,215	60,553,796	57,250,487	105,764,586	113,878,185	120,331,820	124,367,977	125,880,348
UNRESTRICTED									
HELD FOR EMERGENCY RESERVE	15,800,000	16,300,000	16,800,000	17,300,000	17,800,000	18,300,000	18,800,000	19,400,000	20,000,000
O&M RATE STABILIZATION									
CONSTRUCTION RESERVE	42,865,917	42,514,915	40,727,496	36,924,187	45,818,240	53,431,839	59,385,474	62,821,631	63,734,002
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED									
UNDISTRIBUTED PA99-0226									
UNDISTRIBUTED QUALITY LOANS	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
TOTAL UNRESTRICTED CASH & EQUIVALENTS	61,492,217	61,841,215	60,553,796	57,250,487	105,764,586	113,878,185	120,331,820	124,367,977	125,880,348
RESTRICTED									
DEPRECIATION	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-	-
O & M	14,882,303	15,475,767	16,098,214	16,743,047	-	-	-	-	-
O & M RESERVE	15,446,423	16,061,735	16,707,751	17,376,999	-	-	-	-	-
TOTAL RESTRICTED CASH & EQUIVALENTS	35,329,325	36,537,502	37,805,965	39,120,046	-	-	-	-	-
TOTAL CASH & EQUIVALENTS	96,821,542	98,378,717	98,359,761	96,370,533	105,764,586	113,878,185	120,331,820	124,367,977	125,880,348

DUPAGE WATER COMMISSION
 PROJECTED FUND BALANCES AS OF APRIL 30
 REVENUE BOND 50% SUBSIDY
 TOTAL WATER RATE MAINTAINED AT 1.45 UTILIZING RATE STABILIZATION AND SALES TAX

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
RESTRICTED										
GENERAL OBLIGATION BONDS										
DEBT SERVICE ACCOUNT	10,690,483	10,715,000	11,250,000	11,845,000	12,465,000					
SALES TAX SUB										
TOTAL GENERAL OBLIGATION RESTRICTED	10,690,483	10,715,000	11,250,000	11,845,000	12,465,000					
REVENUE BOND										
OPERATION & MAINTENANCE	11,112,075	11,173,922	10,963,171	11,886,201	13,226,644	13,755,164	14,309,506	14,882,903	15,475,767	16,088,214
OPERATION & MAINTENANCE RESERVE	11,532,818	11,597,007	11,378,276	12,336,256	13,727,452	14,275,984	14,851,315	15,446,423	16,061,735	16,707,751
DEPRECIATION	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
INTEREST ACCOUNT	3,081,127	2,800,094	2,562,843	2,354,718	2,115,218	1,863,718	1,599,593	1,322,343	1,016,662	694,968
PRINCIPAL ACCOUNT	8,443,888	8,690,000	9,125,000	9,580,000	10,050,000	10,565,000	11,090,000	11,645,000	12,255,000	12,900,000
DEBT SERVICE RESERVE										
TOTAL REVENUE RESTRICTED	39,169,908	39,261,023	39,049,290	41,157,175	44,129,314	45,459,866	46,850,415	48,296,668	49,809,164	51,400,933
TOTAL RESTRICTED	49,860,391	49,976,023	50,299,290	53,002,175	56,594,314	56,919,732	57,700,830	58,593,336	59,618,328	60,801,866
NON-RESTRICTED										
EMERGENCY REPAIRS & CONTINGENCIES	12,900,000	13,300,000	13,700,000	14,100,000	14,500,000	14,900,000	15,300,000	15,800,000	16,300,000	16,800,000
WATER QUALITY LOAN RESERVE	3,790,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
RATE STABILIZATION	31,995,000	22,281,709	15,189,424	9,060,638						
CONSTRUCTION RESERVE	26,579,000	40,271,402	44,826,352	45,060,496	49,699,115	46,127,545	53,856,986	60,722,287	66,009,506	69,699,723
TOTAL NON-RESTRICTED	75,264,300	78,879,411	76,742,076	71,247,434	67,225,415	64,053,845	72,183,286	79,548,587	85,335,806	89,526,023
TOTAL	125,124,691	128,855,434	127,041,366	124,249,609	123,819,729	120,973,577	119,884,116	128,141,923	134,954,134	140,327,889

FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
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16,743,047
 17,376,999
 5,000,000
 356,343
 13,575,000

53,051,389
 53,051,389

17,300,000 17,800,000 18,300,000 18,800,000 19,400,000 20,000,000
 3,026,300 3,026,300 3,026,300 3,026,300 3,026,300 3,026,300
 71,414,287 85,867,107 99,080,207 110,674,129 119,891,428 126,684,941
 91,740,587 ##### 120,406,507 132,500,429 142,317,728 149,611,241
 144,791,976 ##### 120,406,507 132,500,429 142,317,728 149,611,241

EXHIBIT 13

From: Max Richter
Sent: Thursday, December 21, 2006 10:02 AM
To: Rick Skiba
Subject: Forecast Review
Attachments: 2007 Forecast.pdf

Rick:

Can you review this for a glaring discrepancies?

Thanks

Max Richter
Financial Administrator
DuPage Water Commission
600 East Butterfield Road
Elmhurst, IL
630-834-0100

This e-mail and any of its attachments may contain confidential information belonging or pertaining to the DuPage Water Commission. This e-mail is intended solely for the use of the individual or entity to which it is addressed. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution, copying, or action taken in relation to the contents of and attachments to this e-mail is strictly prohibited and may be unlawful. If you have received this e-mail in error, please notify the sender immediately and permanently delete the original and any copy of this e-mail and any printout. Thank You.

1/21/2010

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.20 RATE THROUGH FY 2009-2010
THEN REDUCED TO \$1.05 (RESERVOIR IN FY 2014-2018)

	ACTUAL FY 05-06	PROJECTED FY 06-07	ASSUMPTIONS OR % CHANGE	FORECAST FY 07-08	FORECAST FY 08-09	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12
REVENUES:								
FIXED RATE	7,144,469	7,145,094		7,145,344	7,144,719	7,145,219	7,146,219	7,144,594
O & M REVENUE	40,848,001	41,593,077	50.0% CALCULATED	33,357,152	34,007,683	34,007,683	28,943,373	29,209,347
SALES TAX	34,894,007	35,677,386	2.0% CALCULATED	36,390,944	37,118,763	37,861,138	38,616,361	39,390,728
INVESTMENT INCOME	5,429,133	5,237,712		5,050,378	4,448,791	4,211,295	4,181,984	3,821,108
SUBSEQUENT CUSTOMER	572,790	714,437	1.0%	721,581	728,797	736,085	743,446	750,880
EMERGENCY SUPPLY	9,884	10,051		10,252	10,457	10,666	10,879	11,097
OTHER INCOME	1,236	2,500	2.0%	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	88,899,490	90,380,267		82,678,165	83,027,179	83,974,586	79,646,762	80,330,254
EXPENDITURES:								
WATER PURCHASE	46,058,449	45,187,726		46,920,176	48,706,282	50,580,904	52,505,924	54,484,220
CREDIT FROM CHICAGO		(866,166)	3.0%	(2,746,000)	(5,950,500)	(3,873,500)	-	-
OPERATING EXPENSES	9,346,199	9,813,508	5.0%	10,304,183	10,819,392	11,360,362	11,928,390	12,524,799
MINOR CAPITAL	397,056	200,000	5.0%	200,000	210,000	220,500	231,525	243,101
MAJOR REPAIRS	14,288,937	14,290,188		14,290,688	14,289,438	14,280,438	14,282,438	14,289,188
REV BOND P & I	13,124,150	13,117,900		13,117,850	13,118,900	13,121,279	13,119,413	-
GO BOND P & I	83,174,790	84,679,196		82,086,697	81,151,512	85,599,979	92,077,680	81,541,308
TOTAL EXPENDITURES	150,000,000	150,000,000		150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
5 YEAR CONSTRUCTION PLAN	5,356,901	1,992,000		10,185,000	14,833,000	12,285,000	3,278,000	-
DUPAGE COUNTY PAYMENT	15,000,000	15,000,000		15,000,000	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
QUALITY LOAN REPAYMENT								
NET TRANSACTIONS	(14,672,201)	(11,200,869)		(24,592,532)	(12,957,333)	(13,910,393)	(15,708,918)	(1,211,054)
BEGINNING BALANCE	134,832,327	120,160,126		109,939,237	84,366,705	71,409,372	57,498,979	41,790,062
ENDING BALANCE	120,160,126	108,959,237		84,366,705	71,409,372	57,498,979	41,790,062	40,579,008
UNRESTRICTED								
HELD FOR EMERGENCY RESERVE	12,900,000	13,300,000		13,700,000	14,100,000	14,500,000	14,900,000	15,300,000
O&M RATE STABILIZATION	31,052,607	22,281,709	3.0%	12,825,326	3,972,637	-	-	-
CONSTRUCTION RESERVE	42,417,219	55,351,228		54,815,077	50,310,435	39,972,679	23,863,782	22,252,708
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
UNDISTRIBUTED PA93-0226	30,000,000	15,000,000		-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	3,790,300	3,026,300		3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
TOTAL UNRESTRICTED CASH & EQUIVALENTS	120,160,126	108,959,237		84,366,705	71,409,372	57,498,979	41,790,062	40,579,008
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	11,112,075	11,182,954		10,989,343	11,899,236	13,226,644	13,755,164	14,309,506
O & M RESERVE	11,532,818	11,606,381		11,405,439	12,349,784	13,727,452	14,275,884	14,851,315
TOTAL RESTRICTED CASH & EQUIVALENTS	27,644,893	27,789,335		27,394,783	29,249,020	31,954,096	33,031,148	34,160,822
TOTAL CASH & EQUIVALENTS	147,805,019	136,748,572		111,761,488	100,658,392	89,453,075	74,821,210	74,739,830
O & M RATE				0.99	0.99	0.99	0.84	0.84
FIXED COST RATE				0.21	0.21	0.21	0.21	0.21
TOTAL RATE				1.20	1.20	1.20	1.05	1.05

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY - \$1.20 RATE THROUGH FY 2009-2011
THEN REDUCED TO \$1.05 (RESERVOIR IN FY 2014-2018)

	FORECAST FY 12-13	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:									
FIXED RATE	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-
O & M REVENUE	29,959,701	30,111,078	30,365,811	30,610,735	38,164,637	38,110,099	38,554,918	39,016,028	39,831,042
SALES TAX	4,118,543	4,092,114	41,801,756	42,637,791	43,490,547	44,360,358	45,247,565	46,152,516	47,075,568
INVESTMENT INCOME	4,380,301	4,380,301	4,602,347	4,781,816	4,916,823	6,152,140	6,602,183	6,412,869	6,412,869
SUBSEQUENT CUSTOMER	758,389	765,973	773,833	781,389	789,183	797,075	805,046	813,086	821,227
EMERGENCY SUPPLY	11,319	11,319	11,776	12,012	12,252	12,497	12,747	13,002	13,282
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	82,174,172	83,387,874	84,702,792	85,170,067	87,375,942	89,434,689	91,224,839	92,409,811	93,156,266
EXPENDITURES:									
WATER PURCHASE	56,558,486	58,694,265	60,892,006	63,188,341	66,579,480	68,061,374	70,611,376	73,268,742	75,478,616
CREDIT FROM CHICAGO	13,151,039	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,862	18,504,835	19,430,077
OPERATING EXPENSES	255,256	268,019	281,420	295,491	310,286	325,779	342,068	359,171	377,130
MINOR CAPITAL	14,289,686	14,288,325	14,289,938	14,287,688	-	-	-	-	-
MAJOR REPAIRS	-	-	-	-	-	-	-	-	-
REV BOND P & I	-	-	-	-	-	-	-	-	-
GO BOND P & I	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	84,254,469	87,059,200	89,962,385	93,006,492	81,874,917	85,171,583	88,577,096	92,132,748	95,285,823
5 YEAR CONSTRUCTION PLAN	-	-	250,000	8,110,000	15,550,000	8,050,000	-	-	-
DUPAGE COUNTY PAYMENT	-	-	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	-	-	-	-	-
QUALITY LOAN REPAYMENT	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308	368,308
NET TRANSACTIONS	(1,711,989)	(3,293,219)	(5,141,285)	(14,578,117)	29,439,379	(3,418,806)	3,016,071	645,371	(1,781,248)
BEGINNING BALANCE	40,579,008	38,967,019	35,573,800	30,432,515	15,454,388	44,893,777	41,475,171	44,491,242	45,136,613
ENDING BALANCE	38,867,019	35,573,800	30,432,515	15,454,388	44,893,777	41,475,171	44,491,242	45,136,613	43,375,364
UNRESTRICTED									
HELD FOR EMERGENCY RESERVE	15,800,000	16,300,000	16,800,000	17,300,000	17,800,000	18,300,000	18,800,000	19,400,000	20,000,000
O&M RATE STABILIZATION	20,040,719	16,247,500	10,506,215	(4,871,902)	(15,052,569)	(18,971,175)	(16,455,104)	(16,409,733)	(18,770,882)
CONSTRUCTION RESERVE	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300	3,026,300
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	-	-	-	-	-
UNDISTRIBUTED P&G-0226	-	-	-	-	-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	-	-	-	-	-	-	-	-	-
TOTAL UNRESTRICTED CASH & EQUIVALENTS	39,867,019	35,573,800	30,432,515	15,454,388	44,893,777	41,475,171	44,491,242	45,136,613	43,375,364
RESTRICTED									
DEPRECIATION	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-	-
O & M	14,882,903	15,475,767	16,098,214	16,743,047	-	-	-	-	-
O & M RESERVE	15,446,423	16,061,795	16,707,751	17,376,899	-	-	-	-	-
TOTAL RESTRICTED CASH & EQUIVALENTS	35,329,326	36,537,562	37,805,965	39,120,046	-	-	-	-	-
TOTAL CASH & EQUIVALENTS	74,196,344	72,111,302	68,238,480	54,574,434	44,893,777	41,475,171	44,491,242	45,136,613	43,375,364
O & M RATE	0.85	0.85	0.85	0.85	1.05	1.05	1.05	1.05	1.05
FIXED COST RATE	0.20	0.20	0.20	0.20	-	-	-	-	-
TOTAL RATE	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05

EXHIBIT 14

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY
WITH THE CITY OF CHICAGO'S RATE INCREASES

REVENUES:	ACTUAL FY 06-07	PROJECTED FY 07-08	ASSUMPTIONS OR % CHANGE	FORECAST FY 08-09	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12	FORECAST FY 12-13
FIXED RATE	7,145,093	7,145,094	50.0%	7,144,719	7,145,219	7,146,219	7,144,594	7,144,844
O & M REVENUE	37,173,709	41,023,413	CALCULATED	39,379,932	50,609,822	59,661,239	59,663,996	60,766,862
SALES TAX	36,535,470	36,382,668	2.0%	36,268,083	36,393,445	37,733,314	38,487,990	39,257,740
INVESTMENT INCOME	7,350,036	4,720,651	CALCULATED	4,446,791	4,211,295	4,181,984	3,821,108	4,118,876
SUBSEQUENT CUSTOMER	706,825	707,185	1.0%	728,797	736,095	743,446	750,890	758,389
EMERGENCY SUPPLY	11,360	10,051	2.0%	10,457	10,666	10,879	11,097	11,319
OTHER INCOME	53,668	66,156		2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	88,886,182	90,859,229		87,980,629	99,608,632	109,180,180	110,112,155	112,062,950
EXPENDITURES:								
WATER PURCHASE	42,495,556	48,554,311	SEE NOTE 1	56,310,982	65,078,160	72,161,406	74,887,020	77,717,547
CREDIT FROM CHICAGO	(869,166)	(285,357)		(6,533,000)	(4,213,500)	(1,869,500)		
OPERATING EXPENSES	11,573,826	10,170,558	5.0%	10,679,086	11,213,040	11,773,692	12,362,377	12,980,486
REV BOND P & I	13,894,709	14,290,188	CALCULATED	14,289,438	14,290,438	14,292,438	14,289,188	14,289,688
GO BOND P & I	12,765,297	13,117,900	CALCULATED	13,116,900	13,121,275	13,119,413		
TOTAL EXPENDITURES	79,862,522	85,847,600		87,863,068	89,458,113	108,877,448	101,538,965	104,987,731
FIVE YEAR CONSTRUCTION PLAN	5,356,301	1,902,000	CALCULATED	26,654,000	16,538,000	13,177,000	3,956,000	869,000
DUPAGE COUNTY PAYMENT	15,000,000	15,000,000	PA 93-0226					
WEST CHICAGO PAYMENT		1,700,000						
REBATE		40,000,000						
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
QUALITY LOAN REPAYMENT								
NET TRANSACTIONS	(11,233,241)	(54,394,372)	CALCULATED					
BEGINNING BALANCE	134,832,327	123,999,088	BOARD POLICY	(26,436,776)	(16,418,691)	(12,737,854)	5,954,185	6,942,434
ENDING BALANCE	123,599,086	69,204,714		59,204,714	42,767,938	26,349,357	13,611,703	19,565,888
UNRESTRICTED								
HELD FOR EMERGENCY REPAIRS	12,900,000	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
OAM RATE STABILIZATION	13,712,512	3,972,837						
CONSTRUCTION RESERVE	78,195,874	42,079,346		22,767,938	6,349,357	(6,388,297)	(434,112)	6,508,322
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
UNDISTRIBUTED PA93-0226	15,000,000							
UNDISTRIBUTED QUALITY LOANS	3,790,300	3,152,731						
TOTAL UNRESTRICTED CASH & EQUIVALENTS	123,599,086	69,204,714		42,767,938	26,349,357	13,611,703	19,565,888	26,508,322
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	12,169,760	12,501,341		14,609,471	17,012,854	17,684,631	18,393,639	19,110,608
O & M RESERVE	26,712,222	28,532,104		15,162,638	17,657,022	18,354,235	19,079,710	19,834,204
TOTAL RESTRICTED CASH & EQUIVALENTS	43,881,982	46,033,445		34,772,110	39,680,876	41,038,866	42,463,350	43,944,811
TOTAL CASH & EQUIVALENTS	150,311,308	96,036,818		77,540,047	65,019,233	54,650,569	62,029,238	70,453,134
O & M RATE	1.23	1.04		1.16	1.47	1.72	1.72	1.73
FIXED COST RATE	0.21	0.21		0.21	0.21	0.21	0.21	0.20
TOTAL RATE	1.44	1.25		1.37	1.68	1.93	1.93	1.93

MAY 1, 2008 TO SEPT 30, 2008
OCTOBER 1, 2008 TO APRIL 30, 2009

NOTE 1. 15% INCREASE/108; 5% INCREASE 1/1/09; 14% INCREASE 1/1/10
REVISED JANUARY 24, 2009

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY
WITH THE CITY OF CHICAGO'S RATE INCREASES

	FORECAST FY 13-14	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
REVENUES:								
FIXED RATE	7,144,163	7,144,959	7,143,844					
O & M REVENUE	61,078,021	61,527,705	62,128,699	69,762,599	70,309,317	71,031,224	71,412,722	71,300,274
SALES TAX	40,042,865	40,843,753	41,660,628	42,493,841	43,343,718	44,210,392	45,094,804	45,996,700
INVESTMENT INCOME	4,386,301	4,692,347	4,781,816	4,916,823	6,152,140	8,802,183	6,412,669	6,412,669
SUBSEQUENT CUSTOMER	766,873	773,633	781,369	788,183	797,075	805,046	813,096	821,227
EMERGENCY SUPPLY	11,546	11,776	12,012	12,262	12,497	12,747	13,002	13,262
OTHER INCOME	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL REVENUES	113,428,988	114,906,693	116,811,968	117,977,198	120,617,247	122,664,292	123,748,793	124,546,932
EXPENDITURES:								
WATER PURCHASE	80,655,112	83,709,824	86,869,950	90,162,322	93,566,727	97,088,338	100,741,762	103,776,892
CREDIT FROM CHICAGO								
OPERATING EXPENSES	13,629,521	14,310,597	15,026,547	15,777,574	16,566,768	17,395,106	18,264,861	19,178,104
REV BOND P&I	14,288,325	14,289,938	14,287,688					
GO BOND P & I								
TOTAL EXPENDITURES	108,572,958	112,301,759	116,184,185	105,940,156	110,133,495	114,483,444	119,006,623	122,954,996
FIVE YEAR CONSTRUCTION PLAN	5,000,000	5,000,000	8,110,000	8,050,000	8,050,000	5,000,000	5,000,000	5,000,000
DUPAGE COUNTY PAYMENT								
WEST CHICAGO PAYMENT								
REBATE								
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
QUALITY LOAN REPAYMENT								
NET TRANSACTIONS	639,069	(1,609,417)	(6,996,658)	(2,727,338)	3,219,411	3,966,507	527,830	(2,822,705)
BEGINNING BALANCE	26,508,322	27,147,421	25,538,004	18,541,346	15,814,008	19,033,418	22,999,926	23,527,755
ENDING BALANCE	27,147,421	25,538,004	18,541,346	15,814,008	19,033,418	22,999,926	23,527,755	20,905,050
UNRESTRICTED	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
HELD FOR EMERGENCY REPAIRS								
QUALITY RATE STABILIZATION								
CONSTRUCTION RESERVE								
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED								
UNDISTRIBUTED P&B-0226								
UNDISTRIBUTED QUALITY LOANS								
TOTAL UNRESTRICTED CASH & EQUIVALENTS	27,147,421	25,538,004	18,541,346	15,814,008	19,033,418	22,999,926	23,527,755	20,905,050
RESTRICTED	5,000,000	5,000,000	5,000,000					
DEPRECIATION	19,866,073	20,653,461	21,473,090					
O & M	20,618,274	21,435,475	22,286,126					
O & M RESERVE								
TOTAL RESTRICTED CASH & EQUIVALENTS	45,484,346	47,086,935	48,759,209					
TOTAL CASH & EQUIVALENTS	72,631,768	72,624,939	67,300,555	15,814,008	19,033,418	22,999,926	23,527,755	20,905,050
O & M RATE	1.73	1.73	1.73	1.93	1.93	1.93	1.93	1.93
FIXED COST RATE	0.20	0.20	0.20					
TOTAL RATE	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93

NOTE 1. 15% INCREASE/100%; 19% INCREASE /100%; 14% INCREASE 10/10

REVISED JANUARY 24, 2008

EXHIBIT 15

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY
WITH THE CITY OF CHICAGO'S RATE INCREASES

REVENUES:	ACTUAL FY 07-08	PROJECTED FY 08-09	ASSUMPTIONS CR % CHANGE	FORECAST FY 09-10	FORECAST FY 10-11	FORECAST FY 11-12	FORECAST FY 12-13	FORECAST FY 13-14
O & M REVENUE	7,145,343	7,144,719	50.0%	7,145,219	7,146,219	7,144,584	7,144,844	7,144,163
SALES TAX	32,244,811	34,514,238	CALCULATED	47,659,625	57,153,401	57,659,979	57,829,267	58,457,768
INVESTMENT INCOME	35,143,858	32,683,768	CALCULATED	30,069,085	30,670,467	32,817,400	33,473,248	34,143,223
SUBSEQUENT CUSTOMER	3,989,430	2,235,536	CALCULATED	1,552,995	2,281,984	3,821,108	4,118,876	4,380,301
EMERGENCY SUPPLY	771,219	929,654	1.0%	938,951	948,341	957,824	967,402	977,076
OTHER INCOME	24,611	16,772	2.0%	25,605	26,117	26,629	27,172	27,715
TOTAL REVENUES	79,336,219	77,523,813		87,426,600	98,227,848	102,428,863	103,662,628	105,131,561
EXPENDITURES:								
WATER PURCHASE	46,071,475	48,554,311		61,052,739	65,275,397	65,790,355	66,370,004	66,608,037
CREDIT FROM CHICAGO	(989,489)	(1,665,968)		(11,431,310)	(16,253,002)	(16,926,917)	(26,475,846)	(29,220,059)
OPERATING EXPENSES	9,763,347	10,170,558		67,006,877	70,266,517	70,266,517	72,822,589	75,678,670
REV BOND P & I	14,290,187	14,290,687	5.0%	10,616,066	11,368,969	11,926,917	12,523,263	13,149,426
GO BOND P & I	13,117,650	13,116,900	CALCULATED	14,290,438	14,292,438	14,289,188	14,289,688	14,288,325
TOTAL EXPENDITURES	82,253,161	84,466,489		13,121,275	13,119,413	14,289,188	14,289,688	14,288,325
FIVE YEAR CONSTRUCTION PLAN	3,033,313	10,287,000	CALCULATED	87,661,208	103,113,729	96,482,622	99,735,540	103,116,421
DUPAGE COUNTY PAYMENT	15,000,000	-		41,098,000	11,797,000	2,872,000	3,166,000	3,034,000
WEST CHICAGO PAYMENT	1,614,943	-	PA 83-0226	-	-	-	-	-
REBATE	40,000,000	-		-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-		-	-	-	-	-
QUALITY LOAN REPAYMENT	-	-		-	-	-	-	-
NET TRANSACTIONS	(20,960,255)	(17,229,676)	CALCULATED	(41,532,408)	(17,946,256)	736,615	736,615	785,659
BEGINNING BALANCE	112,467,014	91,516,759	BOARD POLICY	74,287,094	32,764,675	3,870,856	1,397,703	(233,201)
ENDING BALANCE	91,516,759	74,287,094		32,764,675	14,808,410	18,619,266	20,016,969	20,016,969
UNRESTRICTED								
HELD FOR EMERGENCY REPAIRS	18,854,117	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
O&M RATE STABILIZATION	6,061,887	6,061,887		6,061,887	6,061,887	6,061,887	6,061,887	6,061,887
CONSTRUCTION RESERVE	28,725,741	45,072,456		9,601,944	(8,344,321)	(4,533,465)	(3,135,762)	(3,966,963)
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-		-	-	-	-	-
UNRESTRICTED QUALITY LOANS	3,152,730	3,152,731		3,152,731	3,152,731	3,152,731	3,152,731	3,152,731
TOTAL UNRESTRICTED CASH & EQUIVALENTS	56,794,475	74,287,094		32,764,675	14,808,410	18,619,266	20,016,969	19,783,768
RESTRICTED								
DEPRECIATION	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
O & M	9,830,559	11,300,763		16,026,308	16,658,835	17,319,070	18,004,619	18,717,103
O & M RESERVE	12,892,764	12,501,341		16,633,121	17,290,636	17,874,832	18,666,338	19,425,799
TOTAL RESTRICTED CASH & EQUIVALENTS	27,623,423	28,832,104		37,659,429	38,950,472	40,293,902	41,680,957	43,142,902
TOTAL CASH & EQUIVALENTS	84,317,898	103,119,198		70,414,105	53,758,881	58,913,167	61,707,926	62,926,670
O & M RATE	1.04	1.16		1.48	1.76	1.76	1.76	1.76
FIXED COST RATE	0.21	0.21		0.22	0.22	0.22	0.22	0.22
TOTAL RATE	1.25	1.37		1.70	1.98	1.98	1.98	1.98

NOTE 1: 15% INCREASE 1/1/08; 14% INCREASE 1/1/10
DRAFT 12/05/08

DUPAGE WATER COMMISSION
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
50% REVENUE BOND SUBSIDY
WITH THE CITY OF CHICAGO'S RATE INCREASES

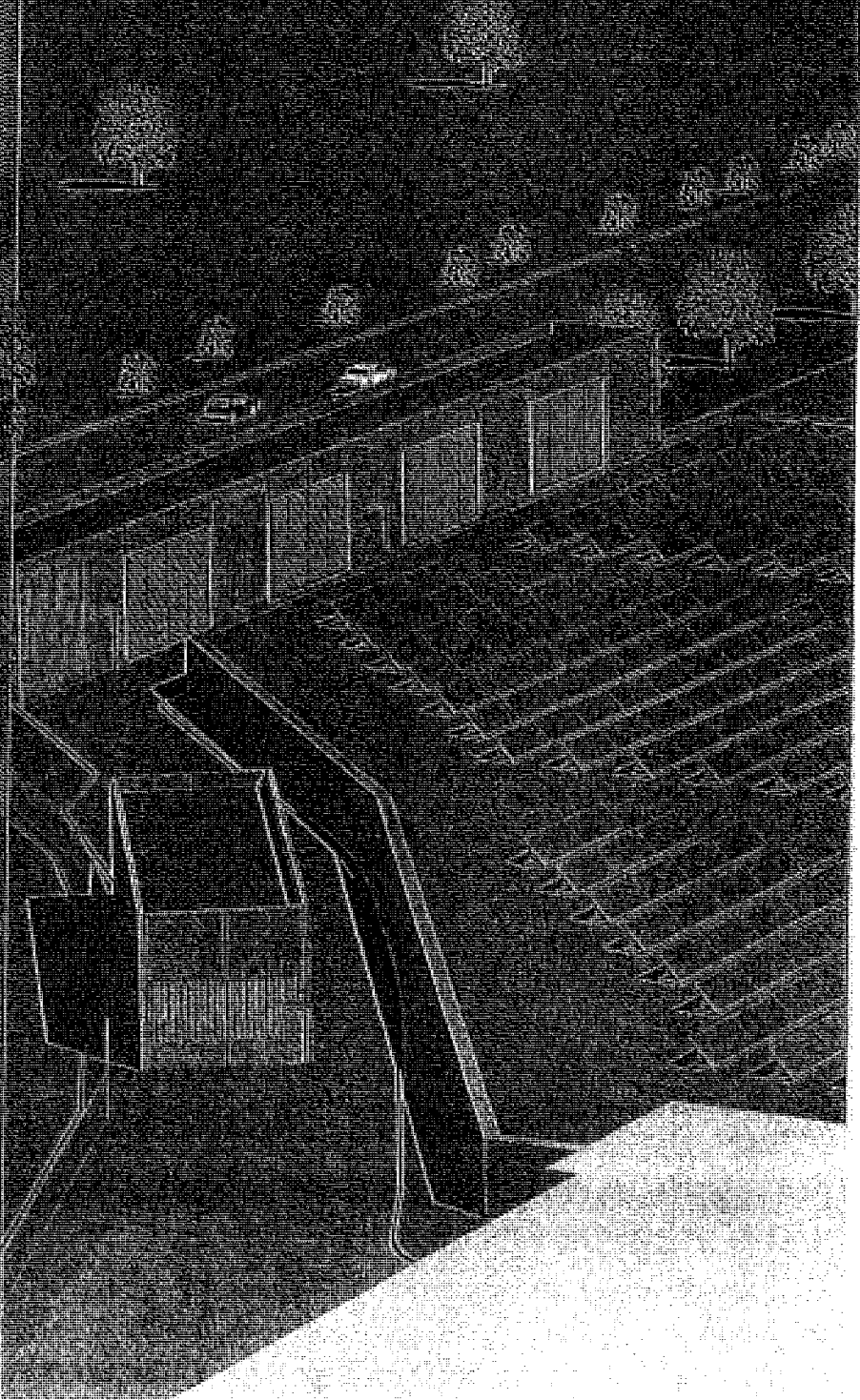
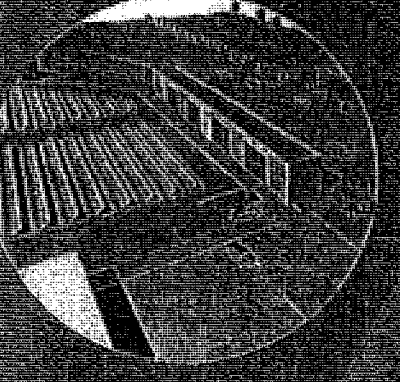
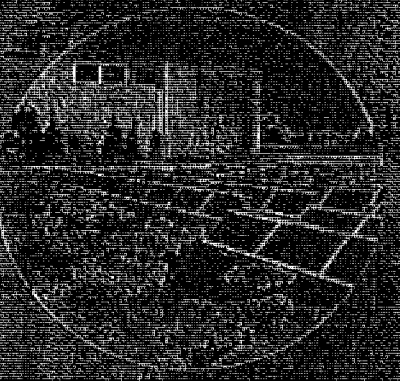
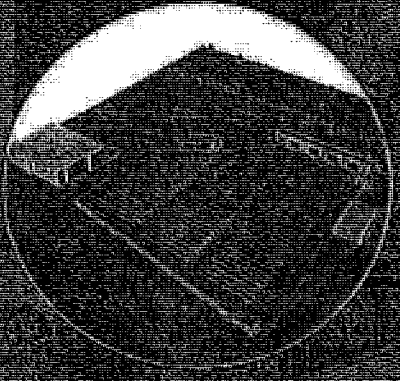
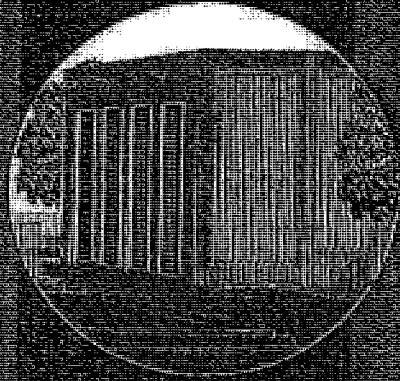
REVENUES:	FORECAST FY 14-15	FORECAST FY 15-16	FORECAST FY 16-17	FORECAST FY 17-18	FORECAST FY 18-19	FORECAST FY 19-20	FORECAST FY 20-21
FIXED RATE	7,144,869	7,143,844	71,403,851	71,852,255	72,206,900	75,676,144	75,555,357
O & M REVENUE	63,237,403	63,153,249	56,233,051	56,957,722	57,696,876	58,460,814	59,219,830
SALES TAX	34,826,987	35,522,609	4,916,523	4,152,140	4,622,183	4,412,669	4,412,669
INVESTMENT INCOME	4,602,347	4,781,916	1,006,862	1,016,749	1,026,916	1,037,185	1,047,557
SUBSEQUENT CUSTOMER	956,847	986,715	29,411	29,999	30,599	31,211	31,835
EMERGENCY SUPPLY	28,269	28,634	1,319	1,319	1,319	1,319	1,319
OTHER INCOME	1,319	1,319	113,591,147	114,010,184	115,564,793	119,609,342	120,268,577
TOTAL REVENUES	110,827,241	111,988,386	173,591,147	174,010,184	175,564,793	179,609,342	180,268,577
EXPENDITURES:							
WATER PURCHASE	71,396,807	71,663,861	72,441,263	72,900,322	73,265,734	76,745,859	76,696,078
CREDIT FROM CHICAGO	(27,844,420)	(31,323,260)	(34,360,073)	(37,876,324)	(41,614,301)	(46,048,441)	(49,998,909)
OPERATING EXPENSES	78,536,330	81,509,979	84,599,231	87,793,437	91,037,656	96,172,813	101,130,423
REV BOND P & I	13,806,897	14,497,242	15,222,104	15,983,209	16,782,369	17,621,467	18,502,561
GO BOND P & I	14,289,938	14,287,688	-	-	-	-	-
TOTAL EXPENDITURES	106,633,165	110,294,908	99,821,365	105,776,846	107,890,035	115,794,300	119,632,984
FIVE YEAR CONSTRUCTION PLAN	5,000,000	8,110,000	15,550,000	8,050,000	5,000,000	5,000,000	5,000,000
DUPAGE COUNTY PAYMENT	-	-	-	-	-	-	-
WEST CHICAGO PAYMENT	-	-	-	-	-	-	-
REBATE	-	-	-	-	-	-	-
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	-	-	-	-	-
QUALITY LOAN REPAYMENT	785,659	785,659	785,659	785,659	785,659	785,659	785,659
NET TRANSACTIONS	(20,265)	(5,630,854)	(994,530)	2,969,197	3,470,417	(399,239)	(3,578,748)
BEGINNING BALANCE	19,763,503	19,763,503	14,132,639	13,138,110	16,107,307	19,577,724	19,178,425
ENDING BALANCE	19,763,503	14,132,639	13,138,110	16,107,307	19,577,724	19,178,425	15,589,677
UNRESTRICTED	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
HELD FOR EMERGENCY REPAIRS	-	-	-	-	-	-	-
O&M RATE STABILIZATION	-	-	-	-	-	-	-
CONSTRUCTION RESERVE	(3,388,226)	(9,020,082)	(56,246,399)	(53,277,202)	(49,806,785)	(50,206,084)	(53,794,832)
RECLASSIFICATION OF RESTRICTED TO UNRESTRICTED	-	-	46,231,778	46,231,778	46,231,778	46,231,778	46,231,778
UNDISTRIBUTED P&I-0226	-	-	-	-	-	-	-
UNDISTRIBUTED QUALITY LOANS	3,152,731	3,152,731	3,152,731	3,152,731	3,152,731	3,152,731	3,152,731
TOTAL UNRESTRICTED CASH & EQUIVALENTS	19,763,503	14,132,639	13,138,110	16,107,307	19,577,724	19,178,425	15,589,677
RESTRICTED	-	-	-	-	-	-	-
DEPRECIATION	5,000,000	5,000,000	-	-	-	-	-
O & M	19,458,760	20,232,846	-	-	-	-	-
O & M RESERVE	20,196,576	20,998,933	-	-	-	-	-
TOTAL RESTRICTED CASH & EQUIVALENTS	44,655,336	46,231,778	-	-	-	-	-
TOTAL CASH & EQUIVALENTS	64,418,839	60,364,417	13,138,110	16,107,307	19,577,724	19,178,425	15,589,677
O & M RATE	1.89	1.89	2.10	2.10	2.10	2.10	2.10
FIXED COST RATE	0.21	0.21	-	-	-	-	-
TOTAL RATE	2.10	2.10	2.10	2.10	2.10	2.10	2.10

NOTE 1. 15% INCREASE 1/1/06. 14% INCREASE 1/1/10
DRAFT 12/05/06

EXHIBIT 16



2007-2008 ANNUAL REPORT



FISCAL YEAR 2007 – 2008
ANNUAL REPORT
OF THE
DUPAGE WATER COMMISSION
COOK, DuPAGE AND WILL COUNTIES, ILLINOIS
BOARD OF COMMISSIONERS

S. Louis Rathje, Chairman

DISTRICT 1

Larry Hartwig, Municipal

William J. Maio, Jr., County

DISTRICT 3

William F. Murphy, Jr., Municipal

John K. Vrdolyak, County¹
Thomas F. Bennington, Jr., County

DISTRICT 5

Allan L. Poole, Municipal

Donald G. Zeilenga, County

DISTRICT 2

William J. Mueller, Municipal
Vice Chairman

Elizabeth M. Chaplin, County

DISTRICT 4

Gregory S. Mathews, Municipal

Timothy J. Feltes, County²
Timothy D. Elliott, County

DISTRICT 6

Frank Saverino, Sr., Municipal

Gregory W. Wilcox, County¹
James F. Zay, Jr., County

Richard P. Thorn	-	Treasurer
Robert L. Martin, P.E.	-	General Manager
Maureen A. Crowley, Esq.	-	Staff Attorney, Clerk
Terrance McGhee	-	Manager of Water Operations
R. Max Richter	-	Financial Administrator
R. Christopher Bostick	-	Facilities Construction Supervisor/Safety Coordinator
Frank J. Frelka	-	Geographic Information Systems Coordinator
Edward J. Kazmierczak	-	Pipeline Supervisor
John W. Schori	-	Instrumentation/Remote Facilities Supervisor

¹ Served until June 30, 2008

² Served until January 1, 2008

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Cover picture is a rendering of the on-site generation facilities and photovoltaic system at Lexington Pumping Station.

September 11, 2008

Chairman S. Louis Rathje and Commissioners
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Chairman Rathje and Commissioners:

In fiscal year 2007-2008 the Commission was involved in the design of the backup electrical generation for both the DuPage and Lexington Pumping Stations. As part of the first phase of this project, the Commission awarded a contract for the generators for both projects.

The Commission's Staff Attorney was involved in the development of the construction documents for the backup generation projects. The Staff Attorney also negotiated the DuPage County/Darien "wheeling" agreement and assisted in the preparation of a new employee handbook.

The Operations Department continues with the development of the Enterprise Asset Management (EAM) to improve maintenance information. The participation in a Water Environment Research Foundation project and an AWWA Research Foundation project was continued by the Operations Department. These projects include the Impact of Phosphate Corrosion Inhibitors on Cement-Based Pipes and Linings and the Asset Management Strategies. The Phosphate Corrosion Inhibitors project includes the operation of the Pipe Loop Pilot Plant to evaluate the aluminum phosphate deposits in Commission pipelines.

In addition to the maintenance of the information systems and remote facilities, the Instrumentation and Remote Facilities Department is also using the EAM for the remote facilities. The annual testing of all water meters was completed.

The implementation of the Geographical Information System (GIS) continues with the upgrade to ArcGIS software version 9.2 and SQL Server 2005, reconfiguration of the GIS hardware to ensure optimum performance, and a prototype mobile computing application to put GIS and maintenance data out in the field. GIS is adding corrosion control data including rectifiers and foreign pipeline crossings, isolation flanges, casings, past leak locations, cathodic protection equipment is being added to the GIS system. Modifications of the GIS

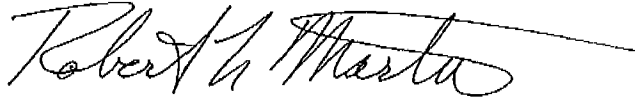
to allow it to work in parallel with the Asset Management System are also ongoing.

The Facilities Construction Supervisor/Safety Coordinator is coordinating the effort to construct backup generation facilities at both the DuPage and Lexington Pumping Stations. In addition to the generation facilities, the Commission is also sharing in the cost of photovoltaic system on the reservoir at the Lexington Pumping Station. The Commission's safety program continues to evolve into a true safety management system.

The Pipeline Department is preserving the integrity and reliability of the distribution system with the engagement of a corrosion engineering firm. The Commission's corrosion engineer has been engaged in numerous tasks related to the identification and conceptual design of corrosion mitigation alternates for certain sections of the distribution system. This is also an important part of the EAM System.

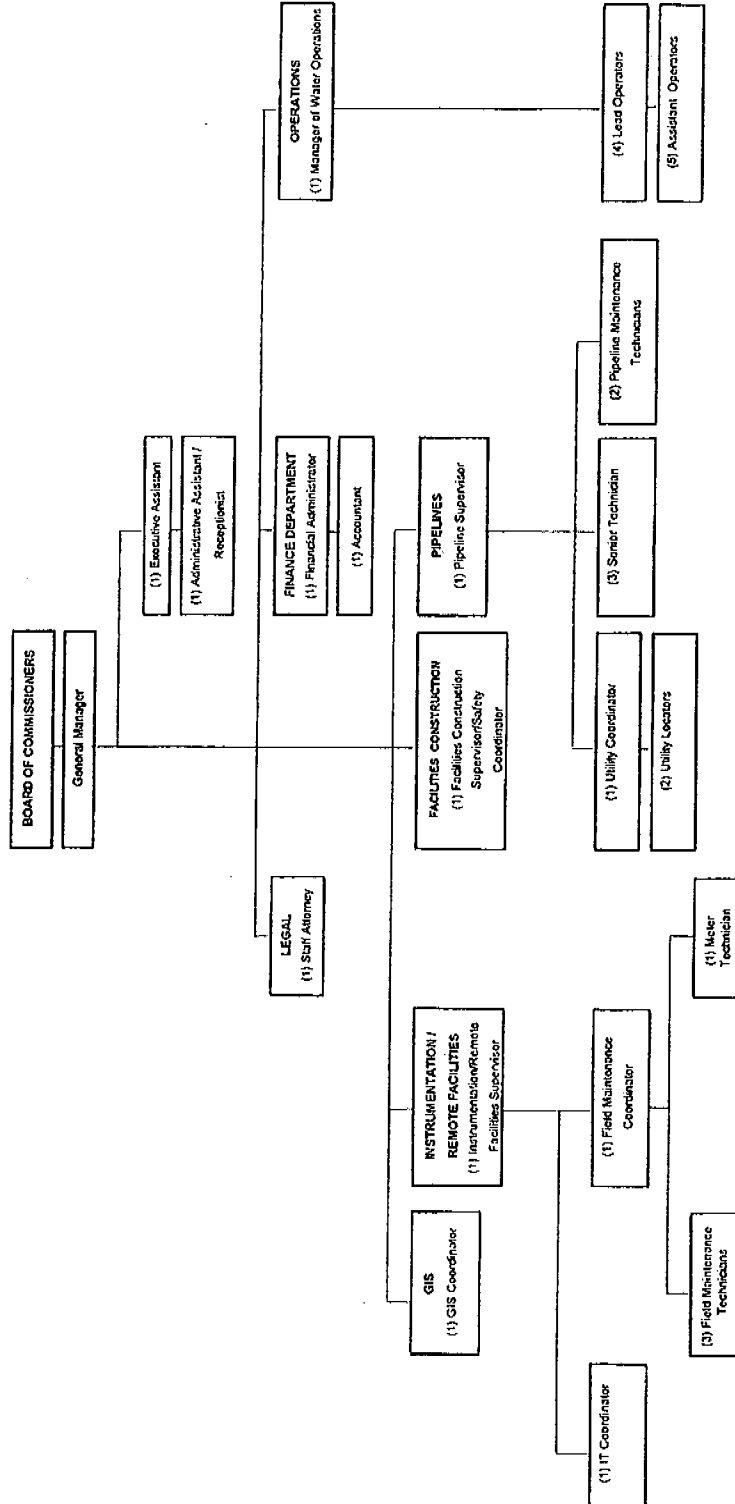
For fiscal year 2007-2008, total revenues were 5.5% less than budget and total operating expenditures were 4.4% below budget. The Commission continued with a Charter Customer water rate was reduced to \$1.25 per 1,000 gallons for the fiscal year 2007-2008.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert L. Martin". The signature is written in black ink and is positioned above the typed name and title.

Robert L. Martin, P.E.
General Manager

DUPAGE WATER COMMISSION
 ORGANIZATIONAL CHART
 FISCAL YEAR 2007-2008



September 11, 2008

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

Dear Mr. Martin:

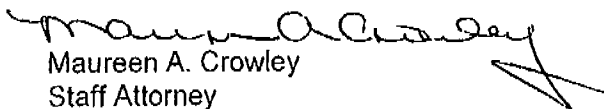
For the period May 1, 2007, through April 30, 2008, the Commission incurred \$41,640.50 in General Counsel fees and \$0.00 in Special Counsel fees. General Counsel fees related almost solely to labor and employment work—a decrease from the immediately preceding fiscal year due to the completion of several non-routine personnel projects.

	<u>General Counsel Fees</u>	<u>Special Counsel Fees</u>
FY 03/04	\$267,208.50	\$125,296.00
FY 04/05	\$64,018.50	\$21,300.00
FY 05/06	\$13,898.50	\$0.00
FY 06/07	\$57,441.50	\$0.00
FY 07/08	\$41,640.50	\$0.00

With respect to specific projects, the Legal Department created unique bidding and contract documents for the purchase of uniforms, for the purchase of generators, and for the installation of the pre-purchased generators, in addition to creating new job descriptions for all positions and creating new standardized personnel forms and procedures. The Legal Department also negotiated the DuPage County/Darien wheeling agreement, prepared a Material Event Disclosure Notice, and assisted in the preparation of a new employee handbook and in the first near miss incident investigation under newly adopted procedures.

On the more mundane side, the Legal Department was responsible for the 72 ordinances and resolutions considered by the Board, including negotiating and drafting more than 26 engineering agreements and amendments, 8 intergovernmental and miscellaneous agreements and amendments, and bidding and contract documents for 10 separate projects.

Very truly yours,


Maureen A. Crowley
Staff Attorney

September 11, 2008

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

Dear Mr. Martin:

The Operations Department continues to maintain and operate the DuPage Pump Station at the required level to provide the highest level of service to our customers.

During the past year, all the equipment at the Pump Station was inspected, cleaned, and maintained on a weekly, monthly, quarterly, and annual basis. The annual pump and motor rehabilitation program continued this year with the replacement of three pump seals and internal inspections of all high-lift motors.

Design of a dedicated cooling system for the Computer Equipment Room was completed and bids were received in March. The system will be installed and commissioned in August.

The Operations Department continues its monthly joint maintenance inspections of the Lexington Pump Station with the Chicago Department of Water Management.

The Operations Department worked with the Pipeline Department to coordinate customer shutdowns during annual valve maintenance.

As required by the Illinois Environmental Protection Agency, the Commission collected monthly and quarterly samples for water quality and filed all required paperwork with no violations.

The Commission continues its mission to develop the Infor 7i Enterprise Asset Management (EAM) while initiating a mobile pilot to investigate the use of vehicle laptops and wireless handheld devices. The Commission continues to incorporate information from the Commission Geographical Information System into the EAM. This project is scheduled for completion during the third quarter of 2008.

Mr. Robert L. Martin, P.E.

September 11, 2008

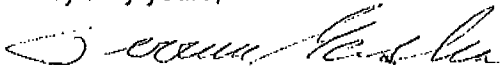
The Operations Department had two members on the Safety Committee including the Chairman who have played an essential role in helping to develop the Safety Management Program.

The Operations Department continues working to develop a Water Conservation Program for DuPage County.

Lastly, the Operations Department continues to monitor the Pipe Loop Pilot Plant to evaluate the aluminum phosphate deposits in Commission pipelines and has expanded its capabilities to include C-factor testing and copper services. The Commission continues its partnership with Camp Dresser and McKee on an American Water Works Association Research Foundation (AWWARF) project to evaluate the Impact of Phosphate Corrosion Inhibitors on Cement-based Pipes and Linings.

The Commission participated in a Water Environment Research Foundation (WERF) project that studied Strategic Asset Management and the current gaps that exist.

Very truly yours,



Terrance McGhee
Manager of Water Operations

CUSTOMER USAGE

	FY 2008 TOTAL (1,000 GAL) (1)	% OF TOTAL	ALLOCATION (1,000 GAL)	% OF ALLOCATION	2008 (3) ALLOCATION (MGD)	2007 ALLOCATION (MGD)
ADDISON	1,350,454	4.36%	1,662,836	81.21%	4.432	4.644
ARGONNE NAT'L LAB (2)	168,906	0.54%	276,670	61.05%	0.758	0.758
BENSENVILLE	846,736	2.73%	982,252	86.20%	2.645	2.724
BLOOMINGDALE	898,459	2.90%	1,043,663	86.09%	2.815	2.891
CAROL STREAM	1,403,643	4.53%	1,666,671	84.22%	4.425	4.667
CLARENDON HILLS	298,984	0.96%	272,590	109.68%	0.776	0.726
DARIEN	829,202	2.67%	1,042,042	79.57%	2.873	2.842
DOWNERS GROVE	2,141,223	6.91%	2,502,701	85.56%	6.733	6.945
DUPAGE COUNTY (SERWF)	34,694	0.11%	359,027	9.66%	0.637	1.231
ELMHURST	1,567,001	5.05%	1,718,512	91.18%	4.703	4.712
GLEN ELLYN	988,636	3.19%	1,114,874	88.68%	2.971	3.114
GLENDALE HEIGHTS	1,002,408	3.23%	1,085,204	92.37%	2.986	2.964
HINSDALE	1,027,357	3.31%	979,383	104.90%	2.708	2.667
IAWC-ARROWHEAD	59,092	0.19%	71,084	83.13%	0.193	0.196
IAWC-COUNTRY CLUB	33,827	0.11%	41,793	80.94%	0.111	0.117
IAWC-DU PAGE/LISLE	188,097	0.61%	216,660	86.82%	0.579	0.604
IAWC-LIBERTY RIDGE EAST	11,621	0.04%	21,777	53.36%	0.069	0.053
IAWC-LIBERTY RIDGE WEST	100,986	0.33%	85,528	118.07%	0.047	0.368
IAWC-LOMBARD HEIGHTS	20,553	0.07%	66,104	31.09%	0.334	0.072
IAWC-VALLEY VIEW	265,980	0.86%	255,500	104.10%	0.700	0.700
ITASCA	558,800	1.80%	645,298	86.60%	1.709	1.810
LISLE	1,003,229	3.24%	1,183,221	84.79%	3.153	3.305
LOMBARD	1,596,325	5.15%	1,798,730	88.75%	4.858	4.978
NAPERVILLE	6,537,685	21.09%	7,414,583	88.17%	19.651	20.787
OAK BROOK	1,350,102	4.35%	1,529,077	88.30%	4.184	4.193
OAKBROOK TERRACE	58,816	0.19%	93,715	62.76%	0.248	0.263
ROSELLE	688,438	2.22%	831,931	82.75%	2.246	2.303
VILLA PARK	691,999	2.23%	777,419	89.01%	2.134	2.127
WESTMONT	937,081	3.02%	1,063,396	88.12%	2.921	2.908
WHEATON	1,904,747	6.14%	2,163,392	88.04%	5.881	5.960
WILLOWBROOK	421,969	1.36%	489,196	86.26%	1.307	1.364
WINFIELD	332,059	1.07%	409,263	81.14%	1.074	1.155
WOOD DALE	525,209	1.69%	609,462	86.18%	1.647	1.686
WOODRIDGE	1,160,309	3.74%	1,259,687	92.11%	3.586	3.355
TOTAL	31,004,627	100.00%	35,733,241	86.77%	96.092	99.189

(1) Includes meter adjustment billings.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

(3) 2008 Allocations are calculations based on the proposed April 28, 2008 Allocations.

CUSTOMER WATER STORAGE

CUSTOMER	EXISTING STORAGE (MG)	2008 (5) ALLOCATION (IN MGD)	% OF SYSTEM	REQUIRED STORAGE	SHALLOW WELL ALLOWANCE	% OF DWC STORAGE (MG)	STORAGE ABOVE OR (BELOW) REQ
ADDISON	6.75	4.432	4.61%	8.86	0.89	2.88	1.66
ARGONNE NAT'L LAB	1.02	0.758	0.79%	1.52	0.15	0.49	0.14
BENSENVILLE	3.55	2.645	2.75%	5.29	0.00	1.72	(0.02)
BLOOMINGDALE	4.80	2.815	2.93%	5.63	0.56	1.83	1.56
CAROL STREAM	6.50	4.425	4.60%	8.85	0.89	2.88	1.41
CLARENDON HILLS	1.25	0.776	0.81%	1.55	0.16	0.50	0.36
DARIEN	4.00	2.873	2.99%	5.75	0.57	1.87	0.70
DOWNERS GROVE	8.00	6.733	7.01%	13.47	1.35	4.38	0.26
DUPAGE COUNTY (SERWF)	0.88	0.637	0.66%	1.27	0.13	0.41	0.15
ELMHURST	15.00	4.703	4.89%	9.41	0.94	3.06	9.59
GLENDALE HEIGHTS	4.70	2.986	3.11%	5.97	0.60	1.94	1.27
GLEN ELLYN (4)	3.20	2.971	3.09%	5.94	0.59	1.93	(0.22)
HINSDALE	4.50	2.706	2.82%	5.41	0.54	1.76	1.39
IAWC-ARROWHEAD	0.40	0.193	0.20%	0.39	0.04	0.13	0.18
IAWC-COUNTRY CLUB	0.20	0.111	0.12%	0.22	0.02	0.07	0.07
IAWC-DUPAGE/LISLE (1)	0.91	0.579	0.60%	1.18	0.12	0.38	0.24
IAWC-LOMBARD HEIGHTS (2)	0.08	0.069	0.07%	0.14	0.01	0.04	0.00
IAWC-LIBERTY RIDGE EAST (4)	0.07	0.047	0.05%	0.09	0.01	0.03	0.02
IAWC-LIBERTY RIDGE WEST (3)	0.43	0.334	0.35%	0.67	0.07	0.22	0.05
IAWC-VALLEY VIEW	0.88	0.700	0.73%	1.40	0.14	0.46	0.08
ITASCA	3.50	1.709	1.78%	3.42	0.34	1.11	1.54
LISLE (1)	4.79	3.153	3.28%	6.31	0.63	2.05	1.17
LOMBARD (2)	6.15	4.858	5.06%	9.72	0.97	3.16	0.56
NAPERVILLE	43.90	19.651	20.45%	39.30	3.93	12.78	21.31
OAK BROOK	8.00	4.184	4.35%	8.37	0.84	2.72	3.19
OAKBROOK TERRACE	0.50	0.248	0.26%	0.50	0.00	0.16	0.17
ROSELLE	1.75	2.246	2.34%	4.49	0.00	1.46	(1.28)
VILLA PARK	3.80	2.134	2.22%	4.27	0.43	1.39	1.35
WESTMONT	4.50	2.921	3.04%	5.84	0.58	1.90	1.14
WHEATON	7.26	5.881	6.12%	11.76	1.18	3.83	0.50
WILLOWBROOK	4.00	1.307	1.36%	2.61	0.00	0.85	2.24
WINFIELD (3)	1.57	1.074	1.12%	2.15	0.21	0.70	0.34
WOOD DALE	3.35	1.847	1.71%	3.29	0.33	1.07	1.46
WOODRIDGE	6.15	3.586	3.73%	7.17	0.72	2.33	2.03
CUSTOMER TOTAL	166.34	96.092	100.00%	192.18	17.93	62.50	54.58
COMMISSION TOTAL	62.50						
TOTAL	228.84						

(1) LISLE CONTRACTED STORAGE TO IAWC DUPAGE/LISLE
(2) LOMBARD CONTRACTED STORAGE TO IAWC LOMBARD
(3) WINFIELD CONTRACTED STORAGE TO IAWC LIBERTY RIDGE WEST
(4) GLEN ELLYN CONTRACTED STORAGE TO IAWC LIBERTY RIDGE EAST
(5) 2008 ALLOCATIONS ARE CALCULATIONS BASED ON THE PROPOSED
IDNR APRIL 28, 2008 ALLOCATIONS

MONTHLY WATER PUMPAGE

MONTH	AVERAGE DAILY FLOW	MAXIMUM DAILY FLOW MGD	MINIMUM DAILY FLOW MGD	AVERAGE AIR TEMPERATURE °F
MAY, 2007	95.1	114.9	77.5	80
JUNE, 2007	113.2	145.1	86.5	87
JULY, 2007	110.1	131.4	89.8	88
AUGUST, 2007	95.8	134.4	79.4	88
SEPTEMBER, 2007	101.5	116.2	90.6	84
OCTOBER, 2007	83.2	99.4	73.6	73
NOVEMBER, 2007	73.5	77.5	68.8	51
DECEMBER, 2007	74.0	78.9	68.0	38
JANUARY, 2008	74.7	79.3	69.2	36
FEBRUARY, 2008	75.8	79.8	69.1	34
MARCH, 2008	74.1	79.2	67.0	47
APRIL, 2008	74.6	85.2	65.4	64
AVERAGE	87.1	101.8	75.4	64
MAXIMUM	113.2	145.1	90.6	88
MINIMUM	73.5	77.5	65.4	34

AVERAGE DAILY PUMPAGE 87.1 MGD
HIGHEST DAILY PUMPAGE 145.1 MGD
LOWEST DAILY PUMPAGE 65.4 MGD

ILLINOIS DEPARTMENT OF NATURAL RESOURCES
LAKE MICHIGAN WATER ALLOCATIONS
(Million Gallons Per Day) (1)

	2000	2010 (3)	2020 (3)
ADDISON	4.225	4.230	4.457
ARGONNE NAT'L LAB (2)	0.758	0.758	0.758
BENSENVILLE	2.654	2.571	2.616
BLOOMINGDALE	2.581	2.767	3.048
CAROL STREAM	4.191	4.213	4.600
CLARENDON HILLS	0.691	0.832	0.888
DARIEN	2.627	2.934	3.254
DOWNERS GROVE	6.516	6.589	7.265
DUPAGE COUNTY (SERWF) (4)	0.000	0.643	0.708
ELMHURST	4.610	4.699	4.749
GLENDALE HEIGHTS	2.850	2.869	2.977
GLEN ELLYN	2.887	2.985	3.164
HINSDALE	2.626	2.762	2.923
IAWC-ARROWHEAD	0.196	0.190	0.190
IAWC-COUNTRY CLUB	0.117	0.105	0.105
IAWC-DUPAGE/LISLE	0.598	0.555	0.585
IAWC-LOMBARD HEIGHTS	0.046	0.065	0.065
IAWC-LIBERTY RIDGE EAST	0.072	0.042	0.048
IAWC-LIBERTY RIDGE WEST	0.320	0.305	0.349
IAWC-VALLEY VIEW	0.700	0.700	0.700
ITASCA	1.650	1.666	1.951
LISLE	3.023	3.024	3.261
LOMBARD	4.738	4.777	5.177
NAPERVILLE	16.234	18.803	21.683
OAK BROOK	3.984	4.205	4.508
OAKBROOK TERRACE	0.102	0.281	0.293
ROSELLE	2.072	2.206	2.357
VILLA PARK	2.085	2.146	2.206
WESTMONT	2.823	2.945	3.069
WHEATON	5.656	5.821	6.008
WILLOWBROOK	1.235	1.267	1.452
WINFIELD	1.058	1.011	1.188
WOOD DALE	1.576	1.613	1.680
WOODRIDGE	2.840	3.876	4.479
TOTALS	88.341	94.455	102.761

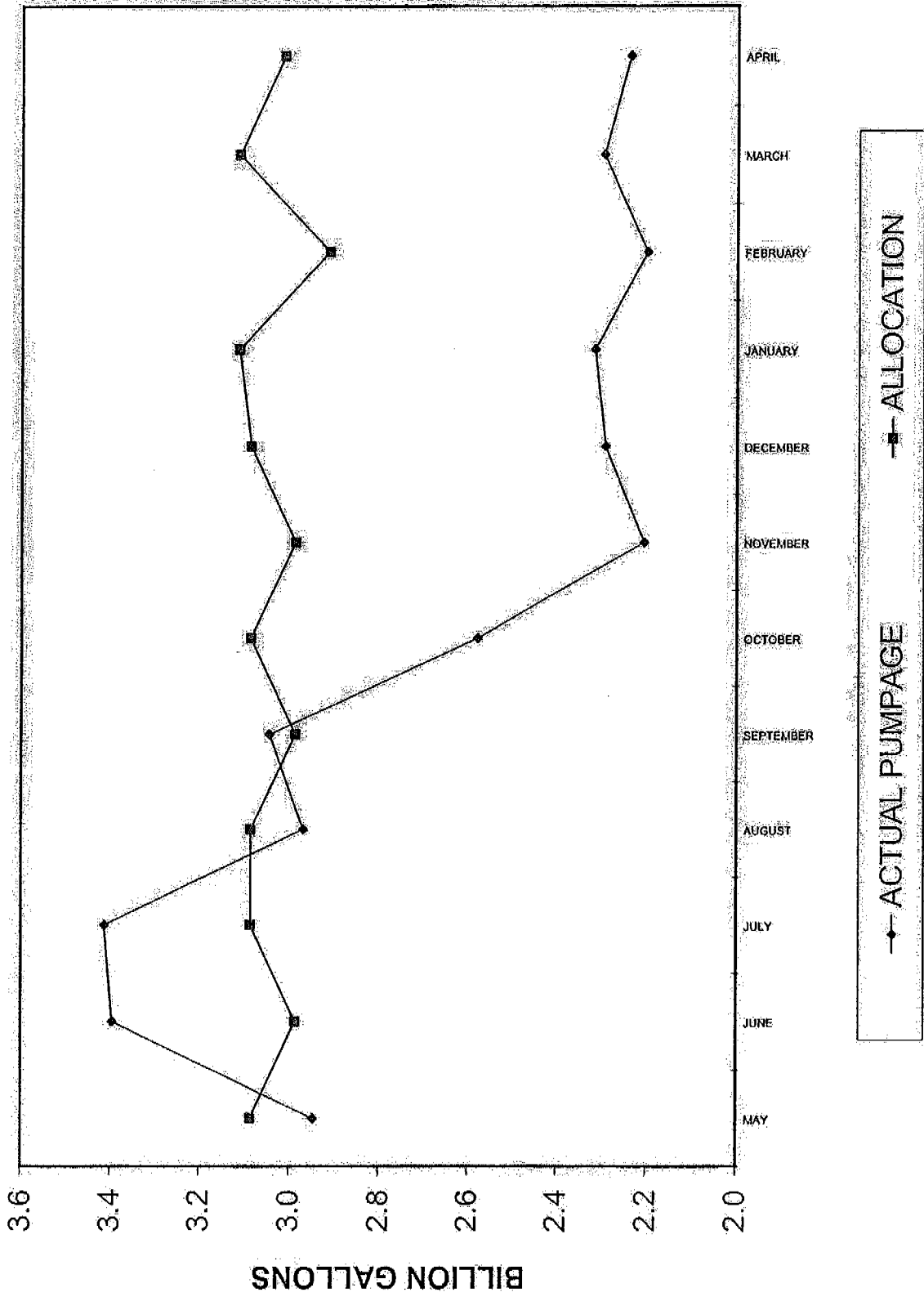
(1) State Water allocations are expressed in terms of average quantity per day. Actual use in a day may exceed average daily use.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

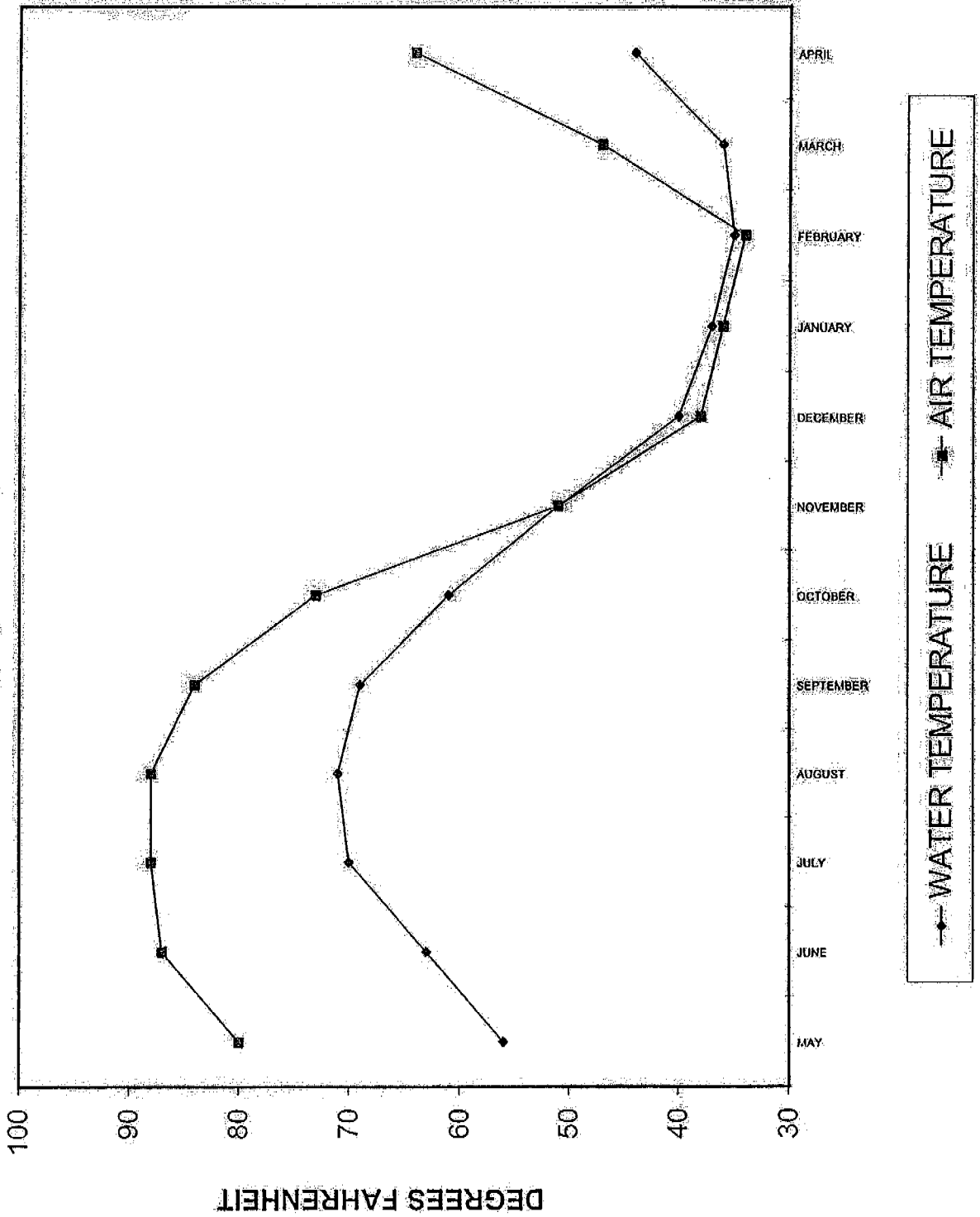
(3) 2010 and 2020 Allocations are based on the proposed April 28, 2008 Allocations.

(4) Service began in January 23, 2008.

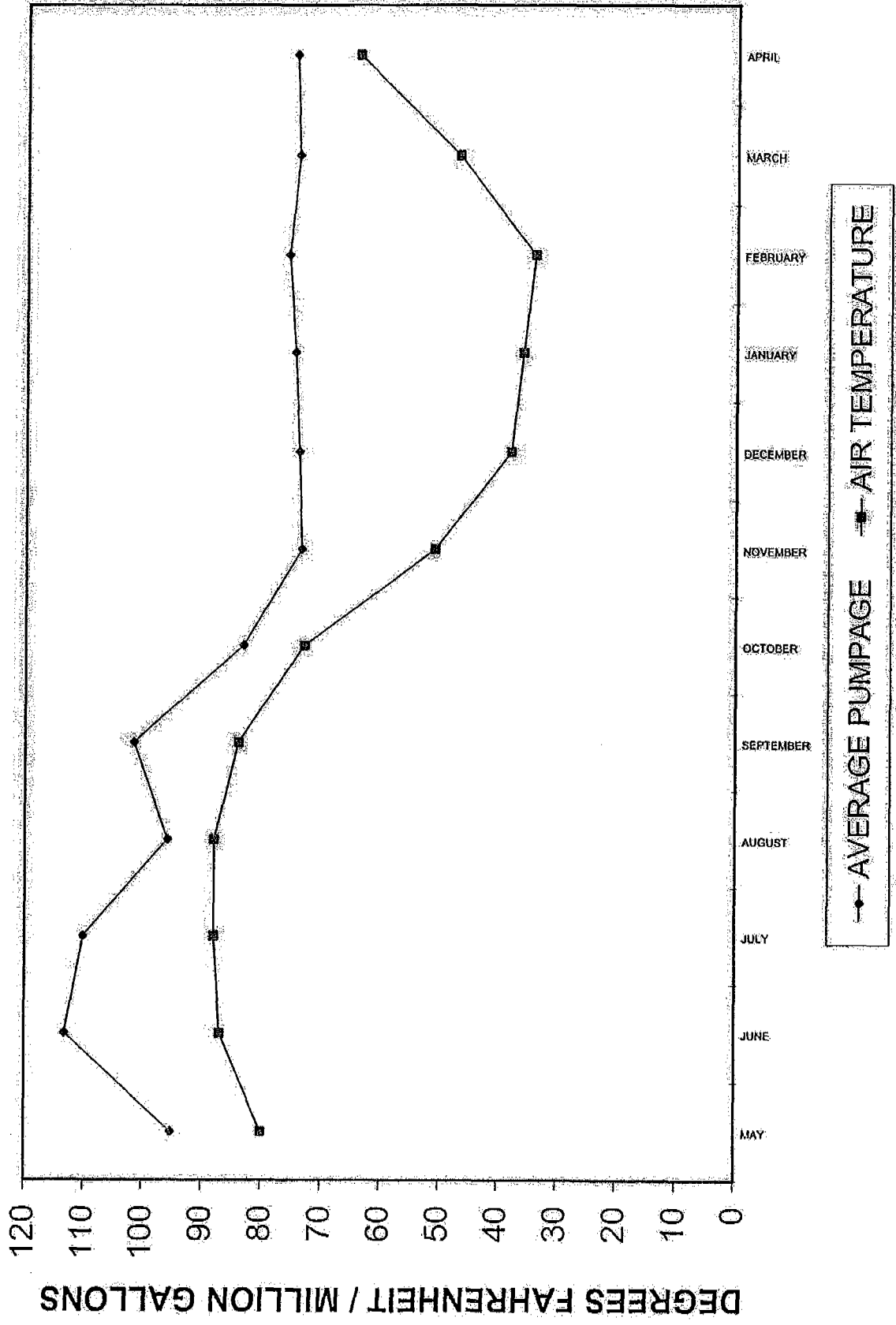
WATER PUMPAGE VS. ALLOCATION



WATER TEMPERATURE VS. AVERAGE AIR TEMPERATURE



WATER PUMPAGE VS. AVERAGE AIR TEMPERATURE



September 11, 2008

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

Dear Mr. Martin:

This was our first full year using the new Enterprise Asset Management (EAM), Infor's Datastream 7i program. The Instrumentation and Remote Facilities (I/RF) Department has worked diligently with the consultant learning, configuring, and using this program. Each technician logs their own time and enters notes into the system for each work order that is assigned to them. I review all department work orders and provide feedback or question information when appropriate. The system is also used to track and order all parts and services used by the department. The EAM program gives the technician's the ability to access solutions or information to same or similar past problems. As the system assets age the maintenance records and cost information about specific assets can be used to assist in future decisions whether to continue to repair or replace.

The Supervisory Control and Data Acquisition (SCADA) system used for the monitoring and control of the water system by the Operations Department was managed and maintained for 100% uptime. The proper operation and regular calibration was maintained on all instrumentation at remote facilities and within the pump station to allow the Operations Department to operate the system efficiently and with confidence.

The Commission's administrative local area network (LAN) keeps growing with the latest addition of a disaster recovery network server backup system. The IT Coordinator and network consultants have maintained and managed the LAN system with only minor short term issues. In addition, user support for Internet, E-mail, workstation, and program application issues was provided in a timely manner.

The I/RF Department performs a complete check and test of the pump station's security system on a quarterly basis to confirm proper operation. Each door, hatch, skylight, perimeter fence, and all surveillance video cameras are checked and confirmed at the console in the control room.

Mr. Robert L. Martin, P.E.

September 11, 2008

The annual customer meter calibration program was completed on schedule and there were no meters found under-registering or over-registering during the customer witness test. However, seven meters out of the 249 total meters required some level of repair to allow them back into service. The meter shop underwent some repairs to the control valves and enhanced program functionality which has improved the testing process.

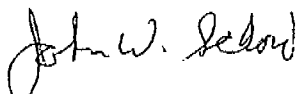
The Lexington Pump Station discharge flow meters used by Chicago Department of Water Management (CDWM) to measure the amount of water purchased by the Commission were calibrated monthly by the instrumentation technicians and witnessed by representatives of the CDWM Maintenance and Operational Methodology (MOM) group. During this fiscal year the north header flow meter always tested better than 0.2% accurate, which means it never needed calibration and only once did the south header flow meter require calibration.

Four of the five standpipes were drained for a thorough inspection of the cathodic protection (CP) system inside the tank. All four standpipes required repairs to the CP system and minor coating problems were noted. The last standpipe is scheduled for an inspection next fall.

The Department was also responsible for managing and overseeing work performed under Quick Response Electrical (QRE) contract. Fortunately, during this fiscal year there were only three Work Authorizations totaling approximately \$25,000 of work that could not be performed within the Department.

Finally, the Instrumentation and Remote Facilities Department continues to embrace the safety initiative of the Commission. The Field Maintenance Technicians are often involved in dangerous or hazardous tasks, like working with live electricity, working in the street setting up lane closures for confined space entries, being flaggers controlling traffic, and working from elevated surfaces. They all understand that safety is paramount to successfully completing any work task.

Very truly yours,



John W. Schori
Instrumentation and Remote Facilities Supervisor

**INSTRUMENTATION AND REMOTE FACILITIES
INFORMATION**

REMOTE FACILITIES:

Location	Meter Stations	Remotely Operated Valves	Standpipes	Cathodic Protection Rectifiers	Pump Station
Addison	5	1			
Argonne	1				
Bensenville	1	1			
Bloomington	2				
Carol Stream	2				
Clarendon Hills	2				
Darien	2	1			
Downers Grove	6	3			
Elmhurst	3	4			
Glen Ellyn	2	1			
Glendale Heights	3	1	1	1	
Hinsdale	1				
Illinois American Water	7				
Itasca	3	1			
Lisle	3		2	2	
Lombard	4	2			
Naperville	8	4	1	1	
Oak Brook	3	1			
Oakbrook Terrace	2	1			
Roselle	3	1	1	1	1
Villa Park	3	1			
Westmont	2				
Wheaton	3	2			
Willowbrook	1	1			
Winfield	1				
Wood Dale	2				
Woodridge	3	1			
Cicero				1	
Bellwood		1			
Broadview		1		1	
Forest Park		1		2	
Hillside				1	
Lexington Pump Station		3			
Maywood				1	
Warrenville		1			
Totals	78	34	5	11	1

TURBINE WATER METERS:

Size	Quantity	Location	Calibration Schedule
6"	40	Meter Stations	Annual
6"	15	Spares	Annual
8"	103	Meter Stations	Annual
8"	13	Spares	Annual
10"	60	Meter Stations	Annual
10"	18	Spares	Annual

PRESSURE TRANSMITTERS:

Location	Quantity	Calibration Schedule
Meter Stations	151	Annual
ROV's	30	Annual
Pump Station	2	Quarterly

LEVEL TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station	2	Quarterly
Standpipes	5	Quarterly
NaOCL Tanks	4	Annual

FLOW TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station 90" Supply	2	Quarterly
Pump Station 72" Supply	2	Quarterly
Pump Station East Discharge	2	Quarterly
Pump Station West Discharge	2	Quarterly
Lexington Discharge	2	Monthly

ON-LINE WATER QUALITY INSTRUMENTATION:

Device	Location	Calibration Schedule
CL2 Analyzer	90" Supply	Quarterly *
CL2 Analyzer	72" Supply	Quarterly *
CL2 Analyzer	Discharge	Quarterly *
CL2 Analyzers	5-Standpipes	Quarterly **
Turbidity	90" Supply	Quarterly
Turbidity	72" Supply	Quarterly
Turbidity	Discharge	Quarterly
pH Analyzer	90" Supply	Quarterly
Temperature	90" Supply	Quarterly
Temperature	Discharge	Quarterly

* Checked Weekly ** Checked Monthly

WORK ORDERS:

Type	Quantity
Scheduled PM or Cal. Completed	1,167
Corrective Completed	425
Emergency Maintenance Completed	67

METER STATION INFORMATION

<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>	<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>	
Village of Addison	1a	2	10	Village of Itasca	25a	2	6	
	1b	2	10		25b	2	6	
	1c	2	6		25c	2	8	
	1d	2	10	Village of Lisle	13a	3	8	
	1e	2	6		13b	3	8	
Argonne Nat'l Laboratory	28a	2	8		13c	2	10	
	Village of Bensenville	2a	5	8	Village of Lombard	14a	3	8
Village of Bloomingdale		3a	3	8		14b	2	8
	3b	3	6	14c		2	6	
14d	3	10	Village of Carol Stream	4a		3	8	
4b	3	8		4b	3	8		
Village of Clarendon Hills	6a	2	6	City of Naperville	15a	3	10	
	6b	2	6		15b	5	10	
City of Darien	7a	3	8		15c	5	8	
	7b	2	8		15d	3	6	
Village of Downers Grove	8a	3	8		15e	3	10	
	8b	2	8		15f	5	8	
	8c	2	10		15g	3	10	
	8d	3	10		15h	5	10	
	8e	3	8	Village of Oak Brook	16a	3	10	
	8f	2	8		16b	2	8	
City of Elmhurst	10a	3	8		16c	3	10	
	10b	3	8	City of Oakbrook Terrace	17a	2	6	
	10c	3	8		17b	2	8	
Village of Glen Ellyn	26a	2	10	Village of Roselle	18a	2	8	
	26b	5	8		18b	2	8	
Village of Glendale Heights	11a	2	8		18c	2	8	
	11b	3	6	Village of Villa Park	19a	2	8	
	11c	2	6		19b	2	6	
Village of Hinsdale	12a	5	8		19c	2	8	
	Illinois American Water Co	5a	2	6	Village of Westmont	20a	3	8
5b		2	6	20b		3	8	
5c		2	6	City of Wheaton		21a	3	10
5d		2	6		21b	3	10	
5e		2	6		21c	3	8	
5f		1	8	Village of Willowbrook	22a	3	10	
5g		1	6		Village of Winfield	27a	2	8
City of Wood Dale	Village of Woodridge	23a	2	8	City of Wood Dale	23a	2	8
		23b	2	10		23b	2	10
		24a	2	10		24a	2	10
		24b	2	10				
		24c	2	10				
Total Meter Stations					78			
Total Meters In Service					203			

September 11, 2008

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

Dear Mr. Martin:

The Commission's Geographical Information System (GIS) continued to develop over the last year with several new data layers, improved positional accuracy of pipeline and related assets and the start of integration with the maintenance management program and document management system. In addition, other improvements took place including upgrades to ArcGIS software version 9.2 and SQL Server 2005, reconfiguration of the GIS hardware to ensure optimum performance, and a prototype mobile computing application to put GIS and maintenance data out in the field.

A major focus over the past year has been on developing corrosion control data for use by EN Engineering, the Commission's corrosion consultant. GIS is being used to establish a baseline of existing conditions and will provide a link to the database platform into the future. There are now more than eleven corrosion data layers that record the locations of anode ground beds, casings, rectifiers, reference stations, test stations, foreign pipeline crossings, third party damage, electrical discontinuities, isolation flanges, leaks and polarization cell replacements (PCR). Because corrosion data gains significance when tracked longitudinally thereby allowing trends to develop and comparisons to be made, a challenge in the coming year is to determine the most effective way to use GIS and the maintenance management program to record and analyze this data.

Other GIS work the past year included a new version of the system mapbook to show more detail and additional information, miscellaneous ad hoc map production, an update to the pipeline database design, the addition of over 450 points to the pipeline calibration file used to "snap" GIS features to known actual locations, enhancement of the GIS web site and installation of ArcGIS Server, which is a newer version of Internet mapping software that will eventually replace existing mapping software.

Overall, the Commission's GIS has followed a pattern typical in other organizations. The program started with no software or formatted data and began the first phase

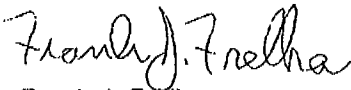
Mr. Robert L. Martin, P.E.

September 11, 2008

which, in essence, is an inventory of assets followed by conversion of data from paper sources into GIS format, GPS data collection and field verification to ensure accuracy and completeness. After approximately three and one half years the first phase is wrapping up. Virtually all of the GIS data layers and tasks defined in the original GIS Needs Assessment and Implementation Plan conducted for the Commission by Patrick Engineering in 2004 are complete.

The typical second phase of GIS involves adding value through GIS integration with other applications. In our case we are preparing to integrate GIS with the maintenance management program (now known as the Infor Enterprise Asset Management [EAM] system) and a to-be-selected document management system. The goal of these projects is to make essential information easily available where and when it is needed. At this point it is clear that the efforts that have been put forth in phase one to develop accurate and reliable GIS data will facilitate the successful implementation of these applications.

Very truly yours,



Frank J. Frelka
GIS Coordinator

September 11, 2008

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

Dear Mr. Martin:

The Commission's safety program continues to evolve into a true safety management system with emphasis in the past year on: hazard recognition, evaluation & control; workplace design & engineering; occupational safety programs & policies and health & safety training. During the 2007/2008 fiscal year some of the major safety accomplishments include: use of consultants to perform focused safety studies and suggest methods to: 1) control the hazards associated with falls from elevated surfaces and 2) develop electrical safety requirements for employees working at all Commission facilities and development of Commission safety policies. Also, every new Commission construction project had a thorough design review with safety as the focus. The goal of the ongoing safety effort continues to be the reduction of the worker injuries to zero. In FY-07/08, the Commission had one (1) OSHA recordable injury, for a total lost time of one (1) day.

In facilities construction, the design and Contract for the Supply of Engine Generator Units was developed to supply generator units for both the Lexington and DuPage Pumping Stations as a suggested opportunity from the Value Engineering Studies of August 2006. The Contract was awarded to Patten Industries, Inc., for eight (8) stationary generators and one (1) portable generator with scheduled delivery in spring/summer 2009. With respect to the Electrical Generation Facilities, Photovoltaic System, and Other Improvements at the Lexington Pumping Station (Contract PSC-4/08), 30%, 60%, 90% and 100% designs were completed and the project released for bidding in March 2007. With respect to the Electrical Generation Facility, Office/Garage Expansion and Other Site Work for the DuPage Pumping Station (Contract PSD-7/08), the 30% design report was re-filed and completed and the 60% and 90% design submittals were completed after an extended discussion took place regarding on-site visitor & employee parking, access and security measures being incorporated into the design. Both the PSC-4 and PSD-7 generator project

Mr. Robert L. Martin, P.E.

September 11, 2008

designs include other suggested opportunities from the Value Engineering Studies of August 2006. Both PSC-4 and PSD-7 projects also incorporate LEED® (Leadership in Energy and Environmental Design) to promote the use of renewable materials and an environmentally sustainable community. Construction completion for both generator projects is anticipated in fall 2010.

Also to accommodate the need to house heavy vehicles, equipment and materials displaced by the PSD-7 DuPage generator project, designs were split out from the future reservoir project (PSD-6) for a Material and Equipment Storage Facility known as PSD-6A. Bidding is anticipated in summer 2008.

The Cadwell Avenue Relocation project, PSD-6B/07, was completed. This project re-aligned what was once a York Township street to the City of Elmhurst roadway to meet the City's construction standards. This project also allows for relocation of existing utilities and abandonment of easements for future security initiatives and the possibility of future reservoir construction.

The Hydrodynamic Mixing System at Tank Site #4E project, SS-5/07, was completed. This system was constructed to improve the mixing and water quality within the standpipe.

The design of the Village of Winfield's second connection point continued to be developed in FY-07/08. Continuing discussions were held with the County of DuPage regarding potential connection of several service areas to the Commission's transmission system or wheeling through an existing Customer.

Very truly yours,



R. Christopher Bostick
Facilities Construction Supervisor/
Safety Coordinator

September 11, 2008

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

Dear Mr. Martin,

The Pipeline Department continued its distribution system preventative maintenance program by inspecting and exercising 252 system valves. These valves are located throughout the Commission's 162 miles of pipe and range in size from 12 to 90 inches in diameter. In addition, and despite the severity of the weather conditions experienced during the winter of 2007/2008, Department personnel were able to complete, on schedule, an initial inspection of all 670 air release manholes located throughout the distribution system.

The Department has also been responsible for:

- o Contract VSR-1(Valve Stem Replacement). This contract, currently in the design phase, is for the replacement of system valve operating stems and related valve vault improvements. This contract is expected to go out for bid in late 2008.
- o 75th and Washington Street Relocation. Currently in the conceptual design phase, this project is for the relocation of approximately 3,000 L.F. of 30" diameter water main that is in conflict with proposed intersection improvements located at 75th and Washington Streets in Naperville. Relocation work is tentatively set to begin in late 2008 or early 2009.
- o Contract completion and close out for Contract TW-4 (AC Current Mitigation). This contract was intended to mitigate the influences of stray AC electrical current on certain Commission facilities by placing approximately 200 sacrificial anodes, constructed in 4 separate groundbeds, in the vicinity of Butterfield and Winfield Roads.
- o Construction supervision and contract documentation for work performed under Contract QR-7(Quick Response). This past fiscal year, Department personnel have been responsible for construction supervision and contract documentation for work performed under ten separate Work

Mr. Robert L. Martin, P.E.

September 11, 2008

Authorizations totaling approximately \$160,000.00. The type of work varied in size, scope and complexity, and included routine maintenance and improvement work, in addition to emergency type work requiring immediate repair.

- o Received and screened 52,669 individual J.U.L.I.E. locate requests. Of these, 5,323 required field locating of Commission facilities.
- o Reviewed and responded to 72 sets of plans submitted by outside agencies for the purpose of determining potential conflicts between the proposed improvements and existing Commission facilities.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Edward Kazmierczak', with a stylized flourish at the end.

Edward Kazmierczak
Pipeline Supervisor

TYPE AND SIZE OF VALVES IN SERVICE

TYPE OF VALVE	SIZE OF VALVE	NUMBER
BUTTERFLY	90"	1
BUTTERFLY	84"	17
BUTTERFLY	72"	20
BUTTERFLY	60"	4
BUTTERFLY	54"	11
BUTTERFLY	48"	10
BUTTERFLY	42"	6
BUTTERFLY	36"	31
BUTTERFLY	30"	30
BUTTERFLY	24"	32
BUTTERFLY	20"	32
BUTTERFLY	16"	38
BUTTERFLY	12"	20
OR GATE		
BLOW-OFF	6" TO 18"	<u>374</u>
	TOTAL	626

TYPE AND SIZE OF PIPES IN SERVICE

TYPE OF PIPE	SIZE OF PIPE	FEET OF PIPE
PRESTRESSED CONCRETE CYLINDER PIPE	16" THROUGH 90"	473,989
STEEL	16" THROUGH 84"	215,471
DUCTILE IRON	12" THROUGH 42"	166,249

MONTHLY J.U.L.I.E. REPORTS

JOINT UTILITY LOCATING INFORMATION FOR EXCAVATORS

MONTH	06/07 REQUESTS	07/08 REQUESTS	06/07 LOCATES	07/08 LOCATES	06/07 PLAN REVIEWS	07/08 PLAN REVIEWS
MAY	6,958	7,155	354	533	5	7
JUNE	6,648	5,868	366	448	7	7
JULY	5,216	5,285	450	396	6	5
AUGUST	5,550	5,345	395	486	7	8
SEPTEMBER	5,284	4,896	321	478	5	7
OCTOBER	5,363	5,710	423	670	6	4
NOVEMBER	3,886	3,820	374	532	4	4
DECEMBER	1,953	1,942	252	274	5	3
JANUARY	2,330	1,885	286	313	7	5
FEBRUARY	1,716	1,357	239	269	8	6
MARCH	4,414	3,252	418	398	9	8
APRIL	<u>5,807</u>	<u>6,154</u>	<u>447</u>	<u>526</u>	<u>7</u>	<u>8</u>
TOTAL	54,825	52,669	4,325	5,323	76	72

September 11, 2008

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

Dear Mr. Martin:

The Governmental Accounting Standards Board (GASB) adopted Statement 34, which requires that a "Management Discussion and Analysis" (MD&A) be included in the annual audited financial statements. Items found in the MD&A include analyses of changes in net assets, revenues and expenditures, capital assets and debt administration. This report tries not to duplicate information found in the MD&A and should be read in conjunction with the MD&A to fully understand the financial operations of the Commission.

FINANCIAL OPERATIONS OVERVIEW

In fiscal year 2007-08, the Commission served 25 municipal utilities, 1 county service area, 7 private utility service areas and Argonne National Laboratory. The current state statute requires the Commission's Fiscal Year 2002-03 average Charter Customer water rate of \$1.65 per 1,000 gallons not to be increased until 2008.

With revenues of \$78.5 million and expenses of \$109.9 million, the Commission's net assets decreased by \$31.4 million in fiscal year 2007-08 to \$331.6 million. Restricted net assets and net assets invested in property, plant and equipment were \$34.3 million and \$240.5 million, respectively.

BUDGETARY ANALYSIS

The table below compares actual fiscal year 2007-08 revenues and expenses to budget. Total revenues were 5.5% less than budget. Total operating expenditures were below budget by 4.4%. All significant dollar variances will be discussed.

Water operations and maintenance revenues were \$40.1 million, \$1.4 million (3.5 %) less than budget. Last summer's cool and wet weather is the reason total water sales, 31.0 billion gallons, was under the budgeted water sales.

Sales tax collections decreased over last year. Collections for the fiscal year were \$34.3 million, \$2.1 million (5.7%) under budget. The Commission's general obligation bond payment was fully funded by sales tax receipts. In addition, \$7.1 million of sales tax revenue was used to reduce the customers' water revenue bond fixed cost payment for fiscal year 2007-08 by 50%.

Market fluctuations caused a decrease in investment market values over the course of the fiscal year resulting in investment income being under budget. The budgeted average rate of return was 4.5% for fiscal year 2007-08. At the end of the fiscal year, the portfolio was earning 2.786% based on market yield and 2.707% based on original purchase price, down by 1.992% and down by 2.079% from the previous fiscal year.

Overall direct water supply costs were \$50.2 million, \$2.7 million (5.2%) under budget. The overall water supply costs are directly related to total water sales. Therefore, because last summer's cool and wet weather decreased sales, it also impacted costs.

Depreciation expense was below budget because not as many capital assets were constructed as anticipated.

All Other Expenses, specifically insurance costs, were significantly less than the current fiscal year budget. The Commission has a self-insurance reserve of \$1.0 million, which had no charges incurred.

BUDGET ANALYSIS OF REVENUES AND EXPENSES
For Fiscal Year Ending April 30, 2008

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
REVENUES				
Water Sales - All Categories	\$ 41,639,721	\$ 40,185,989	\$ (1,453,732)	96.5%
Sales Tax	36,390,944	34,308,874	(2,082,070)	94.3%
Investment Income	5,050,378	3,958,431	(1,091,947)	78.4%
All Other Revenues	2,500	47,943	45,443	1917.7%
Total Revenue	83,083,543	78,501,237	(4,582,306)	94.5%
EXPENSES				
Water Supply Costs	52,987,096	50,234,652	2,752,444	94.8%
Depreciation	6,963,224	6,603,779	359,445	94.8%
Personnel Services	5,297,852	3,765,227	1,532,625	71.1%
Bond Interest	7,434,993	7,414,478	20,515	99.7%
All Other Expenses	2,327,747	1,886,996	440,751	81.1%
Customer Rebate	40,000,000	40,000,000	-	100.0%
Total Expense	115,010,912	109,905,132	5,105,780	95.6%
NET FUND TRANSACTIONS	\$ (31,927,369)	\$ (31,403,895)	523,474	N/A

CONTINUING BOND DISCLOSURE

The Commission is in full compliance with all requirements of its general obligation and revenue bond ordinances. By issuing the 2001 general obligation bonds, the Commission is obligated to provide continuing disclosure of updated information provided in the bond prospectus. This resulted in the addition of charts showing the Commission's sales tax revenue and equalized assessed valuation history as well as state water allocations for its customers. Certain updated statistics from DuPage County's financial reports, used in the bond prospectus, also appear in this report. Other required disclosures have been reported in the annual audited financial statements.

The Commission is required to levy property taxes on real property within its territory without limitation as to rate or amount, in amounts sufficient to pay, when due, the principal of and interest on the Commission's general obligation bonds, including the Series 2001 Bonds. However, since sales tax revenues have been sufficient to date, all such levies have been abated through the 2007 levy year.

FUND BALANCE MONITORING

The Commission determined that the target balance available for emergency reserves and other contingencies be equal to \$20.0 million. The balance for Emergency Repairs was \$18.8 million on April 30, 2008.

ANALYSIS OF EQUITY

GASB Statement 34 requires the delineation of net assets (fund balances) as follows:

- Capital Investments
- Restricted Funds
- Unrestricted Funds

"Capital Investments" represent funds that have been used to acquire the pipelines, pump station, storage facilities and meter stations constructed and operated by the DuPage Water Commission. Also included in this category are a pump station and water tunnel constructed by the Commission for the City of Chicago. Netted against these assets are the short-term and long-term general obligation and revenue bond liabilities that will be funded from future revenues of the Commission.

The category "Restricted Funds" includes all of the restricted cash, investments and other assets in accounts required by the revenue bond ordinance as well as amounts held for paying the debt service on the Commission's general obligation bonds. Netted against these assets are items that are appropriately payable under the bond ordinances from these funds. Balances held in revenue bond trust and reserve accounts in excess of revenue bond ordinance requirements are treated as

"unrestricted". Though presently being held in restricted accounts, such assets may be immediately transferred by Commission directive to non-restricted accounts.

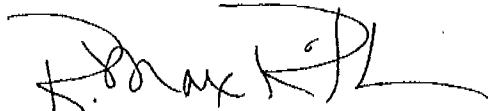
Within "Unrestricted Funds," the Commission expands the GASB Statement 34 reporting requirements to better explain its financial position. Unrestricted funds are reported in several subcategories to identify the purpose of these holdings. These subcategories are:

- Operating Designations
 - for emergency repairs and other contingencies
 - for water rate stabilization
 - for the acquisition of capital assets
- Non-operating Designations
 - for water quality loans

These subcategories include unrestricted Commission assets, other than infrastructure, less both current and long-term liabilities payable from those balances. The amount to be held for emergency repairs and other contingencies is determined using the methodology explained in the *Fund Balance Monitoring* section above. The remaining amounts have been reserved by resolution of the Board of Commissioners as follows:

- Amounts generated by water rates not needed for emergency repairs and other contingencies are reserved for water rate stabilization.
- Sales tax proceeds not required for emergency repairs and other contingencies are reserved for the acquisition of capital assets.
- New additions or retirement of debt on existing facilities including full general obligation bond funding and partial funding of the annual revenue bond requirements.

Very truly yours,



R. Max Richter
Financial Administrator

DUPAGE WATER COMMISSION
NET ASSET ANALYSIS (1)
Last Ten Fiscal Years Ended April 30,

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
UNRESTRICTED FUNDS										
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES (2)	\$ 18,854,117	\$ 12,900,000	\$ 12,900,000	\$ 12,300,000	\$ 11,700,000	\$ 28,100,000	\$ 27,300,000	\$ 26,500,000	\$ 25,800,000	\$ 25,100,000
DESIGNATED FOR WATER RATE STABILIZATION (3, 4)	6,061,887	18,961,094	31,128,958	42,862,895	44,223,356	45,005,162	46,471,406	38,960,224	28,833,359	20,670,215
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS (4)	28,725,741	43,927,782	26,479,768	15,879,131	14,282,480	49,512,314	53,471,629	47,687,798	38,768,625	37,408,184
UNDESIGNATED	-	-	-	-	-	-	-	-	290,387	-
TOTAL UNRESTRICTED OPERATING FUNDS	53,641,745	75,788,876	70,508,726	71,042,026	70,205,636	122,617,476	127,243,034	113,148,022	93,692,381	83,178,399
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	3,125,730	9,937,000	9,937,000	9,937,000	9,937,000	10,000,000	-	-	-	-
DESIGNATED TO FUND ILLINOIS MUNICIPAL RETIREMENT FUND PRIOR SERVICE PENSION COSTS	-	-	-	-	2,605,192	3,805,524	-	-	-	-
TOTAL UNRESTRICTED NON-OPERATING FUNDS	3,125,730	9,937,000	9,937,000	9,937,000	12,542,192	13,805,524	-	-	-	-
TOTAL UNRESTRICTED FUNDS	56,767,475	85,725,876	80,445,726	80,979,026	82,748,028	136,423,000	127,243,034	113,148,022	93,692,381	83,178,399
RESTRICTED FUNDS	34,253,246	33,248,017	31,930,658	31,551,651	40,940,010	51,202,190	48,906,283	46,893,951	42,361,844	42,329,739
CAPITAL INVESTMENTS	240,521,994	243,999,717	232,009,827	213,634,114	182,164,171	181,152,491	171,568,854	155,797,266	144,049,731	125,529,944
TOTAL NET ASSETS	\$ 331,542,715	\$ 352,973,610	\$ 344,386,211	\$ 326,064,791	\$ 305,852,209	\$ 368,777,681	\$ 347,708,171	\$ 315,839,239	\$ 280,103,956	\$ 251,036,082

(1) FY 1995 through FY 2001 restated for implementation of GASB Statement #34 during FY 2002.

(2) Established in FY 1994 at 5% of original construction costs as of May 1, 1992; increased annually by Engineering New Record Construction Index. Changed to 2% of original construction costs as of July 31, 2003. Changed to \$20,000,000 as of April 12, 2007.

(3) Established in FY 1996 with sales tax revenues not required for emergency repairs.

(4) In FY 1998, committed sales tax revenues not required for emergency repairs to facilities construction. Rate Stabilization Reserve re-established using water revenues only.

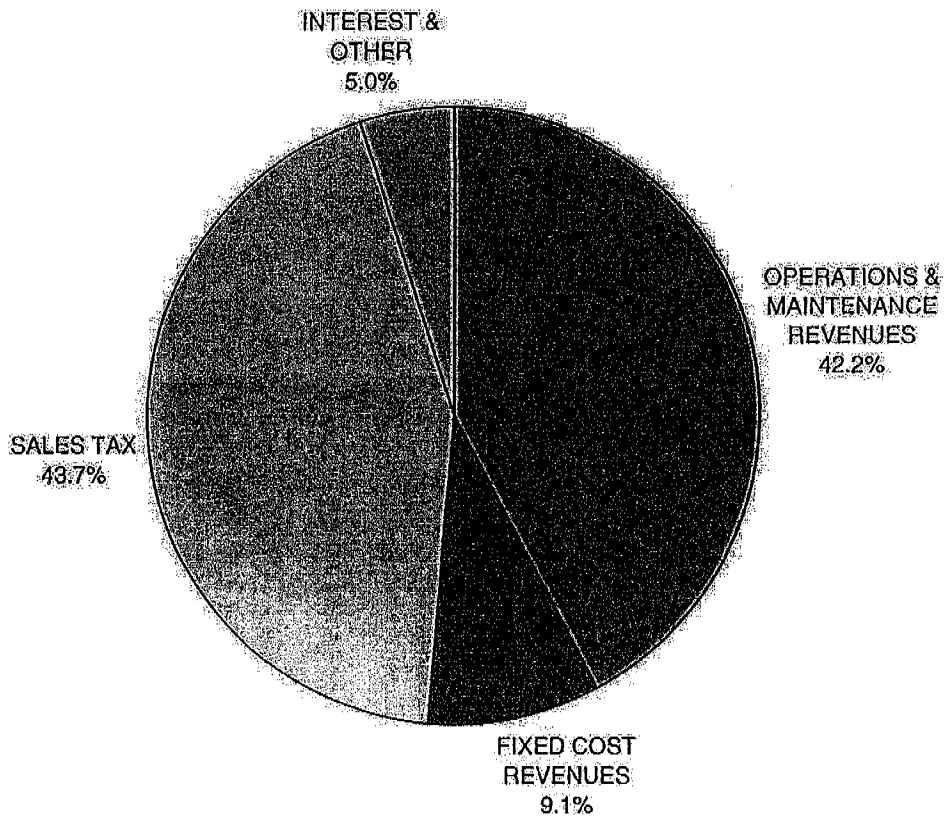
DUPAGE WATER COMMISSION
INCOME STATEMENT BUDGET COMPARISON
For Fiscal Year Ending April 30, 2008

	ACTUAL	BUDGET	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)	% BUDGET VARIANCE
REVENUE				
OPERATIONS & MAINTENANCE REVENUES	\$ 32,244,813	\$ 33,772,796	\$ (1,527,983)	-4.5%
FIXED COST REVENUES	7,145,344	7,145,344	-	0.0%
SUBSEQUENT CUSTOMER DIFFERENTIALS	795,832	731,833	63,999	8.7%
SALES TAXES	34,308,874	36,390,944	(2,082,070)	-5.7%
INVESTMENT INCOME	3,958,431	5,050,378	(1,091,947)	-21.6%
OTHER INCOME	47,943	2,500	45,443	1817.7%
TOTAL REVENUE	\$ 78,501,237	\$ 83,093,795	(4,592,558)	-5.5%
EXPENSES				
DIRECT WATER DISTRIBUTION COSTS	\$ 50,234,652	\$ 52,987,096	\$ 2,752,444	-5.2%
BOND INTEREST	7,414,478	7,434,993	20,515	-0.3%
DEPRECIATION	6,603,779	6,963,224	359,445	-5.2%
PERSONAL SERVICES	3,765,227	5,297,852	1,532,625	-28.9%
INSURANCE	767,333	828,501	61,168	-7.4%
PROFESSIONAL & CONTRACTUAL SERVICES	543,071	779,046	235,975	-30.3%
ADMINISTRATIVE COSTS	573,597	720,200	146,603	-20.4%
LAND AND RIGHT OF WAY	2,995	25,000	22,005	-88.0%
REBATE	40,000,000	40,000,000	-	0.0%
TOTAL OPERATING EXPENSES	109,905,132	115,035,912	5,130,780	-4.5%
NET OPERATING INCOME	\$ (31,403,895)	\$ (31,942,117)	\$ 538,222	-1.7%
BEGINNING NET ASSETS	\$ 362,973,610			
ENDING NET ASSETS	\$ 331,569,715			

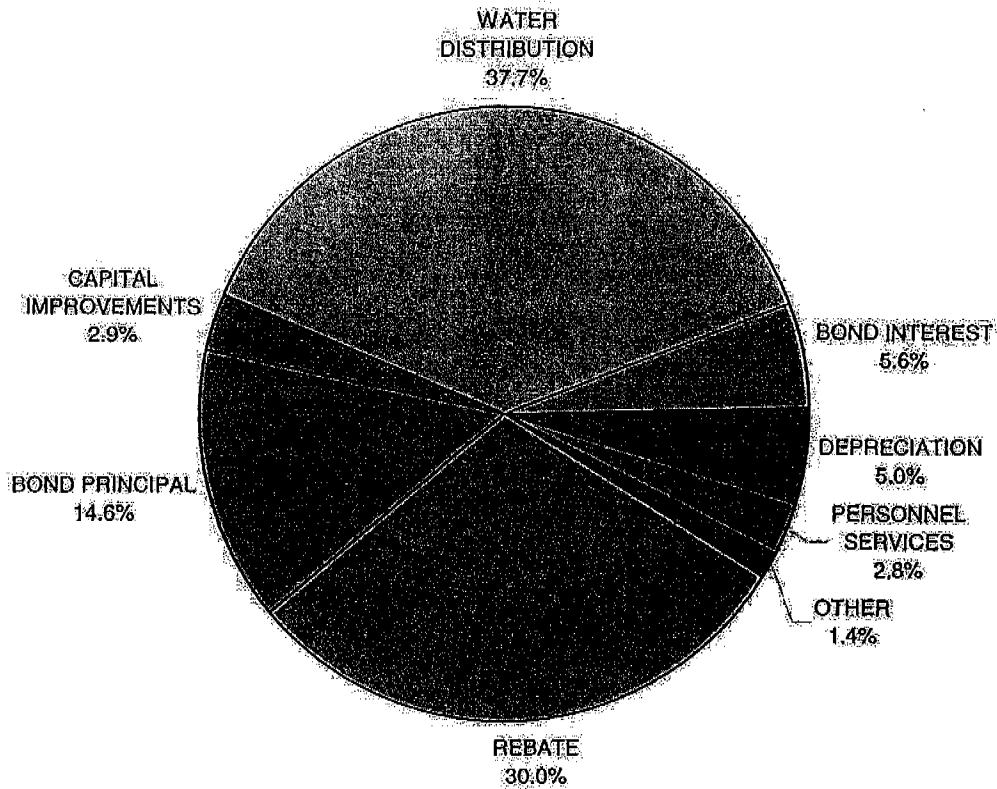
DUPAGE WATER COMMISSION
COMPARATIVE USES OF NET INCOME
For Fiscal Years Ended April 30,

	2008	2007	INCREASE (DECREASE)	%
				CHANGE
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES	5,954,117	-	\$ 5,954,117	100.0%
DESIGNATED FOR WATER RATE STABILIZATION	(7,651,025)	(12,167,864)	4,516,839	-37.1%
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS	(20,450,222)	17,448,014	(37,898,236)	-217.2%
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	(6,784,270)	-	-	0.0%
RESTRICTED FUNDS	1,005,228	1,317,359	(312,131)	-23.7%
CAPITAL INVESTMENTS	(3,477,723)	11,989,890	(15,467,613)	-129.0%
TOTAL USES	\$ (31,403,895)	\$ 18,587,399	\$ (43,207,024)	-232.5%

DUPAGE WATER COMMISSION
FY 2007-2008 REVENUES
\$78,501,297



DUPAGE WATER COMMISSION
FY 2007-2008 EXPENDITURES*
\$133,260,777



* Expenditures include bond principal and capital improvements, which are not considered as expenses on the combining income statement analysis.

CUSTOMER ADDITIONS

	NEW CUSTOMER CONTRACT DATE	FIRST SERVED
ARGONNE NAT'L LAB	July-95	January-97
COUNTY OF DuPAGE	Jul-06	January-08
IAWC-ARROWHEAD	October-92	April-95
IAWC-COUNTRY CLUB	October-92	April-95
IAWC-DuPAGE/LISLE	January-96	May-96
IAWC-LIBERTY RIDGE EAST	April-01	December-01
IAWC-LIBERTY RIDGE WEST	December-98	December-99
IAWC-LOMBARD HEIGHTS	October-92	May-95
IAWC-VALLEY VIEW	October-92	April-95
OAKBROOK TERRACE	December-97	October-99
WINFIELD	July-95	October-96

WATER SALES BY CUSTOMER
Fiscal Year Ended April 30, 2008

	TOTAL O&M COSTS	PERCENTAGE OF TOTAL O & M COSTS	TOTAL FIXED COSTS	PERCENTAGE OF TOTAL FIXED COSTS	TOTAL SUBSEQUENT CUSTOMER FEES	PERCENTAGE OF TOTAL SUBSEQUENT CUSTOMER FEES	TOTAL WATER REVENUE	PERCENTAGE OF TOTAL WATER REVENUE
ADDISON	\$ 1,404,472	4.36%	\$ 313,559	4.39%	\$ -	0.00%	\$ 1,718,031	4.28%
ARGONNE NAT'L LABORATORY	175,662	0.54%	41,141	0.58%	144,955	18.80%	361,758.00	0.90%
BENSENVILLE	880,605	2.73%	197,675	2.77%	-	0.00%	1,078,280.00	2.68%
BLOOMINGDALE	934,397	2.90%	213,164	2.98%	-	0.00%	1,147,561.00	2.86%
CAROL STREAM	1,459,789	4.53%	320,361	4.48%	-	0.00%	1,780,150.00	4.43%
CLARENDON HILLS	310,943	0.96%	67,039	0.94%	-	0.00%	377,982.00	0.94%
DARIEN	898,452	2.79%	202,132	2.83%	-	0.00%	1,100,584.00	2.74%
DuPAGE COUNTY (1)			11,627	0.16%	64,315	8.34%	75,942.00	0.19%
DOWNERS GROVE	2,226,872	6.91%	513,862	7.19%	-	0.00%	2,740,734.00	6.82%
ELMHURST	1,629,681	5.05%	362,568	5.07%	-	0.00%	1,992,249.00	4.96%
GLEN ELLYN	1,028,181	3.19%	229,146	3.21%	-	0.00%	1,257,327.00	3.13%
GLENDALE HTS	1,042,504	3.23%	217,754	3.05%	-	0.00%	1,260,258.00	3.14%
HINSDALE	1,068,451	3.31%	223,245	3.12%	-	0.00%	1,291,696.00	3.22%
IAWC-ARROWHEAD	61,455	0.19%	13,850	0.19%	42,805	5.55%	118,110.00	0.29%
IAWC-COUNTRY CLUB	35,180	0.11%	7,867	0.11%	32,960	4.27%	76,007.00	0.19%
IAWC-OPILISLE	195,621	0.61%	38,518	0.54%	103,767	13.45%	337,906.00	0.84%
IAWC-LIBERTY RIDGE EAST	12,085	0.04%	2,622	0.04%	33,602	4.36%	48,309.00	0.12%
IAWC-LIBERTY RIDGE WEST	105,025	0.33%	24,012	0.34%	75,970	9.85%	205,007.00	0.51%
IAWC-LIMBRD HIGHTS	21,375	0.07%	5,409	0.08%	29,570	3.83%	56,354.00	0.14%
IAWC-VALLEY VIEW	276,627	0.86%	59,007	0.83%	105,348	13.75%	441,982.00	1.10%
ITASCA	581,152	1.80%	125,964	1.76%	-	0.00%	707,116.00	1.76%
LISLE	1,043,357	3.24%	238,243	3.33%	-	0.00%	1,281,600.00	3.19%
LOMBARD	1,660,178	5.15%	387,897	5.01%	-	0.00%	2,018,075.00	5.02%
NAPERVILLE	6,798,193	21.09%	1,461,184	20.45%	-	0.00%	8,260,377.00	20.57%
OAK BROOK	1,404,106	4.35%	314,952	4.41%	-	0.00%	1,719,058.00	4.28%
OAKBROOK TERRACE	61,168	0.19%	12,129	0.17%	35,516	4.61%	108,813.00	0.27%
ROSELLE	715,975	2.22%	165,958	2.32%	-	0.00%	881,933.00	2.20%
VILLA PARK	719,678	2.23%	159,402	2.23%	-	0.00%	879,080.00	2.19%
WESTMONT	974,564	3.02%	218,491	3.06%	-	0.00%	1,193,055.00	2.97%
WHEATON	1,980,936	6.14%	449,522	6.29%	-	0.00%	2,430,458.00	6.05%
WILLOWBROOK	438,848	1.36%	93,838	1.31%	-	0.00%	532,686.00	1.33%
WINFIELD	345,341	1.07%	74,333	1.04%	101,412	13.15%	521,086.00	1.30%
WOOD DALE	546,217	1.69%	132,685	1.86%	-	0.00%	678,902.00	1.69%
WOODRIDGE	1,206,722	3.74%	278,188	3.87%	-	0.00%	1,482,910.00	3.69%
TOTALS	\$ 32,244,812	100.00%	\$ 7,145,344	100.00%	\$ 771,220	100.00%	\$ 40,161,376	100.00%

(1) Fixed Costs for the DuPage County excludes the Southeastern Regional Water Facility's portion. O & M and Fixed Costs for DuPage County Southeastern Regional Water Facility are paid via Darien per Ordinance No. O-6-07.

WATER SALES ACCOUNTABILITY

AVERAGE GALLONS SOLD TO CUSTOMERS PER DAY

84,974,266

MONTH	SALES TO CUSTOMERS (1) (GALLONS)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS (1)	BILLINGS FROM CHICAGO
May-07	2,863,644,000	2,951,900,000	97.01%	\$2,978,988	\$3,926,001
Jun-07	3,292,831,000	3,396,024,774	96.96%	3,424,545	4,516,712
Jul-07	3,314,840,000	3,412,423,571	97.14%	3,447,433	4,538,523
Aug-07	2,883,008,000	2,966,379,286	97.19%	2,998,328	3,945,284
Sep-07	2,951,692,000	3,051,590,188	96.73%	3,070,294	4,058,614
Oct-07	2,512,609,000	2,578,045,000	97.46%	2,614,883	3,428,799
Nov-07	2,143,753,000	2,205,810,263	97.19%	2,230,952	2,933,727
Dec-07	2,228,281,000	2,292,016,165	97.22%	2,317,412	3,048,381
Jan-08	2,262,968,000	2,324,208,591	97.37%	2,353,486	3,554,877
Feb-08	2,145,137,000	2,197,527,140	97.62%	2,232,195	3,361,117
Mar-08	2,239,073,000	2,295,015,835	97.56%	2,328,635	3,510,226
Apr-08	2,177,771,000	2,244,319,320	97.03%	2,266,101	3,432,686
TOTALS	31,015,607,000	31,915,260,133	97.18%	\$ 32,263,252	\$ 44,254,947

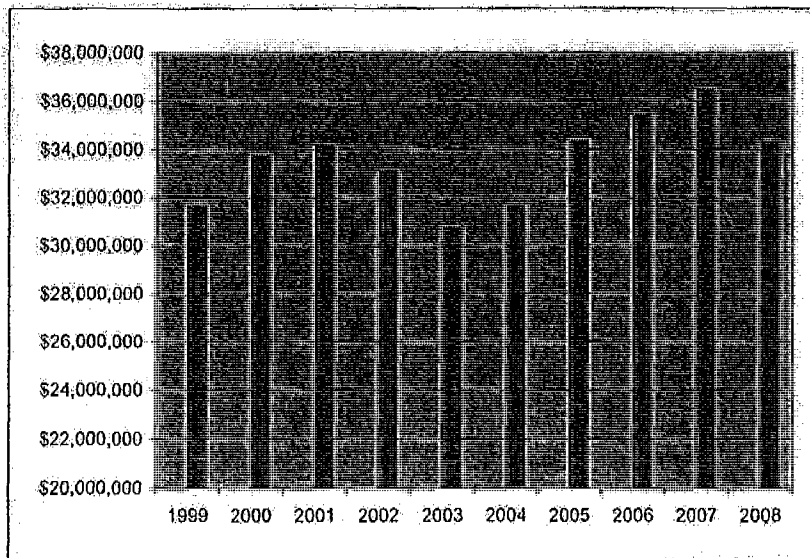
(1) Includes emergency contract customer Village of Schaumburg. Does not include meter adjustments billings.

**DuPAGE WATER COMMISSION
CUSTOMER REBATES**

<u>FISCAL YEAR</u>	<u>REBATE AMOUNT</u>
1994	\$13,596,336
1995	21,377,267
1996	13,557,917
1997	10,168,438
1998	7,626,329
2008	40,000,000
TOTAL	<u><u>\$106,326,287</u></u>

DUPAGE WATER COMMISSION
SALES TAX REVENUE
 Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1999	\$ 31,645,779
2000	33,751,634
2001	34,147,121
2002	33,062,484
2003	30,704,457
2004	31,620,982
2005	34,384,906
2006	35,394,007
2007	36,422,562
2008	34,308,874

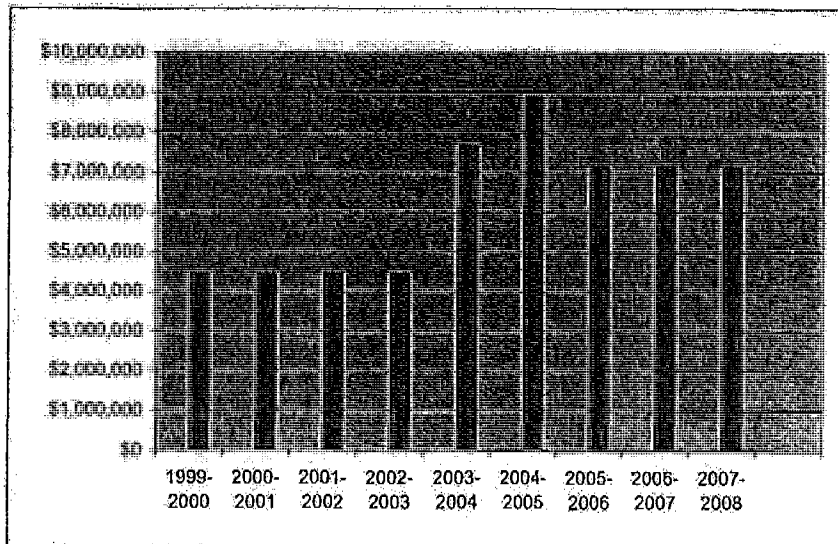


DuPAGE WATER COMMISSION
GENERAL OBLIGATION BOND
PROPERTY TAX ABATEMENTS
Last Ten Levy Years

<u>LEVY YEAR</u>	<u>AMOUNT</u>
1998	\$ 14,256,415
1999	14,256,943
2000	14,255,693
2001	13,122,650
2002	13,112,650
2003	13,122,150
2004	13,124,150
2005	13,117,900
2006	13,117,650
2007	13,116,900

DUPAGE WATER COMMISSION
REVENUE BONDS PAID BY SALES TAX FUNDS
 Last Ten Fiscal Years

FISCAL YEAR	AMOUNT
1998-1999	\$ 4,458,183
1999-2000	4,458,858
2000-2001	4,457,582
2001-2002	4,458,172
2002-2003	4,458,852
2003-2004	7,668,150
2004-2005	8,916,329
2005-2006	7,144,469
2006-2007	7,145,094
2007-2008	7,145,344



**DUPAGE WATER COMMISSION
EQUALIZED ASSESSED PROPERTY VALUATION
WITHIN DUPAGE COUNTY ONLY
Last Ten Fiscal Years**

LEVY YEAR	COLLECTION YEAR	TOTAL EQUALIZED ASSESSED VALUATION					
		RESIDENTIAL	COMMERCIAL	INDUSTRIAL	FARM	RAILROAD PROPERTY	
1997	1998	14,729,586,813	3,947,165,094	1,615,053,091	4,466,912	8,451,288	20,304,723,198
1998	1999	15,334,536,659	4,188,425,178	1,728,609,998	4,210,294	9,314,254	21,265,096,383
1999	2000	16,060,426,926	4,451,496,803	1,870,064,640	3,908,539	10,349,812	22,396,246,720
2000	2001	16,891,022,904	4,771,496,667	1,982,580,010	3,430,316	10,541,336	23,659,071,233
2001	2002	18,189,481,680	4,990,593,085	2,264,635,445	3,109,460	11,053,923	25,458,873,593
2002	2003	19,952,217,467	5,378,405,250	2,458,741,706	2,936,898	12,027,226	27,804,328,547
2003	2004	22,099,619,125	5,436,094,670	2,484,148,348	2,500,119	10,499,738	30,032,862,000
2004	2005	23,986,874,400	5,746,669,555	2,645,121,713	2,738,613	10,672,405	32,392,076,686
2005	2006	26,060,213,465	5,956,784,732	2,762,305,796	2,268,796	9,960,265	34,791,533,054
2006	2007	28,387,881,395	6,284,770,668	2,871,702,953	2,228,289	10,480,387	37,557,063,692

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

DUPAGE COUNTY, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
November 30, 2007

District	Total Debt Outstanding (2)	Percentage Applicable To County (3)	Amount Applicable To County (2)
County	\$ 188,250,000	100.00%	\$ 188,250,000
Subtotal, County	<u>188,250,000</u>		<u>188,250,000</u>
Forest Preserve	224,048,677	100.00%	224,048,677
Water Commission	54,670,000	98.41%	53,800,747
Cities & Villages	7,602,583,345 (2)	8.42%	639,876,916
Townships	395,000	100.00%	395,000
Parks	585,112,496 (2)	54.60%	319,463,686
Fire Protection	15,905,000	93.53%	14,876,401
Library	41,800,000	58.02%	24,252,382
Special Service	5,297,225	100.00%	5,297,225
Grade Schools	434,654,668	94.02%	408,678,495
High Schools	414,344,301	96.57%	400,133,236
Unit Schools	1,563,289,435	56.15%	877,864,035
Community Colleges	137,998,102 (2)	62.42%	86,138,793
Subtotal, Overlapping	<u>11,080,098,249</u>		<u>3,054,825,593</u>
Totals	<u>\$11,268,348,249</u>		<u>\$ 3,243,075,593</u>

(1) Information abstracted from County Clerk's records.

(2) Includes City of Chicago for which a minor portion overlaps into DuPage County.

(3) Debt Percentage Applicable to County is calculated by applying the ratio of assessed value of the specific district to that portion which is in DuPage. Percentages have been rounded to the nearest hundredth.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

**DUPAGE COUNTY, ILLINOIS
VALUATION AND SELECTED DEBT RATIOS
November 30, 2007**

Assessed Value of All Taxable Property in 2007	\$ 37,557,063,692
Estimated 2006 Full Value	\$ 112,671,191,076
2007 Population (1)	929,193

	Direct Only		Direct and Underlying
Ratio of Bonded Debt to Assessed Value	0.501%		8.635%
Ratio of Bonded Debt to Estimated Full Value	0.167%		2.878%
Per Capita Bonded Debt	\$ 202.60		\$ 3,490.21

(1) Estimated by the DuPage County Development Department.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007

**DUPAGE COUNTY, ILLINOIS
PRINCIPAL TAXPAYERS
November 30, 2007**

Taxpayer	Type of Business	2007 Assessed Valuation (1)	Percentage of Total Assessed Valuation
Oakbrook Shopping Center	Shopping Center Property	\$ 106,954,000	0.28%
AMB Prop RE Tax CO	Commercial Property	106,144,000	0.28%
Hamilton Partners, Inc.	Commercial Development	97,435,000	0.26%
AIMCO	Property Development	91,756,000	0.24%
Long Ridge Office	Property Development	83,831,000	0.22%
NS_MPO INC (Lucent Industries)	Communication Research and Development	83,107,000	0.22%
Real Estate Tax Advisors	Property Tax Consulting	72,606,000	0.19%
AMLI	Real Estate Management	62,918,000	0.17%
Wells Real Estate	Real Estate Investment	54,731,000	0.15%
Amoco	Energy Supplier	48,082,000	0.13%
Total		\$ 807,564,000	2.14%

(1) The assessed valuation is an approximation based on the records maintained by the County of DuPage. Since most large taxpayers have numerous parcels of real property, it is possible to miss some valuations as well as some of the largest taxpayers.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

DUPAGE COUNTY, ILLINOIS
PROPERTY TAX RATES PER \$100 ASSESSED AS EXTENDED
ALL DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
DuPage County	\$ 0.1713	\$ 0.1797	\$ 0.1850	\$ 0.1999	\$ 0.2154	\$ 0.2353	\$ 0.2536	\$ 0.2682	\$ 0.2831	\$ 0.2970
Cities & Villages	0.5412	0.5607	0.5102	0.5862	0.6046	0.6081	0.6081	0.6152	0.6194	0.6182
High School Districts	0.9144	0.9395	0.9662	1.0086	1.0537	1.0933	1.1137	1.1320	1.1490	1.1443
Unit School Districts	1.5684	1.6063	1.6305	1.6758	1.6688	1.7113	1.6610	1.6070	1.6292	1.6575
Grade School Districts	1.4412	1.4703	1.4977	1.5017	1.4996	1.5212	1.5304	1.5386	1.5481	1.5561
Junior Colleges	0.1984	0.1960	0.2055	0.2154	0.2229	0.1996	0.2028	0.2065	0.2097	0.2112
Townships	0.0968	0.0995	0.1017	0.1068	0.1088	0.1188	0.1224	0.1233	0.1268	0.1311
Sanitary Districts	0.0024	0.0025	0.0025	0.0027	0.0028	0.0029	0.0030	0.0030	0.0030	0.0031
Park Districts	0.2853	0.2933	0.2982	0.3057	0.2962	0.3073	0.3163	0.3154	0.3248	0.3238
Library Districts	0.0548	0.0569	0.5830	0.0583	0.0613	0.0636	0.0640	0.0632	0.0605	0.0613
Forest Preserve District	0.1303	0.1271	0.1358	0.1419	0.1534	0.1654	0.1742	0.1797	0.1849	0.1871
Fire Protection Districts	0.2298	0.2235	0.2288	0.2363	0.2429	0.2416	0.2429	0.2501	0.2510	0.2544
DuPage Water Commission	-	-	-	-	-	-	-	-	-	-
Special Service Areas	0.0153	0.0145	0.0140	0.0150	0.0200	0.0211	0.0236	0.0231	0.0222	0.0220
Other Special Districts	0.0207	0.0222	0.0239	0.0254	0.0267	0.0290	0.0311	0.0326	0.0343	0.0345
Total	\$ 5.6603	\$ 5.7940	\$ 6.3830	\$ 6.0797	\$ 6.1771	\$ 6.3185	\$ 6.3471	\$ 6.3579	\$ 6.4460	\$ 6.5016

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007

**DUPAGE COUNTY, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years**

Levy Year	Levies (1)	Collections (2)(3)	Percent
1998	\$60,305,028	\$59,902,749	99.33%
1999	60,201,488	59,813,218	99.36%
2000	60,089,130	59,895,854	99.68%
2001	59,999,404	59,821,035	99.70%
2002	59,904,729	59,768,922	99.77%
2003	59,890,523	59,724,648	99.72%
2004	60,035,691	59,868,006	99.72%
2005	59,925,342	59,800,186	99.79%
2006	62,520,385	62,380,705	99.78%
2007	64,650,593	64,181,325	99.27%

(1) Subsequent year collections are not presented.
Levies do not include Special Service Areas.

(2) Tax collection amounts are obtained from the Collector's Annual report.

(3) Tax collections are shown net of Court ordered abatements.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2007.

**DuPAGE WATER COMMISSION
TRANSFER TO DuPAGE COUNTY**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
2004	\$15,000,000
2005	15,000,000
2006	15,000,000
2007	15,000,000
2008	15,000,000
TOTAL	<u><u>\$75,000,000</u></u>

Note: Public Act 93-0226 amended the Water Commission Act of 1985 requiring the Commission to transfer \$75,000,000 to DuPage County in installments of \$15,000,000 per year for a period of five years beginning July 2003.

EXHIBIT 17

McGladrey & Pullen
Certified Public Accountants

DuPage Water Commission

Annual Financial Report
April 30, 2008

DuPage Water Commission

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DuPage Water Commission

Commission Officials
Year Ended April 30, 2008

General Manager	Mr. Robert L. Martin
Financial Administrator	Mr. R. Max Richter
Staff Attorney	Ms. Maureen Crowley
Manager of Water Operations	Mr. Terrance McGhee

Commission administrative offices are located at:

600 East Butterfield Road
Elmhurst, IL 60126

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

Honorable Chairman and
Members of the Board of Commissioners
DuPage Water Commission

We have audited the accompanying basic financial statements of the DuPage Water Commission (Commission) as of April 30, 2008, and for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of April 30, 2008, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information, which includes Management's Discussion and Analysis, Illinois Municipal Retirement Fund information and Other Post-Employment Benefits information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on budget comparison, listed in the table of contents as supplemental information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

Schaumburg, Illinois
August 15, 2008

DuPage Water Commission

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the DuPage Water Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year ending April 30, 2008.

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of the following components: Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Assets presents information on all the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the Commission's net assets changed during the most recent fiscal year. Both the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets include all the assets and liabilities of the Commission. The statements are presented using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies.

The Statement of Cash Flows provides information on the Commission's gross sources and uses of cash during the fiscal year.

The Notes to the Financial Statements generally provide more detailed information about the Commission's assets, liabilities, net assets and operations, as well as summarize the Commission's significant accounting policies.

FINANCIAL OPERATIONS SUMMARY

With revenues of \$78.5 million and expenses totaling \$109.9 million, the Commission's net assets decreased by \$31.4 million in fiscal year 2007-08 to \$331.6 million. Restricted net assets and net assets invested in property, plant and equipment were \$34.2 million and \$240.5 million, respectively.

FINANCIAL ANALYSIS

Changes in Net Assets. The table on page 5 presents information on the Commission's assets and liabilities, with the difference between the two reported as net assets. All significant dollar changes have been explained.

The decrease in total cash and investments can be attributed to a rebate to the Commission's customers of \$40.0 million and the \$15 million payment to DuPage County. State of Illinois Public Act 93-0226 adopted July 22, 2003 required a \$75 million transfer of Commission Funds to DuPage County over a five-year period.

DuPage Water Commission

Management's Discussion and Analysis

Net capital assets represents the total of assets capitalized less accumulated depreciation. The decrease in capital assets of \$3.5 million is due to depreciation expense of \$6.5 million, offset by investment in new construction of \$2.3 million.

The Commission is constructing emergency generation at the Lexington Pump Station. The City of Chicago has agreed to pay a portion back to the Commission through a 10 percent credit in water costs paid by the Commission.

Amounts payable to DuPage County decreased by \$15.0 million due to the payment to DuPage County in accordance with State of Illinois Public Act 93-0226. Bonds payable declined because of bond payments made during the fiscal year. This also reduced accrued interest payable.

Net assets invested in capital assets, net of related debt increased \$15.9 million from the prior year due primarily to a decrease in bonds payable of \$20.1 million used to finance capital assets.

Restricted net assets increased by \$1 million over the prior year due mainly to increases in restricted investments held by a trustee for payment of the current portion of the general obligation bonds, revenue bonds and other liabilities associated with the bonds and the decrease in current restricted liabilities. For more information see Note 7 (c) and Note 8, in the notes to the financial statements.

A comparative summary of the changes in net assets is presented on the following page.

DuPage Water Commission

Management's Discussion and Analysis

COMPARATIVE SUMMARY OF NET ASSETS
For Fiscal Years Ending April 30

	2008	2007	INCREASE (DECREASE)	% CHANGE
Assets				
Current:				
Unrestricted cash and investments	\$ 19,464,805	\$ 84,075,900	\$ (64,611,095)	-76.8%
Restricted investments	43,933,363	42,748,630	1,184,733	2.8%
Receivables	13,380,889	13,598,557	(217,668)	-1.6%
Other assets	627,284	658,875	(31,591)	-4.8%
Noncurrent:				
Restricted investments	17,692,764	17,169,760	523,004	3.0%
Long term loan receivable	5,637,192	4,999,623	637,569	12.8%
Land and construction in progress	35,600,745	32,712,041	2,888,704	8.8%
Capital assets, net of accumulated depreciation	337,567,156	343,930,865	(6,363,709)	-1.9%
Total assets	473,904,198	539,894,251	(65,990,053)	-12.2%
Liabilities				
Current:				
Payables and accrued liabilities	4,388,494	4,097,550	290,944	7.1%
Due to DuPage County	-	15,000,000	(15,000,000)	100.0%
Bonds payable	20,090,393	19,372,287	718,106	3.7%
Accrued interest	2,893,994	3,200,535	(306,541)	-9.6%
Deferred revenue	140,992	140,607	385	0.3%
Noncurrent:				
Deferred revenue	2,265,096	2,466,473	(201,377)	-8.2%
Bonds payable	112,555,514	132,643,189	(20,087,675)	-15.1%
Total liabilities	142,334,483	176,920,641	(34,586,158)	-19.5%
Net Assets				
Invested in capital assets, net	240,521,994	224,627,430	15,894,564	7.1%
Restricted	34,253,246	33,248,018	1,005,228	3.0%
Unrestricted	56,794,475	105,098,162	(48,303,687)	-46.0%
Total net assets	\$ 331,569,715	\$ 362,973,610	\$ (31,403,895)	-8.7%

DuPage Water Commission

Management's Discussion and Analysis

Revenues and Expenses. The table which follows presents a comparative summary of revenues and expenses. The most significant source of revenues for the Commission continues to be from water sales. Water sales for fiscal year 2008 were 31 billion gallons versus 30.0 billion gallons last fiscal year. There were no major new customers and the average charter customer water rate decreased from \$1.45 per thousand gallons to \$1.25 per thousand gallons for fiscal year 2008. Due to the rate decrease and cooler weather, water revenue decreased by \$4.8 million or 10.8%.

The Commission's sales tax revenues decreased by \$2.1 million or 5.8% due to national economic slow down in fiscal year 2008. Sales tax revenues have been sufficient to fund all system capital improvements and the statutory payment to the county as well as providing an alternative funding source for debt service. Sales taxes were used to make all general obligation bond payments in fiscal year 2008. In addition, \$7.1 million of sales tax funds were used to reduce the customers' fixed cost payments for fiscal year 2008 by 50%. This practice started in fiscal year 1998 and has continued through fiscal year 2008.

Statement 31 of the Governmental Accounting Standards Board requires investments be reported at fair market value. Investment income decreased \$3.4 million from the prior year due to a decrease in interest income and the fair value of investments at April 30, 2008.

Water distribution costs remain the highest expense in the Commission's operations. Water distribution costs increased \$1.6 million mainly due to the City of Chicago increasing their water rate charged to their customers.

Personnel Services decreased due mainly to a lower payment to the Illinois Municipal Retirement Fund of \$1.4 million for the unfunded pension liability.

DuPage Water Commission

Management's Discussion and Analysis

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

For Fiscal Years Ending April 30

	2008	2007	INCREASE (DECREASE)	% CHANGE
Revenues				
Operating:				
Water sales - all categories	\$ 40,185,989	\$ 45,036,990	\$ (4,851,001)	-10.8%
Other	1,319	63,690	(62,371)	-97.9%
Nonoperating:				
Sales tax	34,308,874	36,422,562	(2,113,688)	-5.8%
Investment income	3,958,431	7,350,036	(3,391,605)	-46.1%
Gain on the sale of capital assets	46,624	-	46,624	100.0%
Total revenues	78,501,237	88,873,278	(10,372,041)	-11.7%
Expenses				
Operating:				
Water supply costs	50,234,652	48,591,776	1,642,876	3.4%
Depreciation	6,503,779	6,695,222	(191,443)	-2.9%
Personnel services	3,765,227	4,879,217	(1,113,990)	-22.8%
All other expenses	1,886,996	1,939,158	(52,162)	-2.7%
Nonoperating:				
Bond interest	7,514,478	8,180,506	(666,028)	-8.1%
Total expenses	69,905,132	70,285,879	(380,747)	-0.5%
Income before special item	8,596,105	18,587,399	(9,991,294)	-53.8%
Special item - customer rebate	(40,000,000)	-	(40,000,000)	100.0%
Change in net assets	(31,403,895)	18,587,399	(49,991,294)	-269.0%
Net assets, May 1	362,973,610	344,386,211	18,587,399	5.4%
Net assets, April 30	\$ 331,569,715	\$ 362,973,610	\$ (31,403,895)	-8.7%

DuPage Water Commission

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Commission's capital assets before depreciation totaled \$472.1 million in fiscal year 2008.

COMPARATIVE SUMMARY OF CHANGES IN CAPITAL ASSETS, NET
For Fiscal Years Ending April 30

	2008	2007	INCREASE (DECREASE)	% CHANGE
Land and permanent easements	\$ 11,728,902	\$ 11,158,482	\$ 570,420	5.1%
Construction in progress	23,871,843	21,553,558	2,318,285	10.8%
Water mains	284,530,361	288,810,376	(4,280,015)	-1.5%
Buildings and other structures	50,318,161	52,206,213	(1,888,052)	-3.6%
Pumping equipment	2,430,791	2,554,038	(123,247)	-4.8%
Office furniture and equipment	126,508	179,476	(52,968)	-29.5%
Vehicles and other equipment	161,335	180,763	(19,428)	-10.7%
Total capital assets, net	\$ 373,167,901	\$ 376,642,906	\$ (3,475,005)	-0.9%

Detailed information about the Commission's capital assets is presented in the Notes to the Financial Statements.

Debt Administration. All scheduled bond payments through April 30, 2008 were made on time. Requirements of the revenue bond ordinance have also been met, in full, as of fiscal year-end. Principal reductions of \$10.7 million in general obligation debt and \$8.7 million in revenue bond debt were achieved through annual payments. On April 30, 2008, remaining general obligation bond and revenue bond principal outstanding was \$35.6 million and \$100.8 million, respectively. General obligation bond principal and interest payments continue to be 100% funded through the Commission's sales tax proceeds. Property taxes for the bond payments have been abated annually since 1986.

COMPARATIVE SUMMARY OF CHANGES IN OUTSTANDING BONDED DEBT
For Fiscal Years Ending April 30

	2008	2007	INCREASE (DECREASE)	% CHANGE
General obligation bonds	\$ 35,560,000	\$ 46,275,000	\$ (10,715,000)	-23.2%
Water revenue bonds	100,795,000	109,485,000	(8,690,000)	-7.9%
Total outstanding bonded debt	\$ 136,355,000	\$ 155,760,000	\$ (19,405,000)	-12.5%

Detailed information about the Commission's debt is presented in the Notes to the Financial Statements.

DuPage Water Commission

Management's Discussion and Analysis

INVESTMENT PORTFOLIO

The Commission's investment portfolio totaled \$81.2 million. At the end of the fiscal year, the portfolio was earning 2.786% based on market yield and 2.707% based on original purchase price. The benchmark yield adopted by the Commission was 1.34%.

Commission funds were invested as follows at April 30, 2008: United States treasury obligations (17.9%), the Illinois Funds investment pool (33.9%), money market funds (15.5%) and certificates of deposit (32.7%).

OTHER FINANCIAL INFORMATION

On July 22, 2003, the Illinois Governor signed into law Public Act (PA) 93-0226. This Act impacts certain DuPage Water Commission procedures and contracts as well as provides a one-time \$75 million grant from the Commission to DuPage County payable over a five-year period. The Act also limits the Commission's average charter customer water rate to be no greater than \$1.65 per 1,000 gallons until July 22, 2008. This rate is expected to be sufficient to meet all Commission obligations and complete all currently planned capital projects.

The Commission joined with the County of DuPage and the municipalities within the county to solve a water quality issue involving unincorporated areas not presently receiving a Lake Michigan water supply. As a wholesale distributor of Lake Michigan water, the Commission is not able to directly address this issue. However, the Commission agreed to make long-term, low-interest loans available to customer municipalities, retailers of Lake Michigan water, to extend their systems to serve county areas having water quality issues.

The full extent of this contamination is unknown at this time. However, the Commission has committed to provide loans totaling not more than \$10 million toward mitigating the problem. While these long-term low-interest loans may reduce the Commission's investment income, the Commission's long-term rate stabilization and five-year capital improvement programs will not be adversely affected because funds were segregated for this purpose at the time the resolution was passed.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the DuPage Water Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to R. Max Richter, Financial Administrator, DuPage Water Commission, 600 E. Butterfield Road, Elmhurst, IL 60126-4642, (630) 834-0100. E-mail requests should be sent to richter@dpwc.org.

DuPage Water Commission

Statement of Net Assets
April 30, 2008

Assets

Current:

Cash	\$	98,992
Investments (Note 3)		19,365,813
Restricted investments (Notes 3 and 7)		43,933,363
Receivables		
Water sales		4,074,580
Accrued interest		963,476
Sales tax		8,315,260
Other		27,573
Inventory		167,080
Prepaid expenses and deposits		460,204
Total current assets		<u>77,406,341</u>

Noncurrent:

Restricted investments (Notes 3 and 7)		17,692,764
Long-term loans receivable (Note 4)		5,637,192
Land and construction in progress (Note 5)		35,600,745
Other capital assets, net of accumulation depreciation of \$98,982,794 (Note 5)		<u>337,567,156</u>
Total noncurrent assets		<u>396,497,857</u>

Total assets	\$	<u>473,904,198</u>
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See Notes to Financial Statements.

(Continued)

DuPage Water Commission

Statement of Net Assets (Continued)
April 30, 2008

Liabilities

Current:

Deferred revenue	\$ 140,992
Total current liabilities	<u>140,992</u>

Current liabilities payable from restricted assets:

Accounts payable	3,338,943
Accrued liabilities	699,052
Compensated absences	192,459
Contract retentions	93,042
Customer deposits	64,998
Revenue bonds payable - current (Note 7)	8,755,460
General obligation bonds payable - current (Note 7)	11,334,933
Accrued interest payable	2,893,994
Total current liabilities payable from restricted assets	<u>27,372,881</u>

Noncurrent:

Deferred revenue	2,265,096
General obligation bonds payable - noncurrent, net (Note 7)	24,225,785
Revenue bonds payable - noncurrent, net (Note 7)	88,329,729
Total noncurrent liabilities	<u>114,820,610</u>

Total liabilities	<u>142,334,483</u>
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Net Assets

Invested in capital assets, net of related debt	240,521,994
Restricted for bond ordinances and sales tax resolution (Note 8)	34,253,246
Unrestricted	56,794,475
Total net assets	<u>\$ 331,569,715</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Revenues, Expenses and
Changes in Net Assets
Year Ended April 30, 2008

Operating revenues	
Water sales	
Operations and maintenance costs	\$ 32,244,813
Fixed costs	7,145,344
Customer differential	795,832
Other income	1,319
Total operating revenues	<u>40,187,308</u>
Operating expenses	
Water supply costs	50,234,652
Depreciation	6,503,779
Personal services	3,765,227
Insurance	767,333
Professional and contractual services	543,071
Administrative costs	573,597
Land and right of way	2,995
Total operating expenses	<u>62,390,654</u>
Operating loss	<u>(22,203,346)</u>
Nonoperating revenues (expenses)	
Sales tax	34,308,874
Investment income	3,958,431
Gain on the sale of capital assets	46,624
Interest and other charges	(7,514,478)
Net nonoperating revenues	<u>30,799,451</u>
Income before special item	8,596,105
Special item - customer rebate	<u>(40,000,000)</u>
Change in net assets	(31,403,895)
Net assets, May 1, 2007	<u>362,973,610</u>
Net assets, April 30, 2008	<u>\$ 331,569,715</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Cash Flows
Year Ended April 30, 2008

Cash flows from operating activities	
Cash received from customers	\$ 39,953,793
Cash payments to suppliers	(51,826,505)
Cash payments to employees	(3,802,833)
Other cash receipts	52,117
Net cash used in operating activities	<u>(15,623,428)</u>
Cash flows from non capital financing activities	
Cash paid to DuPage County	(15,000,000)
Cash paid to customers for rebates	(40,000,000)
Cash received from sales taxes	34,522,874
Net cash provided by non capital financing activities	<u>(20,477,126)</u>
Cash flows from capital and related financing activities	
Interest paid on revenue bonds	(5,590,377)
Interest paid on general obligation bonds	(2,230,641)
Principal paid on revenue bonds	(8,482,561)
Principal paid on general obligation bonds	(10,887,008)
Construction and purchases of capital assets	(3,028,775)
Proceeds from the sale of capital assets	46,624
Net cash used in capital and related financing activities	<u>(30,172,738)</u>
Cash flows from investing activities	
Interest on investments	4,007,503
Proceeds from investments maturing	143,710,681
Payments for investments purchased	(80,991,940)
Loans made to members	(637,569)
Net cash provided by investing activities	<u>66,088,675</u>
Net decrease in cash	(184,617)
Cash, May 1, 2007	<u>283,609</u>
Cash, April 30, 2008	<u>\$ 98,992</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Cash Flows - Continued
Year Ended April 30, 2008

Reconciliation of operating loss to net cash used in
operating activities:

Operating loss	<u>\$ (22,203,346)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	6,503,779
Increase in water sales accounts receivable	(31,204)
Increase in other receivables	(14,200)
Decrease in prepaid expenses and deposits	31,591
Decrease in deferred revenue	(200,992)
Increase in accounts payable	279,840
Decrease in accrued liabilities and compensated absences	(75,558)
Increase in contract retentions	21,664
Increase in customer deposits	64,998
Total adjustments	<u>6,579,918</u>
Net cash used in operating activities	<u>\$ (15,623,428)</u>

See Notes to Financial Statements.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies:

(a) Reporting Entity

The DuPage Water Commission (Commission) is a county water commission, body politic and corporate, political subdivision and unit of local government, in DuPage County, Illinois, existing and operating under the Water Commission Act of 1985 (70 ILCS 3720), effective July 30, 1985, as amended (the "1985 Commission Act"). The Commission declared the official start of operations on May 1, 1992.

The DuPage Water Commission Board consists of 13 Board members. Seven of the Board members are appointed by the DuPage County Board Chairman with the advice and consent of the County Board. One of these appointees is designated as Chairman of the Commission and must be approved by the DuPage Water Commission Board. The other six Board members are appointed by vote of the mayors of municipalities within the DuPage County districts.

The purpose and objectives of the Commission are:

- a. To provide water to municipalities and other customers within DuPage County.
- b. To plan, construct, acquire, develop, operate, maintain and/or contract for facilities for receiving, storing and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and other customers.
- c. To provide adequate supplies of such water on an economical and efficient basis for the municipalities and other customers.
- d. To provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding water distribution and supply facilities within DuPage County.

The primary authority to designate management, influence operations, formulate budgets and set water rates rests with the Commission Board. Significant matters that require Board action include setting water rates, borrowing funds, amending the Chicago Water Supply contract or Commission bylaws and employing the general manager and professional contractors. These significant matters must carry a majority vote of all commissioners, which majority must contain at least one-third of the DuPage County appointed Board members and 40% of the municipality appointed Board members. Neither DuPage County nor the municipalities within DuPage County have the ability to significantly influence operations; therefore, the Commission is not included in any other governmental reporting entity. All activities of the Commission are reported in a single enterprise fund. The Commission does not have any component units.

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Commission is accounted for as a proprietary fund type (enterprise fund) using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with water system operations are included on the statement of net assets.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or prepaid amounts have been utilized. Water revenue is recognized when the water is delivered. Sales tax revenue is recognized at the time of the related sale.

Deferred revenues represent payments from non-charter customers for Customer Differential revenues. These deferred revenues will be amortized on a straight-line basis through April 30, 2024. Customer differentials represent payments for connecting to the Commission's System as well as fixed costs charged to subsequent customers to cover costs which would have been paid by subsequent customers if they had been Charter Customers.

The change in deferred revenue for the year ended April 30, 2008 was as follows:

Balance, May 1	\$ 2,607,080
Retirements	(200,992)
Balance, April 30	<u>\$ 2,406,088</u>

The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Commission's principal ongoing operations.

The Commission applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict Governmental Accounting Standards Board ("GASB") pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs").

(c) Cash

Cash consists principally of deposits held in banks. For purposes of the cash flow statement, the Commission reports all certificates of deposit (CD's), investments in investment pools, money market funds and securities as investments.

(d) Investments

The Commission reports investments at their fair value as of year-end. The net appreciation or depreciation in the fair value of investments is included as interest on investments in the statement of revenues, expenses and changes in net assets.

(e) Accounts Receivable

Customer receivables are recorded as receivables and revenues at their original invoice amount. Management regularly reviews the customer receivable accounts and has deemed no allowance for uncollectible accounts necessary as of April 30, 2008. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 40 days.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(f) Restricted Investments

Restricted investments represent those assets which are required to be held separately from other Commission investments as mandated by the revenue bond indentures. Current portions relate to funds held for revenue bond operating and maintenance costs as well as funds that will be liquidated during the subsequent fiscal year (generally for principal and interest then due), and assets held by trustees for retirement of general obligation bond principal and interest maturing in the next fiscal year. All other investments are considered noncurrent and are generally held until the bonds mature.

(g) Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(h) Capital Assets

Capital assets, which include the Commission's waterworks system, land, buildings, furniture, equipment and vehicles are reported at cost. The Commission capitalizes all capital assets with an initial individual cost or value greater than or equal to \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is included as part of the capitalized value of the asset constructed or improved. There was no interest cost capitalized by the Commission during the current fiscal year.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset</u>	<u>Life</u>
Water mains	80 years
Buildings and other structures	40 years
Pumping equipment	30 years
Office furniture and equipment	3-10 years
Vehicles and other equipment	5-25 years

(i) Bond Discount / Premium, Issuance Expense and Losses on Defeasance

Bond discounts, premiums and issuance costs have been deferred and are being amortized as an element of interest expense over the lives of the related bonds. Bonds payable are reported net of the applicable premium or discount. Losses on defeasance related to the outstanding General Obligation Bonds and Water Refunding Revenue Bonds have been deferred and are being amortized as an element of interest expense over the shorter of the lives of the old or new bonds.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(j) Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused vacation pay benefits and unused current calendar-year personal days. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service with the Commission. All vacation and personal day pay is accrued when incurred and is considered current. The change in compensated absences for the year ended April 30, 2008 was as follows:

Balance, May 1	\$	178,750
Issuances		32,296
Retirements		(18,587)
Balance, April 30	\$	<u>192,459</u>

(k) Net Assets

The Statement of Net Assets presents the Commission's assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

It is the Commission's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

(l) Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

DuPage Water Commission

Notes to Financial Statements

Note 2. Budgets

In April 2007, the Commission adopted the annual management budget in the amount of \$67,575,919 for operating costs, \$7,434,993 for interest retirements and \$12,217,600 for capital outlay for the fiscal year ended April 30, 2008. An appropriation ordinance is adopted annually to supplement the Commission's management budget. Total Commission expenditures did not exceed the appropriation ordinance, which is the legal spending authority for the Commission.

Note 3. Deposits and Investments

The following is a summary of the Commission's cash and investments (including restricted cash and investments):

(a) Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's management policy is to fully collateralize all deposits above FDIC insurance limits, with the collateral held in safekeeping by an independent third party in the Commission's name. Collateral may not be released without the permission of Commission management. As of April 30, 2008, none of the Commission's deposits were exposed to custodial credit risk.

Certificates of deposit totaling \$26,500,000 are reported as investments in the Statement of Net Assets.

(b) Investments

As of April 30, 2008, the Commission had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
U.S. Treasury Notes	\$ 14,428,828	\$ 14,428,828	\$ -
Illinois Funds Investment Pool *	27,546,650	27,546,650	-
Money Market Funds	12,516,462	12,516,462	-
Total	<u>\$ 54,491,940</u>	<u>\$ 54,491,940</u>	<u>\$ -</u>

* The Illinois Funds have a weighted average maturity of less than 1 year.

The Illinois Funds Investment Pool is not registered with the SEC. The Pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Commission's investment policy does not limit the Commission's investment portfolio to specific maturities.

DuPage Water Commission

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

(b) Investments (Continued)

Credit Risk - The Commission's investment policy limits investments of the Commission's funds to the following: (a) direct or fully guaranteed obligations of the U.S. government; (b) fully guaranteed obligations of certain U.S. federally chartered agencies; (c) interest-bearing demand or time deposits in banks and savings and loan associations; (d) short-term obligations of U.S. corporations with assets exceeding \$500,000,000 and with a rating of AAA1, 2 or 3; (e) money market mutual funds whose portfolio consists solely of U.S. Government obligations; (f) the Illinois Funds Investment Pool of the State of Illinois; and (g) repurchase agreements. The Revenue Bond Ordinance restricts funds held in the Interest and Principal accounts of the Water Fund to only investments in (a) as described above. The Revenue Bond Ordinance also restricts funds held in the Debt Service Reserve Account in the Water Fund to only investments in (a) and (b), as described above. The money market funds are not rated. The Illinois Funds Investment Pool has been rated AAAM by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury notes are held by the Commission's agent in the Commission's name. The Illinois Funds Investment Pool and the Money Market funds are not subject to custodial credit risk. The Commission's investment policy does not address custodial credit risk for investments.

Concentration of Credit Risk – The risk of loss attributed to the magnitude of a government's investment in a single issuer. The Commission places no limit on the amount the Commission may invest in any one issuer. More than five percent (5%) of the Commission's investments are in the Illinois Funds Investment Pool and Money Market Funds.

Note 4. Loans Receivable

On April 25, 2002, the Commission approved a motion for a proposed agreement to make long-term, low-interest loans available to Charter Customer municipalities for the purpose of providing financing under certain circumstances to future customers who presently live in areas of DuPage County not presently served by the Commission. Two intergovernmental agreements with Charter Customers were made during fiscal year 2004. The loans are to be repaid in 13 installments, commencing in 2010 and continuing through 2023. In fiscal year 2008, a third loan was made to a Charter Customer. The loan is to be repaid in 13 installments, commencing in 2013 and continuing through 2025. Interest at a rate of 2% per annum shall be paid annually until the principal balance of the loan has been paid in full. As of April 30, 2008, notes totaling \$5,637,192 are due from members.

DuPage Water Commission

Notes to Financial Statements

Note 5. Capital Assets

A summary of changes in capital assets is as follows:

	Balance May 1	Increases	Decreases	Balance April 30
Capital assets not being depreciated				
Land and permanent easements	\$ 11,158,482	\$ 570,420	\$ -	\$ 11,728,902
Construction in progress	21,553,558	2,318,285	-	23,871,843
Total capital assets not being depreciated	32,712,040	2,888,705	-	35,600,745
Other capital assets				
Water mains	344,029,131	18,563	-	344,047,694
Buildings and other structures	81,381,182	-	-	81,381,182
Pumping equipment	5,583,705	-	-	5,583,705
Office furniture and equipment	4,934,043	52,279	-	4,986,322
Vehicles and other equipment	594,081	69,228	(112,262)	551,047
Total other capital assets at historical cost	436,522,142	140,070	(112,262)	436,549,950
Less accumulated depreciation for				
Water mains	(55,218,755)	(4,298,580)	-	(59,517,335)
Buildings and other structures	(29,174,969)	(1,888,051)	-	(31,063,020)
Pumping equipment	(3,017,139)	(134,616)	-	(3,151,755)
Office furniture and equipment	(4,767,095)	(93,877)	-	(4,860,972)
Vehicles and other equipment	(413,318)	(88,656)	112,262	(389,712)
Total accumulated depreciation	(92,591,276)	(6,503,780)	112,262	(98,982,794)
Other capital assets, net	343,930,866	(6,363,710)	-	337,567,156
Capital assets, net	\$ 376,642,906	\$ (3,475,005)	\$ -	\$ 373,167,901

DuPage Water Commission

Notes to Financial Statements

Note 6. Water Contract with the City of Chicago

The Commission has entered into a 40-year contract (from March 19, 1984) with the City of Chicago, Illinois (the "Chicago Contract"), under which Chicago has agreed to supply all of the Commission's water requirements, up to 1.7 times the year's annual average day amount (which is a quantity adequate to meet the customers' projected needs), with water of such quality as will meet or exceed applicable standards of the state and federal governments. The Chicago Contract provides that the cost of water to the Commission shall be equal to the rate fixed for large quantities of water furnished through meters to consumers inside Chicago furnished by Chicago through meters.

The Commission is obligated to purchase a minimum amount of water; such minimum is 50% of the aggregate Illinois Department of Natural Resources allocations. In fiscal 2008, the Commission purchased 32 billion gallons of water from the City of Chicago; such purchases equaling 86.8% of the aggregate Illinois Department of Natural Resources allocations.

The Commission is constructing emergency generation at the Lexington Pump Station. The City of Chicago has agreed to pay a portion back to the Commission through a 10 percent credit in water costs paid by the Commission.

Note 7. Long-Term Obligations Payable

A schedule of changes in long-term obligations payable is as follows:

	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
Deferred revenue	\$ 2,607,080	\$ -	\$ 200,992	\$ 2,406,088	\$ 140,992
General obligation bonds*	46,275,000	-	10,715,000	35,560,000	11,250,000
Revenue bonds**	109,485,000	-	8,690,000	100,795,000	9,125,000
Total	\$ 158,367,080	\$ -	\$ 19,605,992	\$ 138,761,088	\$ 20,515,992
* General obligation bonds					
				\$ 35,560,000	\$ 11,250,000
				488,122	256,871
				(487,404)	(171,938)
				<u>\$ 35,560,718</u>	<u>\$ 11,334,933</u>
** Revenue bonds					
				\$ 100,795,000	\$ 9,125,000
				2,885,433	730,042
				(6,595,244)	(1,099,582)
				<u>\$ 97,085,189</u>	<u>\$ 8,755,460</u>

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(a) General Obligation Bonds:

The Commission issues bonds to purchase and construct capital assets. The Commission has issued \$93,970,000 general obligation refunding bonds, series 2001. Principal is due in annual installments of \$1,295,000 to \$12,465,000; interest at 5.0% to 5.25% through maturity on March 1, 2011. As of April 30, 2008, \$35,560,000 principal was outstanding on these bonds. The Commission intends to retire these bonds with annual sales tax proceeds. The series 2001 bonds are general obligations of the Commission secured by the full faith and credit of the Commission and payable, as to both principal and interest, from ad valorem taxes levied against all taxable property within the territory of the Commission. The Commission issued Ordinance No. O-1-08, abating the ad valorem taxes on this debt and has set aside, with a trustee, \$13,116,900 of sales tax proceeds to be used to service the debt as it becomes due during fiscal year 2008. The \$13,116,900 is reported as restricted investments on the Statement of Net Assets.

Payments due on the general obligation bonds through maturity are as follows:

Fiscal Year Ending April 30	Interest	Principal	Total
2009	\$ 1,866,900	\$ 11,250,000	\$ 13,116,900
2010	1,276,275	11,845,000	13,121,275
2011	654,413	12,465,000	13,119,413
Total	<u>\$ 3,797,588</u>	<u>\$ 35,560,000</u>	<u>\$ 39,357,588</u>

(b) Revenue Bonds

In August 2003, the Commission issued \$135,995,000 Revenue Refunding Bonds, Series 2003. Principal is due in annual installments of \$7,880,000 to \$13,575,000; interest at 3.0% to 5.25% through maturity on May 1, 2016. The Series 2003 revenue bonds have an average interest rate of 3.98% and were issued to refund \$145,655,000 of outstanding Revenue Bonds, Series 1993 with an average interest rate of 5.3%. As a result, the Series 1993 bonds were retired and the liability for the debt has been removed from the Commission's books.

As of April 30, 2008, \$100,795,000 principal remained outstanding on the Series 2003 bonds. In addition, the bonds are subject to certain terms and conditions contained in the "Master Revenue Bond Ordinance" (the Ordinance), which was created when the Commission initially issued Revenue Bonds, Series 1987. See Note 7 (c). Substantially all revenue generated from Commission operations are pledged to retire these bonds.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(b) Revenue Bonds (Continued)

Payments due on the revenue bonds through maturity are as follows:

Fiscal Year Ending April 30	Interest	Principal	Total
2009	\$ 5,165,688	\$ 9,125,000	\$ 14,290,688
2010	4,709,437	9,580,000	14,289,437
2011	4,230,438	10,060,000	14,290,438
2012	3,727,437	10,565,000	14,292,437
2013	3,199,188	11,090,000	14,289,188
2014-2017	6,780,637	50,375,000	57,155,637
Total	<u>\$ 27,812,825</u>	<u>\$ 100,795,000</u>	<u>\$ 128,607,825</u>

(c) Revenue Bond Ordinance

On January 15, 1987, the Commission adopted a master revenue bond ordinance (the "Ordinance") authorizing the issuance of Water Revenue Bonds, Series 1987, for the purpose of financing a portion of the construction of the water supply system.

The Ordinance required the establishment of funds designated as "Water Fund," "Revenue Bond Construction Fund," "Special Redemption Fund" and "Rebate Fund" (the "Arbitrage Rebate Fund") and various accounts within the Water Enterprise Fund designated as "Operation and Maintenance Account," "Interest Account," "Principal Account," "Debt Service Reserve Account," "Operation and Maintenance Reserve Account," "Depreciation Account" and "General Account."

Revenues held or collected from ownership and operation of the system are deposited in the Water Fund. Monies deposited in the Water Fund are required to be transferred to the extent available within the following accounts of the Water Fund in the indicated order:

Operation and Maintenance Account – An amount sufficient to make the amount then on deposit sufficient to pay operation and maintenance costs for the month of deposit and the next succeeding month.

Interest Account – Monthly one-sixth of the amount sufficient to cover interest becoming due on the bonds on the next succeeding semiannual interest payment date.

Principal Account – Monthly one-twelfth of the amount sufficient to cover principal of the bonds coming due on the next succeeding principal maturity date.

Debt Service Reserve Account – An amount equal to the maximum annual debt service requirement less the amount of any applicable surety bond coverage.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(c) Revenue Bond Ordinance (Continued)

Operation and Maintenance Reserve Account – An amount equal to one-sixth of an amount equal to two months of the budgeted annual operation and maintenance costs until such reserve equals two months of the annual operation and maintenance costs.

Depreciation Account – Monthly amounts of at least \$175,000. Any amounts in excess of the required minimum balance of \$5,000,000 may be transferred to the general account of the Water Fund by resolution of the Commission Board.

General Account – All revenues remaining in the Water Fund after all required transfers are made to the respective accounts will be transferred to this account.

The Ordinance requires that the Interest Account, the Principal Account and the Debt Service Reserve Account be held by the Trustee. All other accounts are held by the Commission.

The Ordinance provides for the creation of the Special Redemption Fund to be held by the Trustee to account for issuance proceeds and condemnation awards to the extent not used to repair or replace the system and any other Commission-designated transfer. These monies may be used for debt service purposes. This fund was not active in fiscal 2008.

The Ordinance created the Arbitrage Rebate Fund to be held by the Trustee to maintain the tax-exempt status of the interest paid on the bonds. Beginning in fiscal 1988, an account was established and funds were transferred to segregate funds deemed necessary to maintain the tax-exempt status of the revenue bonds. Investment earnings of the Interest, Principal and Debt Service Reserve Account is used for the purpose of funding amounts set aside in the Arbitrage Rebate Fund.

During fiscal 2008, all required transfers were made and account balances were sufficient to meet Ordinance requirements. In accordance with the Commission's revenue bond ordinance, the Commission maintains accounts for the Revenue Bond Construction Fund, the Special Redemption Fund and the Arbitrage Rebate Fund, but these funds are presently inactive.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(c) Revenue Bond Ordinance (Continued)

Restricted investments related to the various revenue bond ordinances at April 30, 2008 are as follows:

Sales tax restricted for fixed cost payments	\$ 7,145,094
Amount held by trustee for payment of general obligation bonds and interest	14,445,240
Operation and maintenance account	9,830,659
Interest account	2,781,930
Principal account	9,730,440
Operation and maintenance reserve account	12,692,764
Depreciation reserve account	5,000,000
Total restricted investments	<u>\$ 61,626,127</u>
Reported as	
Current	\$ 43,933,363
Noncurrent	17,692,764
	<u>\$ 61,626,127</u>

Note 8. Restricted Net Assets

The Commission has the following restricted net assets:

Restricted Net Assets:

Restricted assets:

Investments - per various bond ordinances (Note 7(c))	<u>\$ 61,626,127</u>
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Less current liabilities payable from restricted assets:

Revenue bonds:

 Operations and maintenance account:

Accounts payable	3,338,943
Accrued liabilities	699,052
Compensated absences	192,459
Contract retentions	93,042
Customer deposits	64,998

 Principal account:

Principal payable (due May 1, 2008)	9,125,000
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 Interest account:

Interest payable (due May 1, 2008)	2,582,844
Unamortized premium and loss on refunding	(369,540)

General obligation bonds:

Principal payable (due March 1, 2009)	11,250,000
Interest payable (due March 1, 2009)	311,150
Unamortized premium and loss on refunding	84,933

Total liabilities payable from restricted assets	<u>27,372,881</u>
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Restricted net assets	<u>\$ 34,253,246</u>
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DuPage Water Commission

Notes to Financial Statements

Note 9. Unrestricted Net Assets

The Commission has adopted various resolutions making the following "designations and assignments" of the Commission's unrestricted net assets balance:

Designated for Operations:

Designated and assigned to the Construction Reserve within the Sales Tax subaccount of the General Account of the Water Fund	\$ 28,725,741
Designated and assigned a water rate stabilization reserve in the General Account of the Water Fund to reduce fluctuations in rates charged to customers in future years	6,061,887
Designated and assigned for emergency repairs and other contingencies	<u>18,854,117</u>
Total designated for operations	<u>53,641,745</u>
Designated Non-Operating:	
Designated for areas affected by contaminated well water pursuant the intergovernmental agreement, R-32-02	<u>3,152,730</u>
Total non-operating designation	<u>3,152,730</u>
Total unrestricted net assets - designated	<u><u>\$ 56,794,475</u></u>

DuPage Water Commission

Notes to Financial Statements

Note 10. Payment to DuPage County

The Governor of the State of Illinois has signed into law Public Act 93-0226 which amends the Water Commission Act of 1985. Public Act 93-0226 enacted changes concerning the appointment of the Chairman of the Commission as well as required the Commission to transfer \$75,000,000 to the DuPage County Board. The transfer of funds is to occur on or before July 1 of each year beginning in July 2003, \$15,000,000 per year, for a period of five years. As of April 30, 2008, no liability remains in the Statement of Net Assets.

Note 11. Commitments and Contingent Liabilities

As of April 30, 2008, the Commission's remaining commitment on contracts for future construction total approximately \$6.5 million. No future financing is required.

The Commission has certain other contingent liabilities resulting from litigation, claims and commitments incident to the ordinary course of business. It is the Commission's opinion that final resolution of such contingencies will not materially affect the financial position of the Commission.

Note 12. Major Customer

During fiscal year 2008, approximately 8.3 million gallons, or 20.57% of water sales revenue in the Water Fund was realized from the City of Naperville, the Commission's largest customer.

Note 13. Employee Retirement Plan

(a) Plan Description

The Commission contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois State Statute.

The Commission does not issue stand-alone financial reports for its participation in IMRF. However, IMRF issues a publicly available report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

(b) Funding Policy

Participating employees are required to contribute 4.5% of their annual salary to IMRF. The Commission is required to contribute the remaining amounts necessary to fund the benefits of its own employees in the IMRF System, using the actuarial basis specified by state statute (entry age normal); for calendar 2007 the rate was 12.09%. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

DuPage Water Commission

Notes to Financial Statements

Note 13. Employee Retirement Plan (Continued)

(b) Funding Policy

For calendar year 2007, the Commission's annual pension cost of \$295,199 was equal to the Commission's required and actual contributions. The required contributions were determined as part of the December 31, 2007 actuarial valuation.

(c) Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated December 31, 2007. Additional information as of the latest actuarial valuation follows:

Actuarial Cost Method	Entry Age Normal
Method Used to Determine Actuarial Value of Assets	Five-Year Smoothed Market Value
Amortization Method and period	Level Percentage of Projected Payroll-Closed Basis -29 Years
Significant Actuarial Assumptions	
(a) Rate of Return on Investment of Present and Future Assets	7.50% compounded annually
(b) Projected Salary Increases - Attributable to Inflation	4.00% compounded annually
(c) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 10.0%
(d) Postretirement Benefit Increases	3.00%

(d) Trend Information

For calendar year 2007, the Commission's annual pension cost, required contribution and amount contributed were \$295,199. For calendar year 2006, the Commission's annual pension cost, required contribution and amount contributed were \$275,607. For calendar year 2005, the Commission's annual pension cost, required contribution and amount contributed were \$336,441. There was no pension benefit obligation for any year. This was the fifth year the Commission participated in IMRF.

Note 14. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Commission's employees. These risks, along with medical claims for employees and retirees, are provided for through insurance purchased from private insurance companies.

There have been no reductions in the Commission's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage during the current year or prior three fiscal years.

DuPage Water Commission

Notes to Financial Statements

Note 15. Other Post-Employment Benefits (OPEB)

The Commission adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of April 30, 2007 on a prospective basis.

(a) Plan Description

The Commission provides certain health care insurance benefits for retired employees under a single employer plan. The Commission is the administrator of the plan. In accordance with Commission policy, substantially all of the Commission's employees may become eligible for those benefits if they reach normal retirement age while working for the Commission. The Commission contributes \$100 per month until age 65.

The Commission does not issue stand-alone financial reports for its other post-employment benefits.

(b) Funding Policy

The Commission funds other post-employment benefits on a pay-as-you-go basis. For fiscal year 2007, the Commission's annual other post-employment benefits cost of \$12,601 was equal to the Commission's required contributions. The required contributions were determined as part of the April 30, 2006 actuarial valuation. For fiscal year 2008, the Commission's contribution was \$1,200.

(c) Significant Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated April 30, 2006. Additional information as of the latest actuarial valuation follows:

Actuarial Cost Method	Entry Age
Method Used to Determine Actuarial Value of Assets	Market Value
Amortization Method and period	Level Percentage of Pay-Closed Basis -30 Years
Significant Actuarial Assumptions	
(a) Rate of Return on Investment of Present and Future Assets	5.00% compounded annually
(b) Projected Salary Increases - Attributable to Inflation	N/A
(c) Healthcare Inflation Rate	8%
(d) Employer Provided Benefit	\$100/Month to Age 65

DuPage Water Commission

Notes to Financial Statements

Note 15. Other Post-Employment Benefits (OPEB)

(d) Annual OPEB Cost and Net OPEB Obligation

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated April 30, 2006. Additional information as of the latest actuarial valuation available follows:

Annual required contribution	\$ 12,601
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	12,601
Contribution made	1,200
Increase in net OPEB obligation	11,401
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	\$ 11,401

(e) Funding Status

The funded status of the plan as of April 30, 2006 (latest available), was as follows:

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll	
						((b - a) / c)	%
04/30/2006	-	\$ 98,996	\$ 98,996	-	%	N/A	N/A %

DuPage Water Commission

Notes to Financial Statements

Note 15. Other Post-Employment Benefits (OPEB)

(f) Trend Information

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2006	\$ 12,601	9.50%	\$ 11,401
4/30/2007	*	*	*

* The Commission's policy is to have an actuarial valuation performed biennially. Therefore, no actuarial valuation was done as of April 30, 2007.

Note 16. Special Item – Customer Rebate

On April 12, 2007, the Board of Commissioners of the Commission passed Resolution R-28-07 which declared, effective as of May 1, 2007, for the fiscal year ending April 30, 2008 a rebate to Contract Customers in an aggregate amount of \$40.0 million. The entire \$40.0 million rebate was paid out in fiscal year ending April 30, 2008.

Note 17. Pending GASB Statements

The Governmental Accounting Standards Board (GASB) has issued the following statement:

Statement No. 50 – Pension Disclosures – an amendment to GASB Statements No. 25 and No. 27. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in the notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement will become effective for the year ending April 30, 2010.

Management has not currently determined what impact, if any, this Statement may have on its financial statements.

DuPage Water Commission

Illinois Municipal Retirement Fund

Required Supplementary Information

Analysis of Funding Progress

April 30, 2008

Calendar Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll ((b - a) / c)
2005	\$ 2,010,845	\$ 3,497,300	\$ 1,486,455	57.50 %	\$ 2,075,517	71.62 %
2006	3,949,591	4,271,581	321,990	92.46	2,253,534	14.29
2007	4,742,810	5,068,990	326,180	93.57	2,441,680	13.36

The DuPage Water Commission began participating in the Illinois Municipal Retirement Fund during fiscal year 2004.

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$5,079,391. On a market basis, the funded ratio would be 100.21%.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

The 1994 Group Annuity Mortality implemented.

For Regular members, fewer normal and earlier retirements are expected to occur.

DuPage Water Commission

Illinois Municipal Retirement Fund

Required Supplementary Information
Employer Contributions
April 30, 2008

Calendar Year	Annual Required Contribution	Percentage Contributed
2005	\$ 336,441	100.00 %
2006	275,607	100.00
2007	295,199	100.00

The DuPage Water Commission began participating in the Illinois Municipal Retirement Fund during fiscal year 2004.

DuPage Water Commission

Other Post-Employment Benefits

Required Supplementary Information
 Analysis of Funding Progress
 April 30, 2008

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll (b - a) / c
04/30/2006	-	\$ 98,996	\$ 98,996	-	N/A	N/A
04/30/2007	*	*	*	*	*	*

* The Commission's policy is to obtain an actuarial valuation once every two years. Therefore, no actuarial valuation was done as of April 30, 2007.

The DuPage Water Commission began recording other post-employment benefit costs during fiscal year 2007.

DuPage Water Commission

Other Post-Employment Benefits

Required Supplementary Information

Employer Contributions

April 30, 2008

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/2006	\$ 12,601	9.50%	\$ 11,401
04/30/2007	*	*	*

* The Commission's policy is to obtain an actuarial valuation once every two years. Therefore, no actuarial valuation was done as of April 30, 2007.

DuPage Water Commission began recording other post-employment benefit costs during fiscal year 2007.

Dupage Water Commission

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2008

	Actual	Budget	Variance Positive (Negative)
Operating revenues			
Water sales			
Operations and maintenance costs	\$ 32,244,813	\$ 33,772,796	\$ (1,527,983)
Fixed costs	7,145,344	7,145,344	-
Customer differential	795,832	721,581	74,251
Other income	1,319	2,500	(1,181)
Total operating revenues	<u>40,187,308</u>	<u>41,642,221</u>	<u>(1,454,913)</u>
Operating expenses			
Water supply costs	50,234,652	52,987,096	2,752,444
Depreciation	6,503,779	6,963,224	459,445
Personal services	3,765,227	5,297,852	1,532,625
Insurance	767,333	828,501	61,168
Professional and contractual services	543,071	779,046	235,975
Administrative costs	573,597	720,200	146,603
Land and right of way	2,995	-	(2,995)
Total operating expenses	<u>62,390,654</u>	<u>67,575,919</u>	<u>5,185,265</u>
Operating loss	<u>(22,203,346)</u>	<u>(25,933,698)</u>	<u>3,730,352</u>
Nonoperating revenues (expenses)			
Sales tax	34,308,874	36,390,944	(2,082,070)
Investment income	3,958,431	5,050,378	(1,091,947)
Gain on the sale of capital assets	46,624	-	46,624
Interest and other charges	(7,514,478)	(7,434,993)	(79,485)
Net nonoperating revenues	<u>30,799,451</u>	<u>34,006,329</u>	<u>(3,206,878)</u>
Income before special item	8,596,105	8,072,631	523,474
Special item - customer rebate	<u>(40,000,000)</u>	<u>(40,000,000)</u>	<u>-</u>
Change in net assets	<u>(31,403,895)</u>	<u>(31,927,369)</u>	<u>523,474</u>
Net assets, May 1, 2007	<u>362,973,610</u>	<u>356,599,069</u>	<u>6,374,541</u>
Net assets, April 30, 2008	<u>\$ 331,569,715</u>	<u>\$ 324,671,700</u>	<u>\$ 6,898,015</u>

EXHIBIT 18



DuPage Water Commission

PERFORMANCE APPRAISAL

Name of Employee: [REDACTED]		Date Employed: [REDACTED]
Type of Review: [REDACTED] <small>(annual/unsatisfactory/terminated/other)</small>	Job Title: [REDACTED]	Date of Last Review: [REDACTED]
Current Salary: [REDACTED]	Latest Salary Increase: <small>(Date and %)</small> [REDACTED]	Increase Requested: <small>(Amount and %)</small> [REDACTED]
Supervisor(1): [REDACTED]	Supervisor(2): [REDACTED]	
Length of Time You Have Supervised this Employee: [REDACTED]	Length of Time You Have Supervised this Employee: [REDACTED]	
FUNCTIONAL AREAS OF RESPONSIBILITY <small>(List below the essential functions of the job and/or projects for which the employee is being evaluated)</small>		
<ul style="list-style-type: none"> • [REDACTED] • [REDACTED] • [REDACTED] • [REDACTED] 		

Carefully evaluate the employee's work performance in relation to the essential functions of the job. Rate performance by placing a mark on the line for each category using the following scale:

5. Strong skill base; always evident in work
4. Strong skill base; usually evident in work
3. Competent skill base; usually evident in work
2. Skill base shortfall; work suffers occasionally
1. Significant skill base shortfall; work suffers

TECHNICAL SKILLS & JOB KNOWLEDGE <small>(Effectiveness with which the employee applies job knowledge and skill to job assignments)</small> Understands functions and responsibilities; recognizes job priorities; develops realistic plans to accomplish assignments; understands and follows proper use, care, cleaning, maintenance, and storage of Commission equipment; employs tools of the job competently; understands and follows safety policies, practices, and procedures as instructed and trained; wears required personal protective equipment and apparel as instructed and trained; adheres to Commission policy.	RATING 1 ——— 2 ——— 3 ——— 4 ——— 5 [REDACTED]
COMMENTS <small>(Provide specific examples that support evaluation):</small> [REDACTED]	
QUALITY OF WORK <small>(Manner in which the employee completes job assignments)</small> Thoroughly, neatly, and accurately organizes and performs work assignments; pays attention to details; responsive to requests for services; follows-through/follows-up; meets deadlines; keeps work area clean and orderly.	RATING 1 ——— 2 ——— 3 ——— 4 ——— 5 [REDACTED]
COMMENTS <small>(Provide specific examples that support evaluation):</small> [REDACTED]	
QUANTITY OF WORK <small>(Employee's success in producing the required amount of work)</small> Organizes work to achieve maximum productivity; completes work on schedule.	RATING 1 ——— 2 ——— 3 ——— 4 ——— 5 [REDACTED]
COMMENTS <small>(Provide specific examples that support evaluation):</small> [REDACTED]	
PROBLEM SOLVING/DECISION MAKING Recognizes and analyzes problems; recommends/ develops effective and practical solutions; understands the need for decisions; knows when to include others and when to act alone.	RATING 1 ——— 2 ——— 3 ——— 4 ——— 5 [REDACTED]
COMMENTS <small>(Provide specific examples that support evaluation):</small> [REDACTED]	
ORAL/Written COMMUNICATION SKILLS	RATING

Expresses thoughts and information clearly, concisely and accurately; adapts presentation style appropriately to audiences and situations.	1 2 3 4 5 [Redacted]
COMMENTS (Provide specific examples that support evaluation): [Redacted]	
INTERPERSONAL SKILLS/COOPERATION (Effectiveness of the employee's interactions with others and as a team participant) Projects a positive attitude; effectively deals with internal/external personnel with diplomacy and tact; accepts guidance willingly; works well with others; regularly and freely shares information with co-workers; seeks opportunities for cross-team work; openly values the contributions of other team members; gains respect and cooperation of others.	RATING 1 2 3 4 5 [Redacted]
COMMENTS (Provide specific examples that support evaluation): [Redacted]	
APPROACH TO WORK (Characteristics the employee demonstrates while performing job assignments) Actively seeks ways to streamline processes; open to new ideas and approaches; seeks out new assignments and assumes additional duties when necessary; flexible/adaptable; handles multiple activities; performs well under pressure; recovers quickly from disruptions or interruptions; follows instructions; challenges existing processes in appropriate ways; seeks additional training and development; punctual; present; identifies and evaluates common workplace hazards; performs required safety procedures as instructed and trained to insure personal health and safety and the health and safety of others; takes required care while working around recognized hazards and when using hazardous equipment or materials.	RATING 1 2 3 4 5 [Redacted]
COMMENTS (Provide specific examples that support evaluation): [Redacted]	
BASIC SAFETY FOR USE BEGINNING WITH FISCAL YEAR 06/07 EVALUATIONS Attends all required safety training programs and information sessions; identifies and communicates to subordinates occupational health and safety needs related to activities under his/her control; adequately instructs, trains, and supervises work activities to ensure a safe working environment; properly reports and documents accidents and illnesses according to company policy.	RATING [Redacted]
SAFETY LEADERSHIP FOR USE BEGINNING WITH FISCAL YEAR 06/07 EVALUATIONS Takes initiative in correcting safety problems as they arise; offers suggestions to improve safety; takes ownership of work areas not under his/her direct care; participates in Commission-wide safety initiatives such as the safety committee; performs job safety analyses and/or job safety observations; initiates improvements to Commission safety policies, practices, and procedures.	RATING [Redacted]
SUPERVISORY/LEADERSHIP SKILLS (Applies only to employee who is a Manager, Supervisor, or Lead) Encourages excellence through personal performance; provides motivation and guidance for subordinates; recognizes work priorities and plans short- and long-term projects accordingly; establishes courses of action to achieve specific results; identifies employee abilities to best manage work flow; controls costs and maximizes resources; trains and develops staff; regularly evaluates staff; faces performance problems squarely; supports useful debate and disagreement; welcomes constructive criticism; fosters respect; keeps up with industry developments.	RATING 1 2 3 4 5 [Redacted]
COMMENTS (Provide specific examples that support evaluation): [Redacted]	
OVERALL and SAFETY-RELATED COMMENTS [Redacted]	RATING 1 2 3 4 5 [Redacted]
SPECIFIC AREAS OF NEEDED IMPROVEMENT [Redacted]	
GOALS FOR UPCOMING YEAR [Redacted]	
Signature of Supervisor (1)/Date	Signature of Supervisor(2)/Date

Signature of General Manager/Date <i>Robert H. Martin</i> 4/24/06	Signature of Employee <i>[Signature]</i> Date Your signature indicates neither agreement nor disagreement with the evaluation, but it does indicate that you have read the evaluation, that it has been discussed with you, and that it is your responsibility to keep your supervisor up-to-date on your progress in achieving the stated goals for the upcoming year. If you wish, you may comment in the space below.
Employee Comments	

EXHIBIT 19



DuPage Water Commission

PERFORMANCE REVIEW

Name of Employee: [REDACTED]		Date Employed: [REDACTED]
Type of Review: <small>(annual/unsatisfactory performance/other)</small>	Job Title: [REDACTED]	Date of Last Review: [REDACTED]
Current Salary: [REDACTED]	Latest Salary Increase: 5/1/06 <small>(Date and %)</small>	Increase Requested: <small>(Amount and %)</small> [REDACTED]
Supervisor(1): [REDACTED]	Supervisor(2): [REDACTED]	
Length of Time You Have Supervised this Employee: [REDACTED]		Length of Time You Have Supervised this Employee: [REDACTED]
FUNCTIONAL AREAS OF RESPONSIBILITY <small>(List below the essential functions of the job and/or projects for which the employee is being evaluated)</small>		
[REDACTED]		

Carefully evaluate the employee's work performance in relation to the essential functions of the job. Rate performance by placing a mark on the line for each category using the following scale:

- 5. Strong skill base; always evident in work
- 4. Strong skill base; usually evident in work
- 3. Competent skill base; usually evident in work
- 2. Skill base shortfall; work suffers occasionally
- 1. Significant skill base shortfall; work suffers

TECHNICAL SKILLS & JOB KNOWLEDGE <small>(Effectiveness with which the employee applies job knowledge and skill to job assignments)</small>	RATING					
Understands functions and responsibilities; recognizes job priorities; develops realistic plans to accomplish assignments; understands and follows proper use, care, cleaning, maintenance, and storage of Commission equipment; employs tools of the job competently; adheres to Commission policy.	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					
QUALITY OF WORK <small>(Manner in which the employee completes job assignments)</small>	RATING					
Thoroughly, neatly, and accurately organizes and performs work assignments; pays attention to details; responsive to requests for services; follows-through/follows-up; meets deadlines; keeps work area clean and orderly.	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					
QUANTITY OF WORK <small>(Employee's success in producing the required amount of work)</small>	RATING					
Organizes work to achieve maximum productivity; completes work on schedule.	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					
PROBLEM SOLVING/DECISION MAKING	RATING					
Recognizes and analyzes problems; recommends/ develops effective and practical solutions; understands the need for decisions; knows when to include others and when to act alone.	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					

ORAL/Written COMMUNICATION SKILLS	RATING
Expresses thoughts and information clearly, concisely and accurately; adapts presentation style appropriately to audiences and situations.	1 2 3 4 5
COMMENTS:	
INTERPERSONAL SKILLS/COOPERATION (Effectiveness of the employee's interactions with others and as a team participant)	RATING
Projects a positive attitude; effectively deals with internal/external personnel with diplomacy and tact; accepts guidance willingly; works well with others; regularly and freely shares information with co-workers; seeks opportunities for cross-team work; openly values the contributions of other team members; gains respect and cooperation of others.	1 2 3 4 5
COMMENTS:	
APPROACH TO WORK (Characteristics the employee demonstrates while performing job assignments)	RATING
Actively seeks ways to streamline processes; open to new ideas and approaches; seeks out new assignments and assumes additional duties when necessary; flexible/adaptable; handles multiple activities; performs well under pressure; recovers quickly from disruptions or interruptions; follows instructions; challenges existing processes in appropriate ways; seeks additional training and development; punctual; present.	1 2 3 4 5
COMMENTS:	
BASIC SAFETY	RATING
Understands and follows safety policies, practices, and procedures as instructed and trained; wears required personal protective equipment and apparel as instructed and trained; attends all required safety training programs and information sessions; identifies and evaluates common workplace hazards; performs required safety procedures as instructed and trained to insure personal health and safety and the health and safety of others; takes required care while working around recognized hazards and when using hazardous equipment or materials; identifies and communicates to subordinates occupational health and safety needs related to activities under his/her control; adequately instructs, trains, and supervises work activities to ensure a safe working environment; properly reports and documents accidents and illnesses according to company policy.	1 2 3 4 5
COMMENTS:	
SAFETY LEADERSHIP	RATING
Takes initiative in correcting safety problems as they arise; offers suggestions to improve safety; takes ownership of work areas not under his/her direct care; participates in Commission-wide safety initiatives such as the safety committee; performs job safety analyses and/or job safety observations; initiates improvements to Commission safety policies, practices, and procedures.	1 2 3 4 5
COMMENTS:	
SUPERVISORY/LEADERSHIP SKILLS (Applies only to employee who is a Manager, Supervisor, or Lead)	RATING
Encourages excellence through personal performance; provides motivation and guidance for subordinates; recognizes work priorities and plans short- and long-term projects accordingly; establishes courses of action to achieve specific results; identifies employee abilities to best manage work flow; controls costs and maximizes resources; trains and develops staff; regularly evaluates staff; faces performance problems squarely; supports useful debate and disagreement; welcomes constructive criticism; fosters respect; keeps up with industry developments.	1 2 3 4 5
COMMENTS:	
OVERALL COMMENTS	RATING
	1 2 3 4 5
SPECIFIC AREAS OF NEEDED IMPROVEMENT	

GOALS FOR UPCOMING YEAR

[Redacted]

Signature of Supervisor (1)/Date *RH Martin*

Signature of Supervisor(2)/Date

Signature of General Manager/Date *RH Martin 4/25/07*

Signature of Employee/Date *[Signature] 4/25/07*

Your signature indicates neither agreement nor disagreement with the evaluation, but it does indicate that you have read the evaluation, that it has been discussed with you, and that it is your responsibility to keep your supervisor up-to-date on your progress in achieving the stated goals for the upcoming year. If you wish, you may comment in the space below.

Employee Comments

[Empty space for Employee Comments]

EXHIBIT 20



DuPage Water Commission

PERFORMANCE REVIEW

Name of Employee: [REDACTED]		Date Employed: [REDACTED]
Type of Review (annual/unsatisfactory performance/other): [REDACTED]	Job Title: [REDACTED]	Date of Last Review: [REDACTED]
Current Salary: [REDACTED]	Latest Salary Increase: 5/1/07 (Date and %): [REDACTED]	Increase Requested (Amount and %): [REDACTED]
Supervisor(1): [REDACTED]	Supervisor(2): [REDACTED]	
Length of Time You Have Supervised this Employee: [REDACTED]	Length of Time You Have Supervised this Employee: [REDACTED]	
FUNCTIONAL AREAS OF RESPONSIBILITY (List below the essential functions of the job and/or projects for which the employee is being evaluated)		
[REDACTED]		

Carefully evaluate the employee's work performance in relation to the essential functions of the job. Rate performance by placing a mark on the line for each category using the following scale:

5. Strong skill base; always evident in work
4. Strong skill base; usually evident in work
3. Competent skill base; usually evident in work
2. Skill base shortfall; work suffers occasionally
1. Significant skill base shortfall; work suffers

TECHNICAL SKILLS & JOB KNOWLEDGE (Effectiveness with which the employee applies job knowledge and skill to job assignments)	RATING										
Understands functions and responsibilities; recognizes job priorities; develops realistic plans to accomplish assignments; understands and follows proper use, care, cleaning, maintenance, and storage of Commission equipment; employs tools of the job competently; adheres to Commission policy.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	1	2	3	4	5					
1	2	3	4	5							
COMMENTS:											
[REDACTED]											
QUALITY OF WORK (Manner in which the employee completes job assignments)	RATING										
Thoroughly, neatly, and accurately organizes and performs work assignments; pays attention to details; responsive to requests for services; follows-through/follows-up; meets deadlines; keeps work area clean and orderly.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	1	2	3	4	5					
1	2	3	4	5							
COMMENTS:											
[REDACTED]											
QUANTITY OF WORK (Employee's success in producing the required amount of work)	RATING										
Organizes work to achieve maximum productivity; completes work on schedule.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	1	2	3	4	5					
1	2	3	4	5							
COMMENTS:											
[REDACTED]											
PROBLEM SOLVING/DECISION MAKING	RATING										
Recognizes and analyzes problems; recommends/ develops effective and practical solutions; understands the need for decisions; knows when to include others and when to act alone.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	1	2	3	4	5					
1	2	3	4	5							
COMMENTS:											
[REDACTED]											

ORAL/Written COMMUNICATION SKILLS Expresses thoughts and information clearly, concisely and accurately; adapts presentation style appropriately to audiences and situations.	RATING 1 2 3 4 5 [Redacted]
COMMENTS: [Redacted]	
INTERPERSONAL SKILLS/COOPERATION (Effectiveness of the employee's interactions with others and as a team participant) Projects a positive attitude; effectively deals with internal/external personnel with diplomacy and tact; accepts guidance willingly; works well with others; regularly and freely shares information with co-workers; seeks opportunities for cross-team work; openly values the contributions of other team members; gains respect and cooperation of others.	RATING 1 2 3 4 5 [Redacted]
COMMENTS: [Redacted]	
APPROACH TO WORK (Characteristics the employee demonstrates while performing job assignments) Actively seeks ways to streamline processes; open to new ideas and approaches; seeks out new assignments and assumes additional duties when necessary; flexible/adaptable; handles multiple activities; performs well under pressure; recovers quickly from disruptions or interruptions; follows instructions; challenges existing processes in appropriate ways; seeks additional training and development; punctual; present.	RATING 1 2 3 4 5 [Redacted]
COMMENTS: [Redacted]	
BASIC SAFETY Understands and follows safety policies, practices, and procedures as instructed and trained; wears required personal protective equipment and apparel as instructed and trained; attends all required safety training programs and information sessions; identifies and evaluates common workplace hazards; performs required safety procedures as instructed and trained to insure personal health and safety and the health and safety of others; takes required care while working around recognized hazards and when using hazardous equipment or materials; identifies and communicates to subordinates occupational health and safety needs related to activities under his/her control; adequately instructs, trains, and supervises work activities to ensure a safe working environment; properly reports and documents accidents and illnesses according to company policy.	RATING 1 2 3 4 5 [Redacted]
COMMENTS: [Redacted]	
SUPERVISORY/LEADERSHIP SKILLS (Applies only to employee who is a Manager, Supervisor, or Lead) Encourages excellence through personal performance; provides motivation and guidance for subordinates; recognizes work priorities and plans short- and long-term projects accordingly; establishes courses of action to achieve specific results; identifies employee abilities to best manage work flow; controls costs and maximizes resources; trains and develops staff; regularly evaluates staff; faces performance problems squarely; supports useful debate and disagreement; welcomes constructive criticism; fosters respect; keeps up with industry developments.	RATING 1 2 3 4 5 [Redacted]
COMMENTS: [Redacted]	
OVERALL COMMENTS [Redacted]	RATING 1 2 3 4 5 [Redacted]
SPECIFIC AREAS OF NEEDED IMPROVEMENT [Redacted]	

GOALS FOR UPCOMING YEAR

[REDACTED]

Signature of Supervisor (1)/Date

Signature of Supervisor(2)/Date

Signature of General Manager/Date

Signature of Employee/Date

R. A. Martin 5/6/08

[Signature] 5/6/08

Your signature indicates neither agreement nor disagreement with the evaluation, but it does indicate that you have read the evaluation, that it has been discussed with you, and that it is your responsibility to keep your supervisor up-to-date on your progress in achieving the stated goals for the upcoming year. If you wish, you may comment in the space below.

Employee Comments

[Empty space for Employee Comments]

EXHIBIT 21



DuPage Water Commission



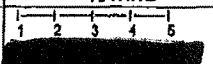



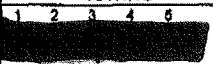

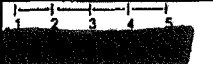




PERFORMANCE REVIEW

Name of Employee: [REDACTED]		Date Employed: [REDACTED]
Type of Review <small>(annual/unsatisfactory performance/other)</small>	Job Title: [REDACTED]	Date of Last Review: [REDACTED]
Current Salary: [REDACTED]	Latest Salary Increase <small>(Date and %)</small>	Increase Requested: <small>(Amount and %)</small>
Supervisor(1): [REDACTED]	Supervisor(2): [REDACTED]	
Length of Time You Have Supervised this Employee: [REDACTED]	Length of Time You Have Supervised this Employee: [REDACTED]	
FUNCTIONAL AREAS OF RESPONSIBILITY <small>(List below the essential functions of the job and/or projects for which the employee is being evaluated)</small>		
[REDACTED]		

Carefully evaluate the employee's work performance in relation to the essential functions of the job. Rate performance by placing a mark on the line for each category using the following scale:

5. Strong skill base; always evident in work
4. Strong skill base; usually evident in work
3. Competent skill base; usually evident in work
2. Skill base shortfall; work suffers occasionally
1. Significant skill base shortfall; work suffers

TECHNICAL SKILLS & JOB KNOWLEDGE <small>(Effectiveness with which the employee applies job knowledge and skill to job assignments)</small>	RATING					
Understands functions and responsibilities; recognizes job priorities; develops realistic plans to accomplish assignments; understands and follows proper use, care, cleaning, maintenance, and storage of Commission equipment; employs tools of the job competently; adheres to Commission policy.	<table style="width: 100%; border: none;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					
QUALITY OF WORK <small>(Manner in which the employee completes job assignments)</small>	RATING					
Thoroughly, neatly, and accurately organizes and performs work assignments; pays attention to details; responsive to requests for services; follows-through/follows-up; meets deadlines; keeps work area clean and orderly.	<table style="width: 100%; border: none;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					
QUANTITY OF WORK <small>(Employee's success in producing the required amount of work)</small>	RATING					
Organizes work to achieve maximum productivity; completes work on schedule.	<table style="width: 100%; border: none;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					
PROBLEM SOLVING/DECISION MAKING	RATING					
Recognizes and analyzes problems; recommends/ develops effective and practical solutions; understands the need for decisions; knows when to include others and when to act alone.	<table style="width: 100%; border: none;"> <tr> <td style="border: none;">1</td> <td style="border: none;">2</td> <td style="border: none;">3</td> <td style="border: none;">4</td> <td style="border: none;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
COMMENTS: [REDACTED]	[REDACTED]					

ORAL/Written COMMUNICATION SKILLS Expresses thoughts and information clearly, concisely and accurately; adapts presentation style appropriately to audiences and situations.	RATING 
COMMENTS: 	
INTERPERSONAL SKILLS/COOPERATION (Effectiveness of the employee's interactions with others and as a team participant) Projects a positive attitude; effectively deals with internal/external personnel with diplomacy and tact; accepts guidance willingly; works well with others; regularly and freely shares information with co-workers; seeks opportunities for cross-team work; openly values the contributions of other team members; gains respect and cooperation of others.	RATING 
COMMENTS: 	
APPROACH TO WORK (Characteristics the employee demonstrates while performing job assignments) Actively seeks ways to streamline processes; open to new ideas and approaches; seeks out new assignments and assumes additional duties when necessary; flexible/adaptable; handles multiple activities; performs well under pressure; recovers quickly from disruptions or interruptions; follows instructions; challenges existing processes in appropriate ways; seeks additional training and development; punctual; present.	RATING 
COMMENTS: 	
BASIC SAFETY Understands and follows safety policies, practices, and procedures as instructed and trained; wears required personal protective equipment and apparel as instructed and trained; attends all required safety training programs and information sessions; identifies and evaluates common workplace hazards; performs required safety procedures as instructed and trained to insure personal health and safety and the health and safety of others; takes required care while working around recognized hazards and when using hazardous equipment or materials; identifies and communicates to subordinates occupational health and safety needs related to activities under his/her control; adequately instructs, trains, and supervises work activities to ensure a safe working environment; properly reports and documents accidents and illnesses according to company policy.	RATING 
COMMENTS: 	
SUPERVISORY/LEADERSHIP SKILLS (Applies only to employee who is a Manager, Supervisor, or Lead) Encourages excellence through personal performance; provides motivation and guidance for subordinates; recognizes work priorities and plans short- and long-term projects accordingly; establishes courses of action to achieve specific results; identifies employee abilities to best manage work flow; controls costs and maximizes resources; trains and develops staff; regularly evaluates staff; faces performance problems squarely; supports useful debate and disagreement; welcomes constructive criticism; fosters respect; keeps up with industry developments.	RATING 
COMMENTS: 	
OVERALL COMMENTS 	RATING 
SPECIFIC AREAS OF NEEDED IMPROVEMENT 	

GOALS FOR UPCOMING YEAR

[REDACTED]

Signature of Supervisor (1)/Date

Signature of Supervisor(2)/Date

Signature of General Manager/Date

Rh Martin 4/29/09

Signature of Employee/Date

[Signature] 4/29/09

Your signature indicates neither agreement nor disagreement with the evaluation, but it does indicate that you have read the evaluation, that it has been discussed with you, and that it is your responsibility to keep your supervisor up-to-date on your progress in achieving the stated goals for the upcoming year. If you wish, you may comment in the space below.

Employee Comments

EXHIBIT 22

Robert Martin

Subject: Meeting with Joe Evans
Start: Mon 10/12/2009 2:00 PM
End: Mon 10/12/2009 3:00 PM
Recurrence: (none)
Meeting Status: Meeting organizer
Organizer: Robert Martin
Required Attendees: Rick Skiba

ATTENDEES:

S. LOUIS RATHJE
GREG MATHIEYS
RICHARD THORN
ROBERT MARTIN
RICHARD SKIBA
MAX RICHTER
MAURITEN CROWLEY
JOE EVANS
SEAN HICKLEY

EXHIBIT 23



DuPage Water Commission

MEMORANDUM

TO: File

FROM: Robert L. Martin
General Manager

DATE: October 23, 2009

SUBJECT: Meeting with R. Max Richter
October 23, 2009 10:00 AM

A meeting was held with R. Max Richter regarding financial matters. Those in attendance included:

R. Max Richter
Maureen Crowley
Rick Skiba
Robert Martin

SITUATION

At 4/30/2009, a supplemental transfer of \$4.9 million was made to the O&M Account to meet the Revenue Bond Ordinance requirements. There were no Water Fund Subaccounts funds available to fund this transfer.

Sales Tax Subaccount funds were required in the amount of \$2.3 million. This represented the entire balance of unrestricted investments for this subaccount as of 4/30/2009. After making that transfer, the Sales Tax Subaccount's available cash balance was zero.

To complete the required transfer to the O&M Account, \$2.3 million was transferred from the O&M Reserve Account. As a result, the O&M Account is no longer fully funded. This means that as of May 2009, there exists a Revenue Bond monthly requirement of just under \$4.0 million to be deposited to the O&M Reserve until it is again fully funded.

COMPLIANCE

Since you became the Financial Administrator, have the Commission's Revenue Bond Ordinance requirements been met each month?

Meeting with R. Max Richter

October 23, 2009

*Max responded that he thought so on an annual basis at least.
How did you verify this compliance?*

Max responded that he did not. He relied on Teresa Chapman, former accountant for the Commission.

Did you complete an account by account analysis, like the ones recently done to complete the FY2009 audit work, on a monthly basis?

Max responded no.

RATES

The FY2009 Fixed Costs revenue was \$158,800 short of bond payments considering the sales tax subsidy during FY2009. What caused this Bond Ordinance requirement deficiency?

Max responded that he did not know.

On what basis did you make the recommendation to decrease the O&M rate by \$0.20 per 1,000 gallons as of 5/1/2007?

Max responded that he based his recommendation on forecasts.

Did you review the Commission's financial situation on a monthly basis to make sure that the forecasts were correct?

Max responded no.

FINANCIAL

Did you notice the decrease in the Water Fund Subaccount of the General Account balance from \$26.1 million at 4/30/2007 to \$0.5 million at 4/30/2008 to zero at 4/30/2009?

Max responded yes.

When did the Water Fund Subaccount of the General Account become a zero balance?

Max responded that he did not know. Max went on to say he thought that he could recoup with the sales tax.

Why did the Water Fund Subaccount of the General Account become a zero balance?

Max responded that he did not know.

Meeting with R. Max Richter

October 23, 2009

Why didn't you inform me that the Water Fund Subaccount of the General Account became a zero balance?

Max responded that he thought it was going to improve.

DAILY OPERATIONS

Who is assigned to reconcile the various bank accounts and subsidiary schedules to the general ledger?

Max responded the accountant should be doing this.

Are such reconciliations done monthly?

Max responded that is should be, but it has not.

When was the last time reconciliations were done?

Max responded he didn't know.

Have you reviewed these reconciliations?

Max responded yes.

EXHIBIT 24

For 2009.10.22

SITUATION

At 4/30/2009, a supplemental transfer of \$4.9 million was made to the O&M Account to meet the Revenue Bond Ordinance requirements. There were no Water Fund Subaccounts funds available to fund this transfer.

Sales Tax Subaccount funds were required in the amount of \$2.3 million. This represented the entire balance of unrestricted investments for this subaccount as of 4/30/2009. After making that transfer, the Sales Tax Subaccount's available cash balance was zero.

To complete the required transfer to the O&M Account, \$2.³ million was transferred from the O&M Reserve Account. As a result, the O&M Account is no longer fully funded. This means that as of May 2009, there exists a Revenue Bond monthly requirement of just under \$~~0~~.0 million to be deposited to the O&M Reserve until it is again fully funded. 4

COMPLIANCE

Since you became the Financial Administrator, have the Commission's Revenue Bond Ordinance requirements been met each month? *Thought so on an annual basis @ least*

How did you verify this compliance? *Did NOT; relied on TERESA*

Did you complete an account by account analysis, like the ones recently done to complete the FY2009 audit work, on a monthly basis? *NO*

If so, what did those analyses reveal about the Commission's compliance with its Revenue Bond Ordinance requirements?

RATES

The FY2009 Fixed Costs revenue was \$158,800 short of bond payments considering the sales tax subsidy during FY2009. What caused this Bond Ordinance requirement deficiency? *Did NOT know*

On what basis did you make the recommendation to decrease the O&M rate by \$0.20 per 1,000 gallons as of 5/1/2007? *Based on forecasts*

FINANCIAL

Did you notice the decrease in the Water Fund Subaccount of the General Account balance from \$26.1 million at 4/30/2007 to \$0.5 million at 4/30/2008 to zero at 4/30/2009? *yes; thought he could*

When did the Water Fund Subaccount of the General Account become a zero balance? *Review given sales tax reduction; next p20 5*
Did inform Finance Committee

Why did the Water Fund Subaccount of the General Account become a zero balance? DNK

Why didn't you inform me that the Water Fund Subaccount of the General Account became a zero balance? ~~XXXXXX~~ BIC transfer was going to

DAILY OPERATIONS

Who is assigned to reconcile the various bank accounts and subsidiary schedules to the general ledger?
Account

Are such reconciliations done monthly? Should be but not; did not in

When do you review these reconciliations? When he last time was
yes

EXHIBIT 25

Robert Martin

Subject: Meeting with Sheryl Markay, Jim Zay and Tom Cuculich

Start: Tue 11/10/2009 1:00 PM

End: Tue 11/10/2009 2:00 PM

Recurrence: (none)

Organizer: Robert Martin

EXHIBIT 26

Robert Martin

Subject: DWC Meeting about Finances
Location: DuPage Pumping Station

Start: Tue 11/10/2009 3:00 PM
End: Tue 11/10/2009 4:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: Robert Martin
Required Attendees: Maureen Crowley; Rick Skiba; Terry McGhee; S. Louis Rathje (rathje@sbcglobal.net); Gregory S Mathews (gmathews@ancelglink.com); gorpt@aol.com

EXHIBIT 27

DU PAGE WATER COMMISSION - 5 YEAR PROJECTION									
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES									
MAY 1, 2003 TO APRIL 30, 2008									
ACCOUNT TITLE	ALL FUNDS FY 01-02 ACTUAL	ALL FUNDS FY 02-03 ADJ. BUDGET	ASSUMPTION OR % CHGE FY 02-07	ALL FUNDS FY 03-04 FORECAST	ALL FUNDS FY 04-05 FORECAST	ALL FUNDS FY 05-06 FORECAST	ALL FUNDS FY 06-07 FORECAST	ALL FUNDS FY 07-08 FORECAST	ALL FUNDS FY 08-09 FORECAST
REVENUES									
O & M PAYMENTS	41,228,304	42,428,205	CALCULATED	45,354,398	47,784,763	50,384,390	52,513,849	54,669,861	
SALES TAXES USED FOR O & M COSTS	0	0	CALCULATED	0	0	0	0	0	
FIXED COST PAYMENTS (% PAID BY SALES TAX)	13,376,556	10,164,758	50.0%	8,916,329	8,916,661	8,916,062	8,915,586	8,918,607	
SUBSEQUENT CUSTOMER DIFFERENTIAL/EMERGENCY SERVICE	901,353	1,041,625	1.0%	1,052,041	1,073,187	1,083,919	1,094,798	1,094,798	
SALES TAXES USED FOR CONSTRUCTION AND BOND PAYMENTS	33,062,464	31,516,473	2.0%	32,146,802	32,769,738	33,445,533	34,114,444	34,796,733	
INTEREST INCOME	6,027,423	6,043,616	EXTRAPOLATED	6,093,865	6,378,775	6,466,006	6,222,131	6,020,520	
OTHER INCOME	3,002,774	531,714	0.0%	0	0	0	0	0	
TOTAL REVENUE	97,598,897	91,727,391		93,553,435	96,932,518	100,285,178	102,849,729	105,500,499	
OPERATING EXPENDITURES									
WATER PURCHASES (4% ANNUAL RATE INCREASES)	36,332,674	38,709,917	CALCULATED	41,697,057	44,074,758	46,369,940	48,614,034	50,993,484	
20% CREDIT THRU SEP 2004	(7,266,535)	(7,741,963)	CALCULATED	(6,339,411)	(4,140,332)	0	0	0	
5 YEAR CAPITAL PLAN MAJOR REPAIRS	141,789	2,067,900	CALCULATED	3,357,000	2,875,000	0	0	0	
OTHER OPERATING EXPENSES (EXCL BOND INTEREST/DEPRC)	7,525,117	9,054,410	5.0%	9,507,131	9,882,488	10,481,612	11,005,693	11,555,978	
REVENUE BOND PRINCIPAL AND INTEREST COSTS	17,835,408	17,832,908	CALCULATED	17,832,658	17,833,322	17,832,123	17,831,172	17,837,213	
G.O. BOND PRINCIPAL AND INTEREST COSTS	15,761,973	13,122,650	CALCULATED	13,112,650	13,122,150	13,124,150	13,117,900	13,117,900	
CAPITAL EQUIPMENT	193,957	83,854	5.0%	86,057	92,460	97,083	101,937	107,034	
TOTAL OPERATING EXPENDITURES	70,524,393	73,129,866		77,255,142	83,839,846	87,904,908	90,670,736	93,611,359	
5 YEAR CAPITAL PLAN NEW CONSTRUCTION	3,923,732	6,489,972	CALCULATED	8,767,000	12,738,000	23,315,000	21,634,000	2,057,000	
NEW CONSTRUCTION PLAN (DELAY)-CATCH-UP	0	0	CALCULATED	0	0	0	0	0	
NEW CUSTOMERS & OTHER MINOR RELATED OUTLAYS	1,893,988	333,799	4.0%	500,000	520,000	540,800	562,432	584,929	
WATER QUALITY LOANS	0	10,000,000	BOARD POLICY	0	0	0	0	0	
TOTAL CASH OUTLAYS AND COMMITMENTS	81,342,103	89,963,437		86,522,142	97,097,846	111,760,708	112,867,168	96,253,288	
NET TRANSACTIONS	16,256,794	1,763,954		7,041,293	(165,328)	(11,475,530)	(10,017,439)	9,247,211	
UNRESTRICTED NET ASSETS - BEGINNING	113,148,022	127,243,034	CALCULATED	129,101,013	136,142,306	135,976,878	124,501,448	114,484,009	
CONVERTED (TO) - FROM RESTRICTED OR CAPITAL NET ASSETS	(2,161,782)	94,025		0	0	0	0	0	
UNRESTRICTED NET ASSETS - ENDING	110,986,240	127,243,034		136,142,306	135,976,878	124,501,448	114,484,009	123,731,220	
HELD FOR EMERGENCY REPAIRS-TARGET (1)									
O&M RATE STABILIZATION RESERVE	27,300,000	28,100,000	3.0%	28,900,000	29,800,000	30,700,000	31,600,000	32,500,000	
CONSTRUCTION RESERVE	46,471,406	49,757,832		52,908,018	52,040,393	49,009,804	46,814,131	42,933,949	
UNRESTRICTED NET ASSETS - ENDING	53,471,628	51,243,161		54,333,288	54,136,585	43,991,644	36,069,878	48,297,271	
UNRESTRICTED NET ASSETS - ENDING	127,243,034	129,101,013		136,142,306	135,976,878	124,501,448	114,484,009	123,731,220	
O & M RATE	1.33	1.34		1.38	1.43	1.49	1.54	1.59	
FIXED COST RATE	0.43	0.32		0.27	0.27	0.26	0.26	0.26	
TOTAL RATE	1.76	1.66		1.65	1.70	1.75	1.80	1.85	
(1) TO MAX OF 90,000,000									

NAA - Net Asset Analysis schedule in 2007-2008 Annual Report

Source: FY 2003-2004 Five Year Plan

Revised 1/9/03

2003-2004 PI

EXHIBIT 28

Allan Poole - RE: Major Error in DWC Long Term Financial Plan

From: "Robert Martin" <Martin@dpwc.org>
To: "Allan Poole" <PooleA@naperville.il.us>
Date: 12/11/2006 1:41 PM
Subject: RE: Major Error in DWC Long Term Financial Plan
CC: <mayorwdg@aol.com>, "Peter Burchard" <BurchardP@naperville.il.us>, "Doug Krieger" <Kriegerd@naperville.il.us>, "Max Richter" <Richter@dpwc.org>

12-11-06

Allan,

Thanks for bringing this to my attention. I talked to Max and you are correct. We will issue corrected sheets on Tuesday with the Supplemental Information.

Bob Martin

From: Allan Poole [mailto:PooleA@naperville.il.us]
Sent: Monday, December 11, 2006 8:43 AM
To: Robert Martin
Cc: mayorwdg@aol.com; Peter Burchard; Doug Krieger
Subject: Major Error in DWC Long Term Financial Plan

Another major snafu on the spreadsheets for the Long Term Financial Plan has been made. The ending balance for FY 08-09 and thereafter is understated by \$15,000,000 as a major error has been made in extending the annual \$15 Million payment to DuPage County by a 6th year.

Be advised that the 5th and final year for the \$15 Million payment is in FY 07-08 not FY 08-09. You need to correct both your December 8, 2006 memo spreadsheets as well as the Summary of Revenues, Expenditures and Fund Balances.

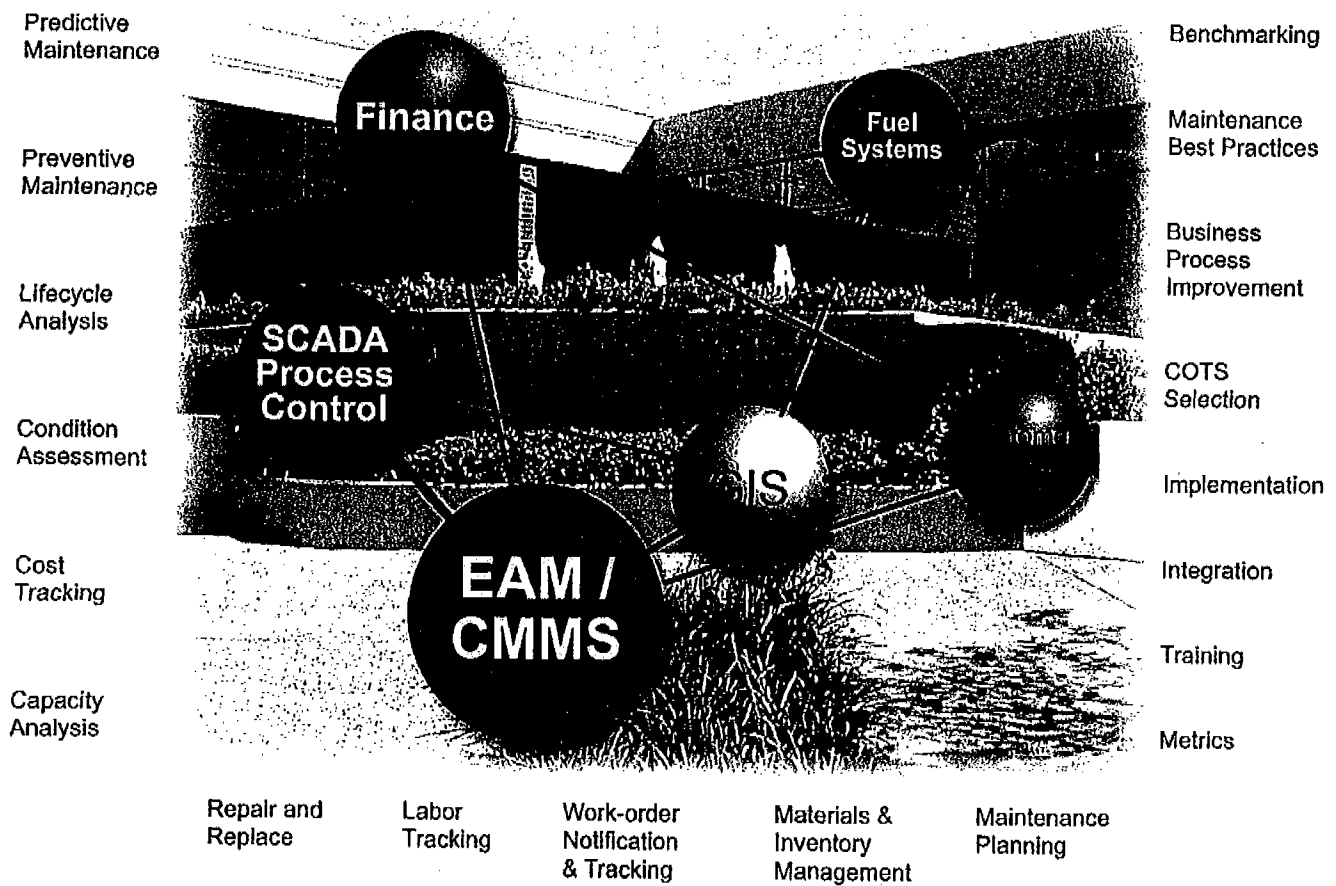
The credibility of the financial plans is weakened when major errors like this are made which always seem to lower the unrestricted cash balances.

EXHIBIT 29



2006 - 2007 ANNUAL REPORT

CIP = Planning + Finance + Design + Engineering + Construction + Operations & Maintenance



FISCAL YEAR 2006 – 2007
ANNUAL REPORT
OF THE
DUPAGE WATER COMMISSION
COOK, DUPAGE AND WILL COUNTIES, ILLINOIS
BOARD OF COMMISSIONERS

S. Louis Rathje, Chairman

DISTRICT 1

Larry Hartwig, Municipal

William J. Maio, Jr., County

DISTRICT 3

William F. Murphy, Jr., Municipal

John K. Vrdolyak, County

DISTRICT 5

Allan L. Poole, Municipal

Donald G. Zeilenga, County

Richard P. Thorn -

Robert L. Martin, P.E. -

Maureen A. Crowley, Esq. -

Terrance McGhee -

R. Max Richter -

R. Christopher Bostick -

Frank J. Frelka -

Edward J. Kazmierczak -

John W. Schori -

DISTRICT 2

William J. Mueller, Municipal
Vice Chairman

Elizabeth M. Chaplin, County

DISTRICT 4

Gregory S. Mathews, Municipal

Timothy J. Feltes, County

DISTRICT 6

Ross Ferraro, Municipal ¹
Frank Saverino, Sr., Municipal

Gregory W. Wilcox, County

Treasurer

General Manager

Staff Attorney, Clerk

Manager of Water Operations

Financial Administrator

Facilities Construction Supervisor/Safety
Coordinator

Geographic Information Systems Coordinator

Pipeline Supervisor

Instrumentation/Remote Facilities Supervisor

¹ Served until June 30, 2007

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Cover picture depicts Enterprise Asset Management (EAM).



DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 11, 2007

Chairman Rathje and Commissioners
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Chairman Rathje and Commissioners:

Fiscal year 2006-2007 saw the migration from DataStream's MP2 to Infor 7i Computerized Maintenance Management System (CMMS) used throughout the Commission's facilities. The implementation of an asset management system continues to be an important part of the Commission's operations.

The Commission's Staff Attorney was instrumental in obtaining a refund of the almost \$1,000,000 paid for the relocation of conflicting utility facilities on the Contract TIB project. The Staff Attorney was also responsible for the development of an Intergovernmental Agreement with the City of Chicago covering back-up generation and enhanced maintenance at the Lexington Pumping Station.

The Operations Department participated in two American Water Works Association Research Foundation projects. The Asset Management Strategies project has been completed and the final report is due in the coming year. The Impact of Phosphate Corrosion Inhibitors on Cement-Based Pipes and Linings project will incorporate information obtained from the pipe loop pilot plant the Commission is using to evaluate the aluminum phosphate deposits in its pipelines and is ongoing.

In addition to the maintenance of the information systems and remote facilities, the Instrumentation and Remote Facilities Department completed the upgrade of the Backup Telemetry System to receive critical remote information for the water system operation in the event the SCADA system fails.

The implementation of the Geographical Information System (GIS) continues with the addition of corrosion control data including foreign rectifiers and pipeline crossings, isolation flanges, casings, past lead locations, cathodic protection equipment is being added to the GIS system. Modifications of the GIS to allow it to work in parallel with the Asset Management System are also ongoing.

The Facilities Construction Supervisor/Safety Coordinator is coordinating the effort to construct backup generation facilities at both the DuPage and Lexington Pumping Stations. In addition to the generation facilities, the Commission is also sharing in the cost of photovoltaic system on the reservoir at the Lexington Pumping Station. The Commission's safety program continues to evolve into a true safety management system.

The Pipeline Department is preserving the integrity and reliability of the distribution system with the engagement of a corrosion engineering firm. The Commission's corrosion engineer has been engaged in numerous tasks related to the identification and conceptual design of corrosion mitigation alternates for certain sections of the distribution system. This is also an important part of the Asset Management System.

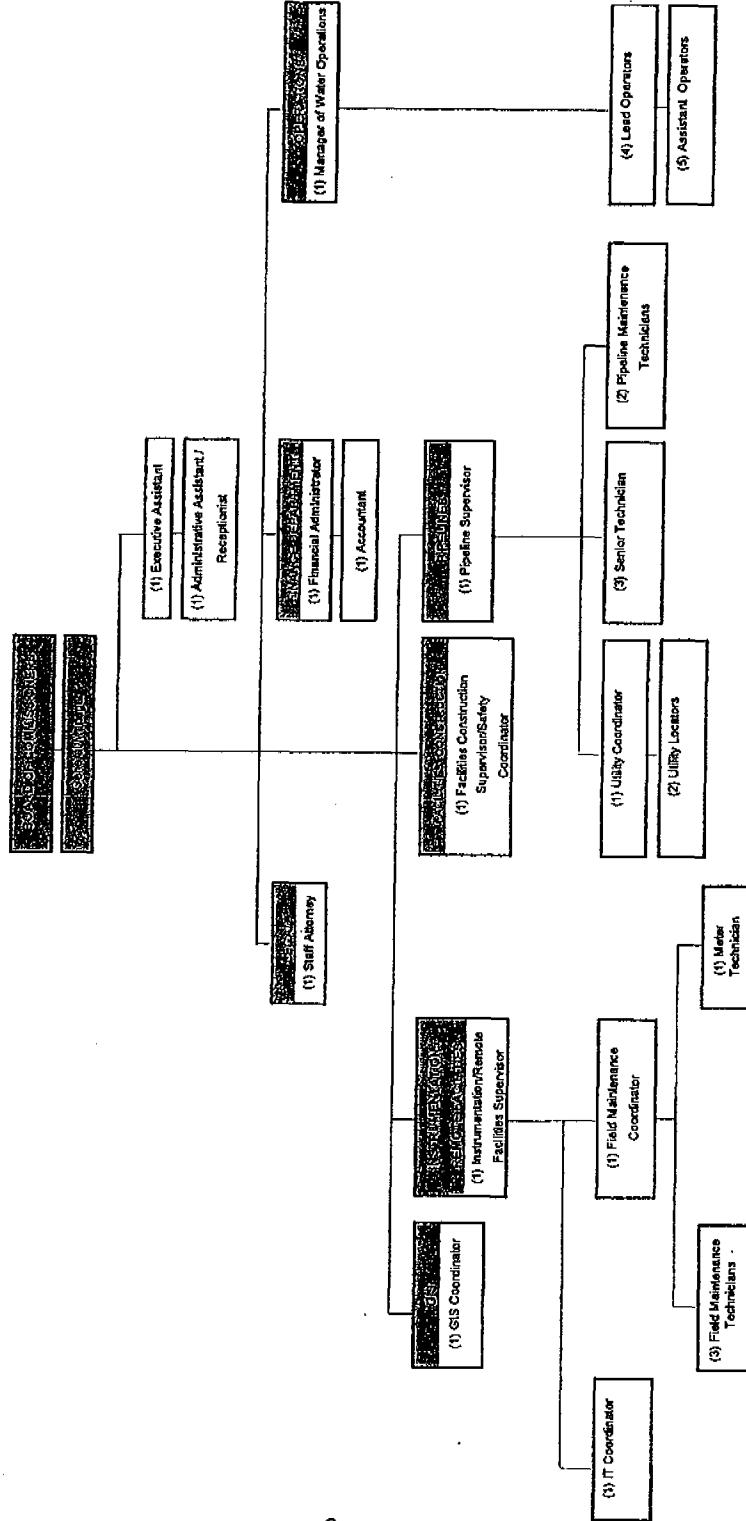
For fiscal year 2006-2007, total revenues were 0.8% less than budget and total operating expenditures were 9.2% below budget. The Commission continued with a Charter Customer water rate of \$1.45 per 1,000 gallons for the fiscal year 2006-2007.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert L. Martin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert L. Martin, P.E.
General Manager

DUPAGE WATER COMMISSION
 ORGANIZATIONAL CHART
 FISCAL YEAR 2006-2007





DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 11, 2007

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

Dear Mr. Martin:

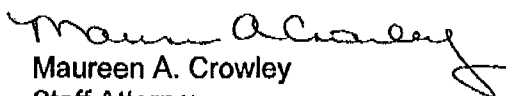
For the period May 1, 2006, through April 30, 2007, the Commission incurred \$57,441.50 in General Counsel fees, which fees related almost solely to labor and employment work, and \$0.00 in Special Counsel fees. This represents an increase from the immediately preceding fiscal year, primarily due to an increased focus on personnel matters including the development of an entirely new employee handbook.

	<u>General Counsel Fees</u>	<u>Special Counsel Fees</u>
FY 03/04	\$267,208.50	\$125,296.00
FY 04/05	\$64,018.50	\$21,300.00
FY 05/06	\$13,898.50	\$0.00
FY 06/07	\$57,441.50	\$0.00

With respect to specific projects, the Legal Department obtained a refund (plus interest) of the almost \$1 million paid for the relocation of conflicting utility facilities on the Contract TIB project. The Legal Department also completed the agreement with the City of Chicago covering back-up generation and enhanced maintenance at the Lexington Pumping Station.

On the more mundane side, besides opining on controversial service requests and legislative proposals, the Legal Department was responsible for the 77 ordinances and resolutions considered by the Board, including negotiating and drafting more than 28 engineering agreements and amendments, 8 intergovernmental and miscellaneous agreements and amendments, and bidding and contract documents for 9 separate projects (a significant increase from FY 05/06).

Very truly yours,


Maureen A. Crowley
Staff Attorney



DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 11, 2007

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

Dear Mr. Martin:

The Operations Department continues to maintain and operate the DuPage Pump Station at the required level to provide the highest level of service to our customers.

During the past year, all the equipment at the Pump Station was inspected, cleaned, and maintained on a weekly, monthly, quarterly, and annual basis. The annual pump and motor rehabilitation program continued this year with the replacement of two pump seals, replacement of one 1750 hp motor syncro-pac, and the rebuilding of one 800 hp motor. One of the main buildings chiller units was rebuilt and design for a new computer room air conditioning system was started.

The Operations Department continues its monthly joint maintenance inspections of the Lexington Pump Station with the Chicago Department of Water Management. Due to these inspections many equipment and facility improvements have been completed.

The Operations Department worked with the Pipeline Department to restore service to the 90" at the conclusion of Contract BOV-2.

As required by the Illinois Environmental Protection Agency, the Commission collected monthly and quarterly samples for water quality and filed all required paperwork with no violations.

The Commission finished its migration from DataStream's MP2 to Infor 7i which is the Computerized Maintenance Management System (CMMS) used throughout the Commissions facilities. The Commission continues to incorporate information from the Commission's Geographical Information System into the CMMS. This project is scheduled for completion during the first quarter of 2008.

Mr. Robert L. Martin, P.E.

October 11, 2007

The Commission was involved with Westin Engineering Inc. on an American Water Works Association Research Foundation (AWWARF) project that studied Asset Management Strategies. We are awaiting the final report which is due in the coming year.

The Commission continued in its mission to maintain the security of the facility by adding security doors to isolate the public area of the building.

The Operations Department has two members on the Safety Committee including the Chairman who have played an important role in helping in the development of the Commission's Safety Program.

Finally, the Operations department is continuing to monitor the Pipe Loop Pilot Plant to evaluate the aluminum phosphate deposits in Commission pipelines and has expanded its capabilities to include C-factor testing and copper. The Commission continues its partnership with Camp Dresser McKee on an (AWWARF) project to evaluate the Impact of Phosphate Corrosion Inhibitors on Cement-based Pipes and Linings.

Very Truly Yours,



Terrance McGhee
Manager of Water Operations

CUSTOMER USAGE

	FY 2007 TOTAL (1,000 GAL) (1)	% OF TOTAL	ALLOCATION (1,000 GAL)	% OF ALLOCATION	2007 ALLOCATION (MGD)	2006 ALLOCATION (MGD)
ADDISON	1,345,878	4.49%	1,686,327	79.81%	4.644	4.603
ARGONNE NAT'L LAB (2)	178,221	0.59%	276,670	64.42%	0.758	0.758
BENSENVILLE	857,113	2.86%	992,130	86.39%	2.724	2.714
BLOOMINGDALE	901,453	3.01%	1,045,843	86.19%	2.891	2.847
CAROL STREAM	1,362,863	4.55%	1,688,971	80.69%	4.667	4.599
CLARENDON HILLS	280,351	0.94%	263,925	106.22%	0.726	0.721
DARIEN	743,700	2.48%	1,030,940	72.14%	2.842	2.812
DOWNERS GROVE	2,141,185	7.14%	2,521,932	84.90%	6.945	6.884
ELMHURST	1,512,067	5.04%	1,716,898	88.07%	4.712	4.698
GLEN ELLYN	971,351	3.24%	1,103,169	88.05%	3.114	2.957
GLENDALE HEIGHTS	941,457	3.14%	1,106,781	85.06%	2.964	3.081
HINSDALE	934,406	3.12%	972,177	96.11%	2.667	2.661
IAWC-ARROWHEAD	55,756	0.19%	71,540	77.94%	0.196	0.196
IAWC-COUNTRY CLUB	32,834	0.11%	42,705	76.89%	0.117	0.117
IAWC-DU PAGE/LISLE	170,994	0.57%	219,821	77.79%	0.604	0.601
IAWC-LIBERTY RIDGE EAST	12,733	0.04%	19,132	66.55%	0.053	0.052
IAWC-LIBERTY RIDGE WEST	98,969	0.33%	131,551	75.23%	0.368	0.355
IAWC-LOMBARD HEIGHTS	23,923	0.08%	26,280	91.03%	0.072	0.072
IAWC-VALLEY VIEW	255,177	0.85%	255,500	99.87%	0.7	0.700
ITASCA	538,801	1.80%	655,751	82.17%	1.81	1.787
LISLE	982,323	3.28%	1,197,805	82.01%	3.305	3.265
LOMBARD	1,565,652	5.22%	1,809,515	86.52%	4.978	4.943
NAPERVILLE	6,155,442	20.53%	7,560,417	81.42%	20.787	20.661
OAK BROOK	1,266,794	4.23%	1,524,055	83.12%	4.193	4.163
OAKBROOK TERRACE	57,872	0.19%	95,356	60.69%	0.263	0.260
ROSELLE	696,430	2.32%	833,566	83.55%	2.303	2.270
VILLA PARK	678,479	2.26%	775,077	87.54%	2.127	2.121
WESTMONT	935,266	3.12%	1,058,864	88.33%	2.908	2.896
WHEATON	1,850,942	6.17%	2,166,028	85.45%	5.96	5.916
WILLOWBROOK	403,192	1.34%	495,517	81.37%	1.364	1.353
WINFIELD	311,504	1.04%	418,593	74.42%	1.155	1.141
WOOD DALE	542,027	1.81%	611,982	88.57%	1.686	1.670
WOODRIDGE	1,173,643	3.91%	1,209,026	97.07%	3.355	3.282
TOTAL	29,978,798	100.00%	35,583,844	84.25%	97.958	97.156

(1) Includes meter adjustment billings.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

CUSTOMER WATER STORAGE

CUSTOMER	EXISTING STORAGE (MG)	2007 ALLOCATION (IN MGD)	% OF SYSTEM	REQUIRED STORAGE	SHALLOW WELL ALLOWANCE	% OF DWC STORAGE ABOVE OR (BELOW) REQ	
ADDISON	6.75	4.644	4.74%	9.29	0.93	2.96	1.35
ARGONNE NAT'L LAB	1.02	0.758	0.77%	1.52	0.15	0.48	0.13
BENSENVILLE	3.55	2.724	2.78%	5.45	0.00	1.74	(0.16)
BLOOMINGDALE	4.80	2.891	2.95%	5.78	0.58	1.84	1.44
CAROL STREAM	6.50	4.667	4.76%	9.33	0.93	2.98	1.08
CLARENDON HILLS	1.25	0.728	0.74%	1.45	0.15	0.48	0.41
DARIEN	2.50	2.842	2.90%	5.68	0.57	1.81	(0.80)
DOWNERS GROVE	8.00	6.945	7.09%	13.89	1.39	4.43	(0.07)
ELMHURST	16.00	4.712	4.81%	9.42	0.94	3.01	9.52
GLENDALE HEIGHTS	4.70	3.114	3.18%	6.23	0.62	1.89	1.08
GLEN ELLYN (4)	3.15	2.964	3.03%	5.93	0.59	1.89	(0.29)
HINSDALE	4.50	2.667	2.72%	5.33	0.53	1.70	1.40
IAWC-ARROWHEAD	0.40	0.198	0.20%	0.39	0.04	0.13	0.17
IAWC-COUNTRY CLUB	0.20	0.117	0.12%	0.23	0.02	0.07	0.08
IAWC-DUPAGE/LISLE (1)	0.91	0.604	0.62%	1.21	0.12	0.39	0.21
IAWC-LOMBARD HEIGHTS (2)	0.08	0.072	0.07%	0.14	0.01	0.05	0.00
IAWC-LIBERTY RIDGE EAST (4)	0.07	0.053	0.05%	0.11	0.01	0.03	0.01
IAWC-LIBERTY RIDGE WEST (3)	0.43	0.368	0.38%	0.74	0.07	0.23	0.00
IAWC-VALLEY VIEW	0.88	0.700	0.71%	1.40	0.14	0.45	0.07
ITASCA	3.50	1.810	1.85%	3.62	0.36	1.15	1.40
LISLE (1)	4.08	3.305	3.37%	6.61	0.66	2.11	0.24
LOMBARD (2)	6.09	4.978	5.08%	9.98	1.00	3.18	0.30
NAPERVILLE	43.90	20.787	21.22%	41.67	4.16	13.26	19.75
OAK BROOK	8.00	4.193	4.28%	8.39	0.84	2.68	3.13
OAKBROOK TERRACE	0.50	0.263	0.27%	0.53	0.00	0.17	0.14
ROSELLE	1.75	2.303	2.35%	4.61	0.00	1.47	(1.39)
VILLA PARK	3.80	2.127	2.17%	4.25	0.43	1.36	1.33
WESTMONT	4.50	2.808	2.97%	5.82	0.58	1.86	1.12
WHEATON	7.28	5.960	6.08%	11.92	1.19	3.80	0.33
WILLOWBROOK	4.00	1.364	1.38%	2.73	0.00	0.87	2.14
WINFIELD (3)	1.17	1.155	1.18%	2.31	0.23	0.74	(0.17)
WOOD DALE	3.35	1.686	1.72%	3.37	0.34	1.08	1.39
WOODRIDGE	6.15	3.355	3.42%	6.71	0.67	2.14	2.25
CUSTOMER TOTAL	162.74	87.958	100.00%	195.92	18.28	62.50	47.58
COMMISSION TOTAL	62.50						
TOTAL	225.24						

- (1) LISLE CONTRACTED STORAGE TO IAWC DUPAGE/LISLE
- (2) LOMBARD CONTRACTED STORAGE TO IAWC LOMBARD
- (3) WINFIELD CONTRACTED STORAGE TO IAWC LIBERTY RIDGE WEST
- (4) GLEN ELLYN CONTRACTED STORAGE TO IAWC LIBERTY RIDGE EAST

MONTHLY WATER PUMPAGE

MONTH	AVERAGE DAILY FLOW	MAXIMUM DAILY FLOW MGD	MINIMUM DAILY FLOW MGD	AVERAGE AIR TEMPERATURE °F
MAY, 2006	86.5	108.5	75.1	74
JUNE, 2006	102.6	122.3	84.4	83
JULY, 2006	108.6	132.2	87.0	90
AUGUST, 2006	105.9	133.8	83.9	86
SEPTEMBER, 2006	84.7	97.8	76.6	75
OCTOBER, 2006	76.0	82.1	65.7	62
NOVEMBER, 2006	73.1	82.1	67.1	55
DECEMBER, 2006	73.9	78.4	69.4	45
JANUARY, 2007	73.4	79.2	65.6	38
FEBRUARY, 2007	78.4	84.2	73.5	29
MARCH, 2007	73.7	80.4	66.1	56
APRIL, 2007	75.0	82.0	69.7	61
AVERAGE	84.3	96.9	73.7	63
MAXIMUM	108.6	133.8	87.0	90
MINIMUM	73.1	78.4	65.6	29

AVERAGE DAILY PUMPAGE 84.3 MGD
HIGHEST DAILY PUMPAGE 133.8 MGD
LOWEST DAILY PUMPAGE 65.6 MGD

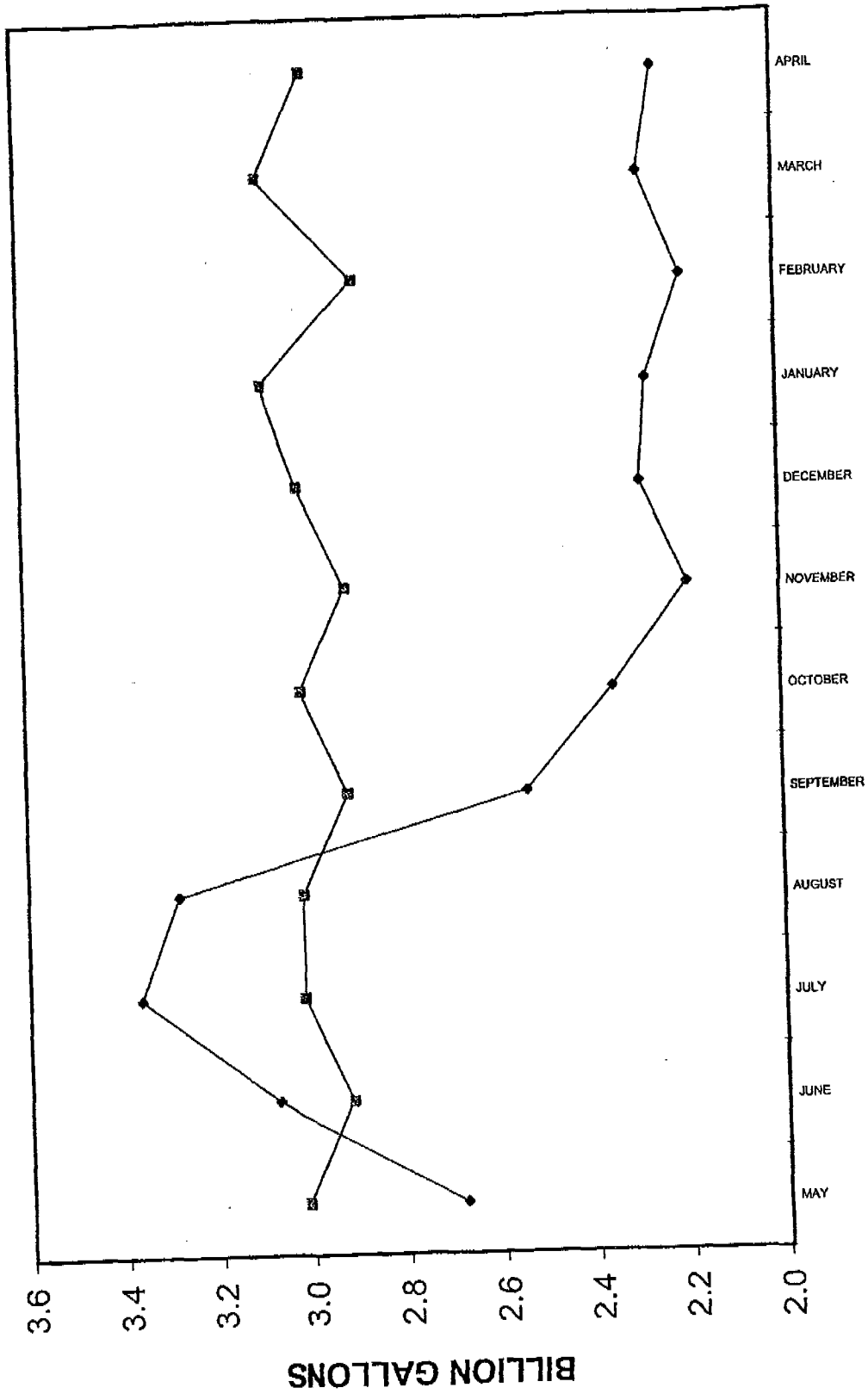
**ILLINOIS DEPARTMENT OF NATURAL RESOURCES
LAKE MICHIGAN WATER ALLOCATIONS
(Million Gallons Per Day) (1)**

	2000	2010	2020
ADDISON	4.225	4.769	5.009
ARGONNE NAT'L LAB (2)	0.758	0.758	0.758
BENSENVILLE	2.654	2.754	2.858
BLOOMINGDALE	2.581	3.024	3.488
CAROL STREAM	4.191	4.871	5.565
CLARENDON HILLS	0.691	0.740	0.792
DARIEN	2.627	2.934	3.254
DOWNERS GROVE	6.516	7.129	7.751
ELMHURST	4.610	4.756	4.906
GLENDALE HEIGHTS	2.850	2.985	3.164
GLEN ELLYN	2.887	3.211	3.540
HINSDALE	2.626	2.684	2.739
IAWC-ARROWHEAD	0.196	0.196	0.196
IAWC-COUNTRY CLUB	0.117	0.117	0.117
IAWC-DUPAGE/LISLE	0.598	0.613	0.644
IAWC-LOMBARD HEIGHTS	0.046	0.055	0.063
IAWC-LIBERTY RIDGE EAST	0.320	0.386	0.440
IAWC-LIBERTY RIDGE WEST	0.072	0.072	0.072
IAWC-VALLEY VIEW	0.700	0.700	0.700
ITASGA	1.650	1.879	1.907
LISLE	3.023	3.426	3.841
LOMBARD	4.738	5.081	5.430
NAPERVILLE	16.234	21.167	22.432
OAK BROOK	3.984	4.282	4.585
OAKBROOK TERRACE	0.102	0.293	0.293
ROSELLE	2.072	2.401	2.739
VILLA PARK	2.085	2.146	2.206
WESTMONT	2.823	2.945	3.069
WHEATON	5.656	6.090	6.530
WILLOWBROOK	1.235	1.397	1.508
WINFIELD	1.058	1.197	1.341
WOOD DALE	1.576	1.733	1.894
WOODRIDGE	2.840	3.576	4.331
TOTALS	88.341	100.367	108.162

(1) State Water allocations are expressed in terms of average quantity per day. Actual use in a day may exceed average daily use.

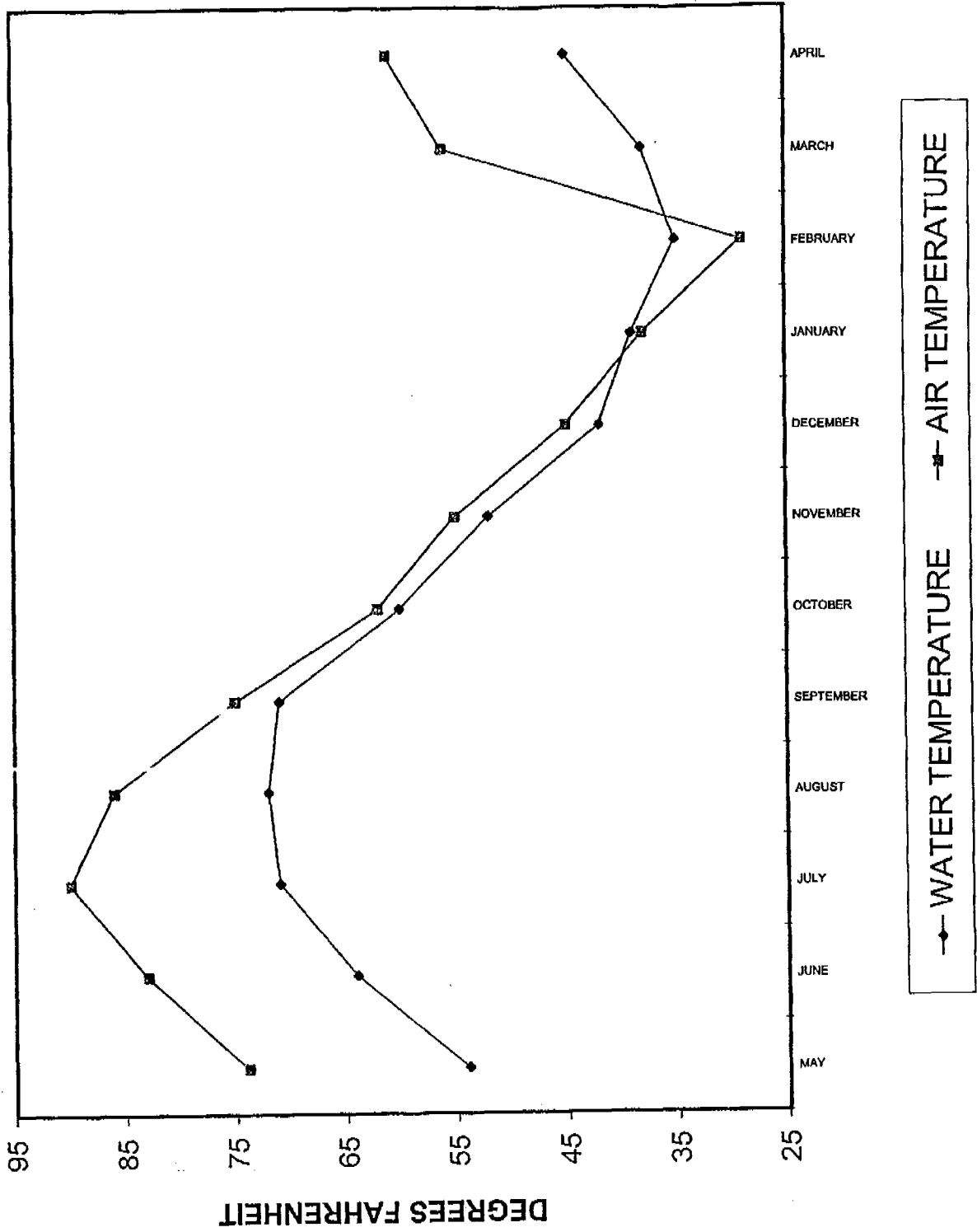
(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

WATER PUMPAGE VS. ALLOCATION

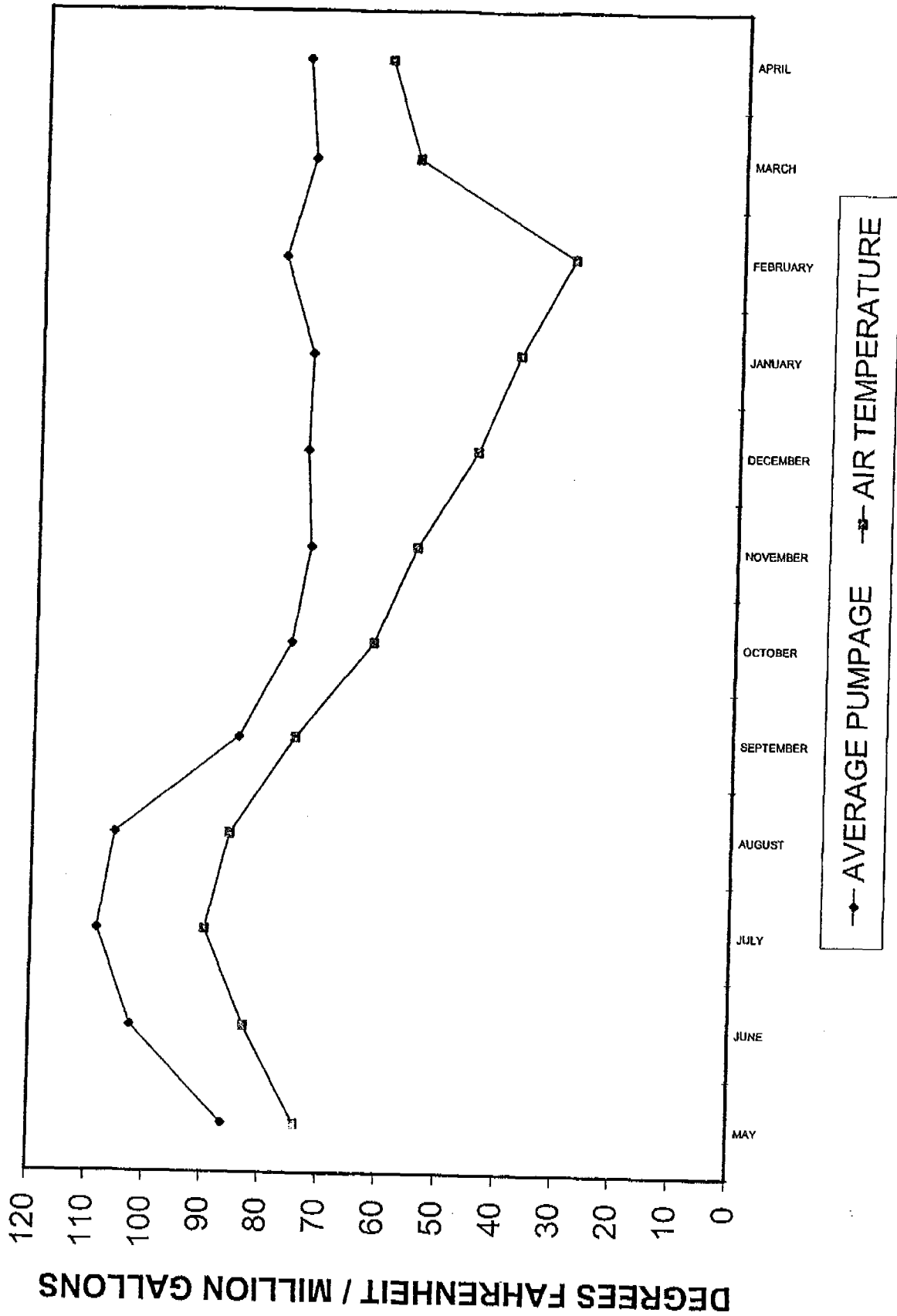


—◆— ACTUAL PUMPAGE —■— ALLOCATION

WATER TEMPERATURE VS. AVERAGE AIR TEMPERATURE



WATER PUMPAGE VS. AVERAGE AIR TEMPERATURE





DU PAGE WATER COMMISSION

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October 11, 2007

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

Dear Mr. Martin:

The Instrumentation and Remote Facilities Department was kept very busy this year keeping up with the preventative and corrective maintenance work at the 124 different remote facilities throughout DuPage County. The proper operation and regular calibration was maintained on all instrumentation at all remote facilities and within the pump station to allow operations to operate the system efficiently and with confidence.

The pump station's security system, which includes doors with proximity card access, monitored doors, hatches, skylights & windows, perimeter fence alarm and surveillance video cameras has been maintained and complete testing performed on a quarterly basis.

The annual customer meter calibration program was completed on schedule and only one meter was found under-registering causing additional billing of \$2,300.77. No meters were found that were over-registering.

The Supervisory Control and Data Acquisition (SCADA) system network host and workstation computers used for the monitoring and control of the water system by operations was maintained and managed for 100% uptime. The Commission's administrative local area network which consists of various servers, firewalls, routers, switches and backup devices was maintained and managed with only minor short term disruption issues. In addition, user support for Internet, E-mail, workstation, and program application issues was provided.

The Lexington Pump Station discharge flow meters used by Chicago Water Department to measure the amount of water purchased by the Commission were calibrated monthly by the instrumentation technicians and witnessed by representatives of the Chicago Water Department Maintenance and Operational Methodology (MOM) group.

Mr. Robert L. Martin, P.E.

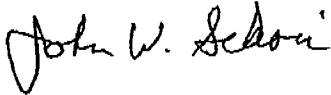
October 11, 2007

In addition, the following list briefly describes special projects that the department was involved in during this fiscal year to improve reliability or to stay current with technology:

- The upgrade of the Backup Telemetry System to receive critical remote information for water system operation in the event the SCADA system fails.
- The creation of the Commission's Information Technology Disaster Recovery Plan.
- Very involved in the implementation of the Datastream 7i asset management program.
- Quick response electrical contract QRE-3/07.

Finally, the Instrumentation and Remote Facilities Department embraces the Commission's continuous safety program improvements. The Field Maintenance Technicians are often involved in dangerous or hazardous tasks, like working with live electricity, working in the street setting up lane closures for confined space entries, being flaggers, and working from elevated surfaces. They all understand the need for strict safety policies and understand that many tasks will take longer to complete, and most of all we all, want to go home at the end of each day.

Very truly yours,



John W. Schori
Instrumentation and Remote Facilities Supervisor

**INSTRUMENTATION AND REMOTE FACILITIES
INFORMATION**

REMOTE FACILITIES:

Location	Meter Stations	Remotely Operated Valves	Standpipes	Cathodic Protection Rectifiers	Pump Station
Addison	5	1			
Argonne	1				
Bensenville	1	1			
Bloomingtondale	2				
Carol Stream	2				
Clarendon Hills	2				
Darien	2	1			
Downers Grove	6	3			
Elmhurst	3	4			
Glen Ellyn	2	1			
Glendale Heights	3	1	1	1	
Hinsdale	1				
Illinois American Water	7				
Itasca	3	1			
Lisle	3		2	2	
Lombard	4	2			
Naperville	8	4	1	1	
Oak Brook	3	1			
Oakbrook Terrace	2	1			
Roselle	3	1	1	1	1
Villa Park	3	1			
Westmont	2				
Wheaton	3	2			
Willowbrook	1	1			
Winfield	1				
Wood Dale	2				
Woodridge	3	1			
Cicero				1	
Bellwood		1			
Broadview		1		1	
Forest Park		1		2	
Hillside				1	
Lexington Pump Station		3			
Maywood				1	
Warrenville		1			
Totals	78	34	5	11	1

TURBINE WATER METERS:

Size	Quantity	Location	Calibration Schedule
6"	40	Meter Stations	Annual
6"	15	Spares	Annual
8"	103	Meter Stations	Annual
8"	13	Spares	Annual
10"	60	Meter Stations	Annual
10"	18	Spares	Annual

PRESSURE TRANSMITTERS:

Location	Quantity	Calibration Schedule
Meter Stations	151	Annual
ROV's	30	Annual
Pump Station	2	Quarterly

LEVEL TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station	2	Quarterly
Standpipes	5	Quarterly
NaOCL Tanks	4	Annual

FLOW TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station 90" Supply	2	Quarterly
Pump Station 72" Supply	2	Quarterly
Pump Station East Discharge	2	Quarterly
Pump Station West Discharge	2	Quarterly
Lexington Discharge	2	Monthly

ON-LINE WATER QUALITY INSTRUMENTATION:

Device	Location	Calibration Schedule
CL2 Analyzer	90" Supply	Quarterly *
CL2 Analyzer	72" Supply	Quarterly *
CL2 Analyzer	Discharge	Quarterly *
CL2 Analyzers	5-Standpipes	Quarterly **
Turbidity	90" Supply	Quarterly
Turbidity	72" Supply	Quarterly
Turbidity	Discharge	Quarterly
PH Analyzer	90" Supply	Quarterly
Temperature	90" Supply	Quarterly
Temperature	Discharge	Quarterly

* Checked Weekly ** Checked Monthly

WORK ORDERS:

Type	Quantity
Scheduled PM or Cal. Completed	1279
Corrective Completed	328

METER STATION INFORMATION

<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>	<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>
Village of Addison	1a	2	10	Village of Itasca	25a	2	6
	1b	2	10		25b	2	6
	1c	2	6		25c	2	8
	1d	2	10	Village of Lisle	13a	3	8
	1e	2	6		13b	3	8
			13c		2	10	
Argonne Nat'l Laboratory	28a	2	8	Village of Lombard	14a	3	8
Village of Bensenville	2a	5	8		14b	2	8
					14c	2	6
Village of Bloomingdale	3a	3	8		14d	3	10
	3b	3	6	City of Naperville	15a	3	10
Village of Carol Stream	4a	3	8		15b	5	10
	4b	3	8		15c	5	8
Village of Clarendon Hills	6a	2	6		15d	3	6
	6b	2	6		15e	3	10
City of Darien	7a	3	8		15f	5	8
	7b	2	8		15g	3	10
Village of Downers Grove	8a	3	8		15h	5	10
	8b	2	8	Village of Oak Brook	16a	3	10
	8c	2	10		16b	2	8
	8d	3	10		16c	3	10
	8e	3	8	City of Oakbrook Terrace	17a	2	6
	8f	2	8		17b	2	8
City of Elmhurst	10a	3	8	Village of Roselle	18a	2	8
	10b	3	8		18b	2	8
	10c	3	8		18c	2	8
Village of Glen Ellyn	26a	2	10	Village of Villa Park	19a	2	8
	26b	5	8		19b	2	6
Village of Glendale Heights	11a	2	8		19c	2	8
	11b	3	6	Village of Westmont	20a	3	8
	11c	2	6		20b	3	8
Village of Hinsdale	12a	5	8	City of Wheaton	21a	3	10
Illinois American Water Co	5a	2	6		21b	3	10
	5b	2	6		21c	3	8
	5c	2	6	Village of Willowbrook	22a	3	10
	5d	2	6		Village of Winfield	27a	2
	5e	2	6	City of Wood Dale		23a	2
	5f	1	8		23b	2	10
	5g	1	6	Village of Woodridge	24a	2	10
			24b		2	10	
			24c		2	10	
Total Meter Stations					78		
Total Meters In Service					203		



DU PAGE WATER COMMISSION

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October 11, 2007

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

Dear Mr. Martin:

The past year has seen additional progress on the Commission's Geographic Information System (GIS) and substantial completion of the three-year Implementation Plan proposed in the 2004 GIS needs assessment report produced for the Commission by Patrick Engineering. New data layers have been added, overall map accuracy has been improved with high-accuracy GPS points and pipeline stationing data. Plans are set for GIS integration with the Commission's asset management software.

GIS data layers and projects completed include:

- Pipeline calibration to align GIS pipeline features with GPS data
- Meter station data layer aligned to GPS data
- Intersection search tool for the GIS web site
- Pipeline mapbook version 2.0
- ArcGIS upgrade to version 9.2 including ArcGIS Desktop, ArcIMS Internet mapping and ArcSDE database management software

Planned and proposed projects for the coming year include:

- Corrosion control data including foreign rectifiers and pipeline crossings, isolation flanges, casings, past leak locations, cathodic protection equipment and other related data
- Installation of ArcGIS Server Internet mapping software
- Integration of GIS and Datastream 7i asset management software
- Mobile GIS data access for field personnel combined with Datastream 7i
- Implementation of secure remote GIS web site access for contractors and other authorized personnel
- Development of a photo-realistic three dimensional data model of Commission facilities
- Proposed 360 degree video of pipeline routes to enable visualization of remote facilities

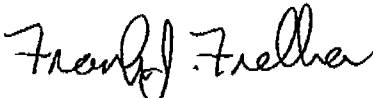
The basic hardware, software and data elements of the Commission's GIS program are in place and three priorities now stand out as noteworthy. The first is integration of GIS with Datastream asset management software. This will permit access to GIS mapping capabilities from within Datastream 7i and simultaneous reverse access to 7i maintenance data from GIS. The goal is to get more immediate and complete information about Commission facilities into the hands of those tasked with maintaining those facilities both at the DuPage Pumping Station and in the field.

The second priority involves implementation of ArcGIS Server as the eventual replacement for ArcIMS Internet mapping software. ArcGIS Server's appearance is similar to Google Earth and permits viewing of maps from any angle and scale along with access to maintenance data, aerial photos and three dimensional views. It's a relatively new product from Environmental System Research Institute that will provide a robust, customizable and easy-to-use platform for viewing Commission's GIS data from various perspectives. ArcGIS Server will be phased in over time consistent with Datastream 7i integration capabilities.

The third priority for GIS is development of corrosion control map layers and data. Managing pipeline corrosion will become increasingly important as the Commission's steel pipelines age and GIS provides an ideal platform for visualizing and storing corrosion control data. This will include locations of cathodic protection test sites, foreign pipelines and rectifiers, past pipeline leaks, sacrificial anodes, impressed current equipment and other features along with access to related documents. The corrosion control initiative provides a clear focus for the Commission's near term GIS development efforts.

While I'm reluctant to define the GIS program as mature, we are at the point where we can use existing GIS data maps to support our ongoing preventive maintenance and overall management efforts. A firm foundation exists for GIS application development and, as shown by the example of the corrosion control initiative, we are prepared to take advantage of opportunities to integrate GIS more closely into essential operations.

Very truly yours,



Frank J. Frelka
GIS Coordinator



DU PAGE WATER COMMISSION

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October 11, 2007

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

Dear Mr. Martin:

The Commission's safety program continues to evolve into a true safety management system with emphasis in the past year on: program commitment, organization & documentation; hazard recognition/evaluation & control; workplace design & engineering; occupational safety programs & policies; employee involvement; motivational, behavioral and health & safety training. During the 2006/2007 fiscal year some of the major safety accomplishments include: a new employee safety orientation program; enhanced document tracking and record keeping; enhanced professional development with advanced certifications being issued by OSHA and the National Safety Council to the Chairman of the Employee Safety Committee & Safety Coordinator; use of consultants to perform focused safety studies and suggest methods to control the hazards associated with falls from elevated surfaces and electrical safety at all Commission facilities. In addition, every new Commission project now goes through a review with employee safety as the focus. The continuous goal of the ongoing effort is to reduce the worker injury level to zero. In FY-06/07, the Commission had two (2) OSHA recordable injuries, one of which involved an employee being placed on restricted duty for five days.

In facilities construction, the Lexington Pumping Station (LPS) Electrical Generation Feasibility Study came to a completion in FY06/07. The LPS Electrical Generation Feasibility Study and the DuPage Pumping Station (DPPS) 30% complete emergency electric generation design documents were reviewed during a Value Engineering (VE) study and workshop. A report was tendered by the VE team and several suggested opportunities for improvement were outlined for both proposed projects. In January 2007, the Intergovernmental Agreement between the City of Chicago and the Commission was approved which authorized the design and construction of emergency electrical generation facilities, a solar energy system and other electrical improvements at the LPS. This agreement also re-started the emergency electrical generation and office

Mr. Robert L. Martin, P.E.

October 11, 2007

facilities design for the DPPS. Both projects designs include several of the opportunities as suggested in the VE Study. Both projects design and bidding is expected to be complete in late winter 2008 and construction starting early in FY08/09.

The design and bidding for the Cadwell Avenue Relocation project, PSD-6B/07, was completed. This project re-aligns what was once a York Township street to the City of Elmhurst roadway and will be constructed to meet the City's construction standards. This project also allows for relocation of existing utilities and abandonment of easements for future construction. Construction completion is expected in the fall 2007.

The design and bidding for the Hydrodynamic Mixing System at Tank Site #4E project, SS-5/07, was completed. This system is designed to improve the mixing and water quality sampling of water within the standpipe. Construction will also be completed in the fall 2007.

Commission Staff worked with the Village of Roselle to design and construct an asphalt driveway on Commission property at Tank Site #1. This provided for reduced costs to the Commission by joining projects with the Village of Roselle in their annual pavement replacement program and thereby taking advantage of Roselle's economy of scale. Construction was completed in the summer of 2007.

After development and execution of an intergovernmental agreement between the Commission and the Village of Winfield, several design discussions were held with the Village and their consulting engineers regarding a second connection point including a feeder main to be constructed by the Village.

Very truly yours,



R. Christopher Bostick
Facilities Construction Supervisor/
Safety Coordinator



DU PAGE WATER COMMISSION

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October 11, 2007

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

Dear Mr. Martin,

The fundamental objective of the Pipeline Department is preserving the integrity and reliability of the distribution system. To that end, in November of 2006, the Board authorized the execution of a Master Contract with an engineering firm for professional services in connection with the evaluation, design, and mitigation of corrosion influences on the distribution system.

In furtherance of this objective the Pipeline Department, together with the Commission's corrosion engineer, has been engaged in numerous tasks related to the identification and conceptual design of corrosion mitigation alternates for certain sections of the distribution system. As a result, it is expected that several construction contracts related to corrosion mitigation projects will be presented to the board for approval in FY07/08.

Contracts currently in progress include;

- o Contract TW-4, AC Current Mitigation, is currently under construction. This contract is for the installation of approximately 200 sacrificial anodes constructed in 4 separate groundbeds, and is intended to mitigate AC electrical current discovered on certain sections of 48" diameter water main located on Butterfield and Winfield Roads. Construction supervision of the project is being performed under the direction of Pipeline staff. This contract is scheduled for completion in November of 2007.
- o Contract VSR-1(Valve Stem Replacement). This Contract, currently in the design phase, is for the replacement of approximately 260 valve stems and associated valve vault improvements. This contract is expected to go out for bid in late 2007.

Mr. Robert L. Martin, P.E.

October 11, 2007

In addition, over the course of the last fiscal year, the Pipeline Department has been responsible for:

- o Contract completion and close out of Contract TIB-1 (Inner Belt Transmission Main).
- o Contract completion and close out of Contract BOV-2 (Blow off Valve Rehabilitation).
- o Construction supervision and contract documentation for work under Contract QR-7(Quick Response). This past fiscal year, department personnel have been responsible for work under six separate Work Authorizations. This work varies in size, type and scope of and includes work of a maintenance nature, as well as emergency response type work.
- o Receiving and screening 54,825 individual J.U.L.I.E. locate requests. Of these, 4,325 required field locating of Commission facilities.
- o Reviewing and responding to 76 sets of plans submitted by outside agencies for the purpose of determining potential conflicts between the proposed improvements and existing Commission facilities.
- o Routine maintenance work including the annual inspection of some 252 line valves.

Very truly yours,



Edward Kazmierczak
Pipeline Supervisor

TYPE AND SIZE OF VALVES IN SERVICE

<u>TYPE OF VALVE</u>	<u>SIZE OF VALVE</u>	<u>NUMBER</u>
BUTTERFLY	90"	1
BUTTERFLY	84"	17
BUTTERFLY	72"	20
BUTTERFLY	60"	4
BUTTERFLY	54"	11
BUTTERFLY	48"	10
BUTTERFLY	42"	6
BUTTERFLY	36"	31
BUTTERFLY	30"	30
BUTTERFLY	24"	32
BUTTERFLY	20"	32
BUTTERFLY	16"	38
BUTTERFLY OR GATE	12"	20
BLOW-OFF	6" TO 18"	<u>374</u>
	TOTAL	626

TYPE AND SIZE OF PIPES IN SERVICE

<u>TYPE OF PIPE</u>	<u>SIZE OF PIPE</u>	<u>FEET OF PIPE</u>
PRESTRESSED CONCRETE CYCLINDER PIPE	16" THROUGH 90"	473,989
STEEL	16" THROUGH 84"	215,471
DUCTILE IRON	12" THROUGH 42"	166,249

MONTHLY J.U.L.I.E. REPORTS

JOINT UTILITY LOCATING INFORMATION FOR EXCAVATORS

MONTH	05/06 REQUESTS	06/07 REQUESTS	05/06 LOCATES	06/07 LOCATES	05/06 PLAN REVIEWS	06/07 PLAN REVIEWS
MAY	6,429	6,958	412	354	7	5
JUNE	6,439	6,648	469	366	8	7
JULY	5,222	5,216	412	450	6	6
AUGUST	6,124	5,550	472	395	6	7
SEPTEMBER	5,391	5,284	480	321	7	5
OCTOBER	5,353	5,363	495	423	5	6
NOVEMBER	4,409	3,886	365	374	5	4
DECEMBER	2,265	1,953	269	252	4	5
JANUARY	2,666	2,330	279	286	4	7
FEBRUARY	2,043	1,716	254	239	5	8
MARCH	4,114	4,414	408	418	6	9
APRIL	<u>5,857</u>	<u>5,807</u>	<u>392</u>	<u>447</u>	<u>6</u>	<u>7</u>
TOTAL	56,312	54,825	4,707	4,325	69	76



DU PAGE WATER COMMISSION

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October 11, 2007

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

Dear Mr. Martin:

In June 1999, the Governmental Accounting Standards Board (GASB) adopted Statement 34, which requires that a "Management Discussion and Analysis" (MD&A) be included in the annual audited financial statements. Items found in the MD&A include analyses of changes in net assets, revenues and expenditures, capital assets and debt administration. This report tries not to duplicate information found in the MD&A and should be read in conjunction with the MD&A to fully understand the financial operations of the Commission.

FINANCIAL OPERATIONS OVERVIEW

In Fiscal Year 2006-07, the Commission served 25 municipal utilities, 7 private utility service areas and Argonne National Laboratory. The current state statute requires the Commission's Fiscal Year 2002-03 average Charter Customer water rate of \$1.65 per 1,000 gallons not to be increased until 2008.

With revenues of \$88.9 million and expenses of \$70.3 million, the Commission's net assets increased by \$18.6 million in fiscal year 2006-07 to \$363.0 million. Restricted net assets and net assets invested in property, plant and equipment were \$33.2 million and \$244.0 million, respectively.

BUDGETARY ANALYSIS

The table below compares actual fiscal year 2006-07 revenues and expenses to budget. Total revenues were 0.8% less than budget. Total operating expenditures were below budget by 9.2%. All significant dollar variances will be discussed.

Water operations and maintenance revenues were \$45.0 million, \$4.4 million (8.8%) less than budget. Last summer's cool and wet weather is the reason total water sales, 30.0 billion gallons, was under the budgeted water sales.

Sales tax collections rose slightly over last year. Collections for the fiscal year were \$36.4 million, \$0.7 million (2.1%) over budget. The Commission's general obligation bond payment was fully funded by sales tax receipts. In addition, \$7.1 million of sales tax revenue was used to reduce the customers' water revenue bond fixed cost payment for fiscal year 2006-07 by 50%.

Market fluctuations caused an increase in investment market values over the course of the fiscal year resulting in investment income being over budget. The budgeted average rate of return was 3.0% for fiscal year 2006-07. At the end of the fiscal year, the portfolio was earning 4.778% based on market yield and 4.786% based on original purchase price, down by 0.050% and up by 0.676% from the previous fiscal year.

Overall direct water supply costs were \$41.0 million, \$4.2 million (9.3%) under budget. The overall water supply costs are directly related to total water sales. Therefore, because last summer's cool and wet weather decreased sales, it also impacted costs.

Depreciation expense was below budget because not as many capital assets were constructed as anticipated.

All Other Expenses, specifically insurance costs, were significantly less than the current fiscal year budget. The Commission has a self-insurance reserve of \$1.0 million, which had no charges incurred.

BUDGET ANALYSIS OF REVENUES AND EXPENSES
For Fiscal Year Ending April 30, 2007

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
REVENUES				
Water Sales - All Categories	\$ 49,400,736	\$ 45,036,990	\$ (4,363,746)	91.2%
Sales Tax	35,677,396	36,422,562	745,166	102.1%
Investment Income	4,537,780	7,350,036	2,812,256	162.0%
All Other Revenues	2,500	63,690	61,190	2547.6%
Total Revenue	89,618,412	88,873,278	(745,134)	99.2%
EXPENSES				
Water Supply Costs	54,910,943	48,645,017	6,265,926	88.6%
Depreciation	6,833,725	6,641,981	191,744	97.2%
Personnel Services	5,125,378	4,879,217	246,161	95.2%
Bond Interest	8,208,650	8,180,506	28,144	99.7%
All Other Expenses	2,326,858	1,939,158	387,700	83.3%
Total Expense	77,405,554	70,285,879	7,119,675	90.8%
NET FUND TRANSACTIONS	\$ 12,212,858	\$ 18,587,399	(6,374,541)	N/A

CONTINUING BOND DISCLOSURE

The Commission is in full compliance with all requirements of its general obligation and revenue bond ordinances. By issuing the 2001 general obligation bonds, the Commission is obligated to provide continuing disclosure of updated information provided in the bond prospectus. This resulted in the addition of charts showing the Commission's sales tax revenue and equalized assessed valuation history as well as state water allocations for its customers. Certain updated statistics from DuPage County's financial reports, used in the bond prospectus, also appear in this report. Other required disclosures have been reported in the annual audited financial statements.

The Commission is required to levy property taxes on real property within its territory without limitation as to rate or amount, in amounts sufficient to pay, when due, the principal of and interest on the Commission's general obligation bonds, including the Series 2001 Bonds. However, since sales tax revenues have been sufficient to date, all such levies have been abated through the 2006 levy year.

FUND BALANCE MONITORING

In April 1992, the Commission established a policy regarding what portion of its fund balance should be kept available for emergency repairs and other contingencies. A balance of 5% of the original construction costs (\$413,500,000 including facilities to be owned by the City of Chicago) adjusted annually by the Engineering News Record (ENR) construction index was established to handle system emergencies. In July 2003, the Commission adopted a resolution reducing the Emergency Repairs and Contingencies Reserve from 5% to 2% of the construction values as adjusted annually by the construction index. Based on these criteria, the targeted balance available for emergency repairs was \$28.1 million as of April 30, 2004. The balance for the Emergency Repairs and Contingencies Reserve was \$13.8 million at April 30, 2007.

ANALYSIS OF EQUITY

GASB Statement 34 requires the delineation of net assets (fund balances) as follows:

- Capital Investments
- Restricted Funds
- Unrestricted Funds

"Capital Investments" represent funds that have been used to acquire the pipelines, pump station, storage facilities and meter stations constructed and operated by the DuPage Water Commission. Also included in this category are a pump station and water tunnel constructed by the Commission for the City of Chicago. Netted against these assets are the long-term general obligation and revenue bond liabilities that will be funded from future revenues of the Commission.

The category "Restricted Funds" includes all of the restricted cash, investments and other assets in accounts required by the revenue bond ordinance as well as amounts held for paying the debt service on the Commission's general obligation bonds. Netted against these assets are items that are appropriately payable under the bond ordinances from these funds. Balances held in revenue bond trust and reserve accounts in excess of revenue bond ordinance requirements are treated as "unrestricted". Though presently being held in restricted accounts, such assets may be immediately transferred by Commission directive to non-restricted accounts.

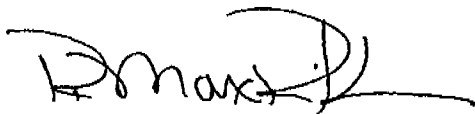
Within "Unrestricted Funds," the Commission expands the GASB Statement 34 reporting requirements to better explain its financial position. Unrestricted funds are reported in several subcategories to identify the purpose of these holdings. These subcategories are:

- Operating Designations
 - for emergency repairs and other contingencies
 - for water rate stabilization
 - for the acquisition of capital assets
- Non-operating Designations
 - for water quality loans
 - for prior pension costs

These subcategories include unrestricted Commission assets, other than infrastructure, less both current and long-term liabilities payable from those balances. The amount to be held for emergency repairs and other contingencies is determined using the methodology explained in the *Fund Balance Monitoring* section above. The remaining amounts have been reserved by resolution of the Board of Commissioners as follows:

- Amounts generated by water rates not needed for emergency repairs and other contingencies are reserved for water rate stabilization.
- Sales tax proceeds not required for emergency repairs and other contingencies are reserved for the acquisition of capital assets.
- New additions or retirement of debt on existing facilities including full general obligation bond funding and partial funding of the annual revenue bond requirements.

Very truly yours,

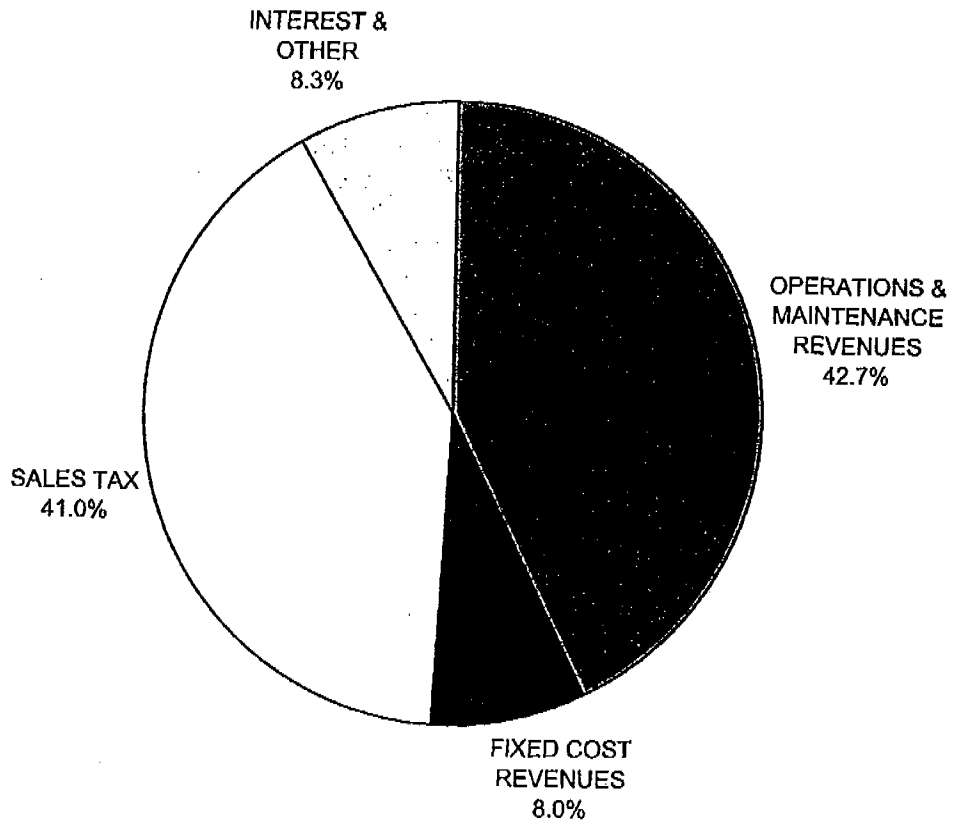


R. Max Richter
Financial Administrator

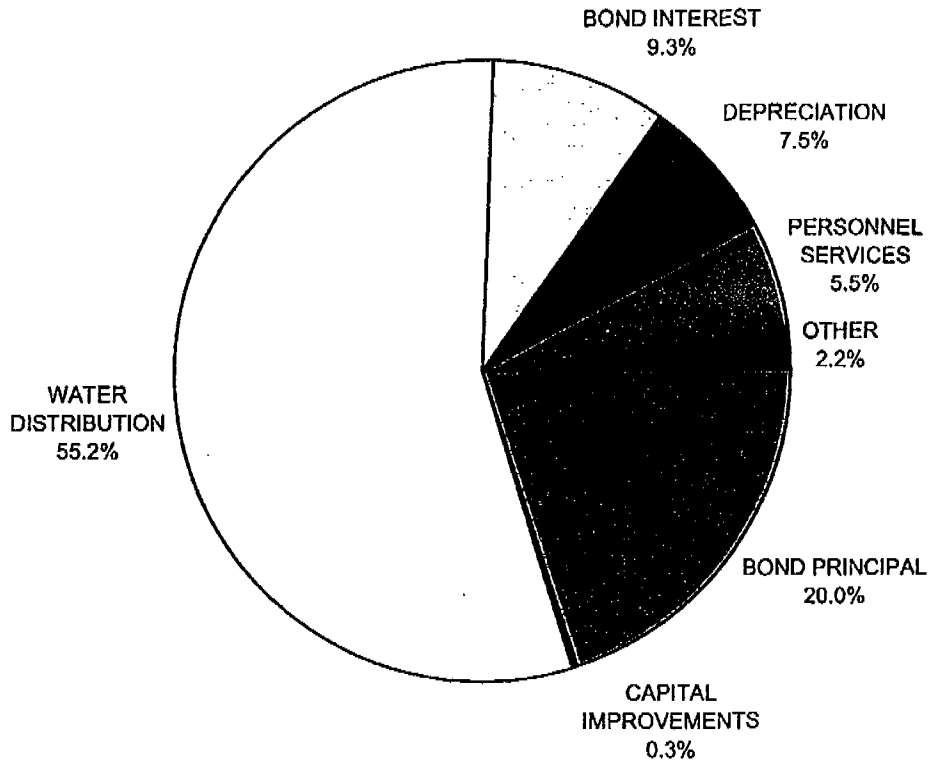
**DUPAGE WATER COMMISSION
COMPARATIVE USES OF NET INCOME
For Fiscal Years Ended April 30,**

	2007	2006	INCREASE (DECREASE)	%CHANGE
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES	-	\$ 600,000	\$ (600,000)	-100.0%
DESIGNATED FOR WATER RATE STABILIZATION	(12,167,864)	(10,867,427)	(1,300,437)	12.0%
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS	17,448,014	10,600,637	6,847,377	64.6%
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	-	-	-	0.0%
RESTRICTED FUNDS	1,317,359	627,560	689,799	109.9%
CAPITAL INVESTMENTS	11,989,890	17,306,735	(5,316,845)	-30.7%
TOTAL USES	\$ 18,587,399	\$ 18,267,505	\$ 319,894	1.8%

**DUPAGE WATER COMMISSION
FY 2006-2007 REVENUES
\$88,873,278**



**DUPAGE WATER COMMISSION
FY 2006-2007 EXPENDITURES*
\$70,285,879**



* Expenditures include bond principal and capital improvements, which are not considered as expenses on the combining income statement analysis.

CUSTOMER ADDITIONS

	NEW CUSTOMER CONTRACT DATE	FIRST SERVED
ARGONNE NAT'L LAB	July-95	January-97 -
COUNTY OF DuPAGE	Jul-06	
IAWC-ARROWHEAD	October-92	April-95
IAWC-COUNTRY CLUB	October-92	April-95
IAWC-DuPAGE/LISLE	January-96	May-96
IAWC-LIBERTY RIDGE EAST	April-01	December-01
IAWC-LIBERTY RIDGE WEST	December-98	December-99
IAWC-LOMBARD HEIGHTS	October-92	May-95
IAWC-VALLEY VIEW	October-92	April-95
OAKBROOK TERRACE	December-97	October-99
WINFIELD	July-95	October-96

WATER SALES BY CUSTOMER
Fiscal Year Ended April 30, 2007

	TOTAL O&M COSTS	PERCENTAGE OF TOTAL O & M COSTS	TOTAL FIXED COSTS	PERCENTAGE OF TOTAL FIXED COSTS	TOTAL SUBSEQUENT CUSTOMER FEES	PERCENTAGE OF TOTAL SUBSEQUENT CUSTOMER FEES	TOTAL WATER REVENUE	PERCENTAGE OF TOTAL WATER REVENUE
ADDISON	\$ 1,668,888	4.49%	\$ 310,936	4.35%	\$ -	0.00%	\$ 1,979,824	4.40%
ARGONNE NAT'L LABORATORY	220,994	0.59%	41,566	0.58%	144,527	20.45%	407,087.00	0.90%
SENSENVILLE	1,062,820	2.86%	199,765	2.80%	-	0.00%	1,262,585.00	2.80%
BLOOMINGDALE	1,117,801	3.01%	213,050	2.98%	-	0.00%	1,330,851.00	2.96%
CAROL STREAM	1,688,950	4.55%	323,181	4.52%	-	0.00%	2,013,111.00	4.47%
CLARENDON HILLS	347,635	0.94%	68,136	0.95%	-	0.00%	415,771.00	0.92%
DARIEN	922,188	2.48%	185,257	2.59%	-	0.00%	1,107,445.00	2.46%
DOWNERS GROVE	2,655,069	7.14%	514,450	7.20%	-	0.00%	3,169,519.00	7.04%
ELMHURST	1,874,963	5.04%	367,581	5.14%	-	0.00%	2,242,544.00	4.98%
GLEN ELLYN	1,204,475	3.24%	236,360	3.31%	-	0.00%	1,440,835.00	3.20%
GLENDALE HTS	1,167,406	3.14%	215,332	3.01%	-	0.00%	1,382,738.00	3.07%
HINSDALE	1,158,663	3.12%	223,645	3.13%	-	0.00%	1,382,308.00	3.07%
IAWC-ARROWHEAD	69,137	0.19%	14,263	0.20%	42,634	6.03%	126,034.00	0.28%
IAWC-COUNTRY CLUB	40,714	0.11%	8,068	0.11%	32,880	4.65%	81,662.00	0.18%
IWAC-DP/LISLE	212,032	0.57%	39,692	0.56%	103,265	14.61%	354,989.00	0.79%
IWAC-LIBERTY RIDGE EAST	15,788	0.04%	2,689	0.04%	34,680	4.91%	53,157.00	0.12%
IWAC-LIBERTY RIDGE WEST	122,721	0.33%	24,695	0.35%	75,677	10.71%	223,093.00	0.50%
IWAC-LMBRD HGHTS	29,664	0.08%	5,297	0.07%	29,625	4.19%	64,586.00	0.14%
IAWC-VALLEY VIEW	316,419	0.85%	56,400	0.79%	107,492	15.21%	480,311.00	1.07%
ITASCA	668,113	1.80%	127,553	1.79%	-	0.00%	795,666.00	1.77%
LISLE	1,218,080	3.28%	238,805	3.34%	-	0.00%	1,456,885.00	3.24%
LOMBARD	1,941,408	5.22%	364,054	4.96%	-	0.00%	2,295,462.00	5.10%
NAPERVILLE	7,632,746	20.53%	1,456,469	20.38%	-	0.00%	9,089,217.00	20.19%
OAK BROOK	1,570,824	4.23%	326,177	4.57%	-	0.00%	1,897,001.00	4.21%
OAKBROOK TERRACE	71,751	0.19%	11,555	0.16%	35,670	5.05%	119,086.00	0.26%
ROSELLE	863,573	2.32%	175,721	2.45%	-	0.00%	1,039,294.00	2.31%
VILLA PARK	841,314	2.26%	161,621	2.26%	-	0.00%	1,002,935.00	2.23%
WESTMONT	1,159,729	3.12%	219,570	3.07%	-	0.00%	1,379,299.00	3.06%
WHEATON	2,295,168	6.17%	453,730	6.35%	-	0.00%	2,748,898.00	6.11%
WILLOWBROOK	499,958	1.34%	94,707	1.33%	-	0.00%	594,665.00	1.32%
WINFIELD	388,264	1.04%	76,531	1.07%	100,371	14.20%	563,166.00	1.25%
WOOD DALE	672,113	1.81%	127,797	1.79%	-	0.00%	799,910.00	1.78%
WOODRIDGE	1,455,317	3.91%	270,347	3.78%	-	0.00%	1,725,664.00	3.83%
TOTALS	\$ 37,173,697	100.00%	\$ 7,145,080	100.00%	\$ 706,821	100.00%	\$ 45,025,598	100.00%

WATER SALES ACCOUNTABILITY

AVERAGE GALLONS SOLD TO CUSTOMERS PER DAY

82,133,693

MONTH	SALES TO CUSTOMERS (1) (GALLONS)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS (1)	BILLINGS FROM CHICAGO
May-07	2,610,813,000	2,692,357,782	96.97%	\$3,891,960	\$3,580,836
Jun-07	2,991,952,000	3,070,487,707	97.46%	4,364,187	4,083,749
Jul-07	3,271,454,000	3,360,915,489	97.34%	4,711,154	4,470,018
Aug-07	3,182,143,000	3,278,914,023	97.05%	4,600,409	4,360,956
Sep-07	2,484,010,000	2,539,240,000	97.36%	3,734,339	3,377,189
Oct-07	2,280,178,000	2,358,823,308	97.12%	3,481,972	3,137,235
Nov-07	2,180,207,000	2,227,311,241	97.89%	3,357,623	2,962,324
Dec-07	2,226,395,000	2,288,619,699	97.28%	3,415,281	3,043,864
Jan-07	2,220,804,000	2,280,218,308	97.39%	3,408,348	3,032,690
Feb-07	2,140,173,000	2,201,007,331	97.25%	3,307,210	2,927,340
Mar-07	2,208,929,000	3,412,423,571	98.18%	3,393,623	4,538,523
Apr-07	2,181,740,000	2,251,116,429	96.92%	3,359,524	2,993,985
TOTALS	29,978,798,000	31,961,434,888	93.80%	\$ 45,025,630	\$ 42,508,709

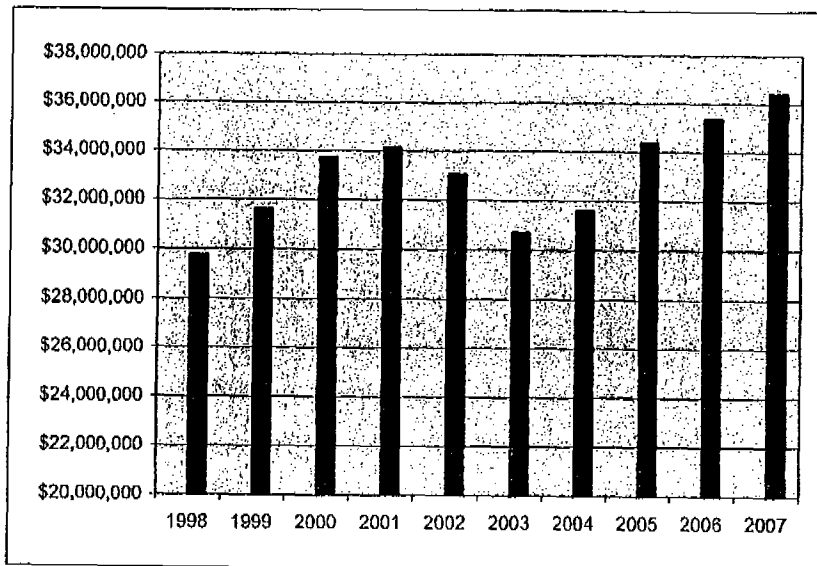
(1) Includes emergency contract customer Village of Schaumburg. Does not include meter adjustments billings.

**DuPAGE WATER COMMISSION
CUSTOMER REBATES**

<u>FISCAL YEAR</u>	<u>REBATE AMOUNT</u>
1994	\$13,596,336
1995	21,377,267
1996	13,557,917
1997	10,168,438
1998	7,626,329
 TOTAL	 <u><u>\$66,326,287</u></u>

DUPAGE WATER COMMISSION
SALES TAX REVENUE
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1998	\$ 29,782,379
1999	31,645,779
2000	33,751,634
2001	34,147,121
2002	33,062,484
2003	30,704,457
2004	31,620,982
2005	34,384,906
2006	35,394,007
2007	36,422,562

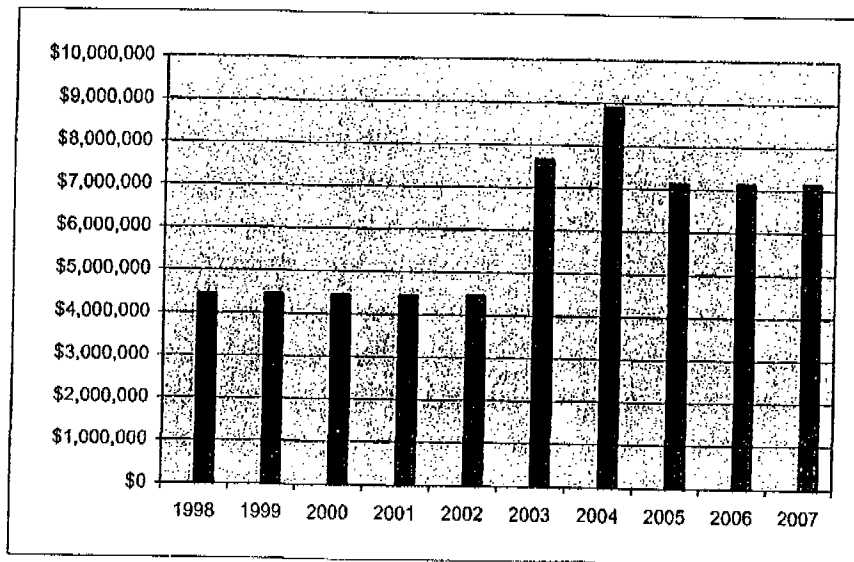


**DuPAGE WATER COMMISSION
GENERAL OBLIGATION BOND
PROPERTY TAX ABATEMENTS
Last Ten Levy Years**

<u>LEVY YEAR</u>	<u>AMOUNT</u>
1997	14,258,600
1998	14,256,415
1999	14,256,943
2000	14,255,693
2001	13,122,650
2002	13,112,650
2003	13,122,150
2004	13,124,150
2005	13,117,900
2006	13,117,650

**DUPAGE WATER COMMISSION
REVENUE BONDS PAID BY SALES TAX FUNDS
Last Ten Fiscal Years**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1998	4,458,183
1999	4,458,858
2000	4,457,582
2001	4,458,172
2002	4,458,852
2003	7,668,150
2004	8,916,329
2005	7,144,469
2006	7,145,094
2007	7,145,344



DUPAGE WATER COMMISSION
EQUALIZED ASSESSED PROPERTY VALUATION
WITHIN DUPAGE COUNTY ONLY
Last Ten Fiscal Years

LEVY YEAR	COLLECTION YEAR	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	FARM	RAILROAD PROPERTY	TOTAL EQUALIZED ASSESSED VALUATION
1997	1998	13,310,018,948	3,718,368,112	1,440,152,291	3,786,077	8,192,572	18,480,518,000
1998	1999	13,817,522,384	3,941,972,806	1,524,499,538	3,653,065	9,081,750	19,296,729,543
1999	2000	14,443,828,356	4,182,356,885	1,636,212,570	3,364,221	10,100,806	20,275,862,838
2000	2001	15,148,944,040	4,474,070,124	1,725,892,667	3,059,154	10,283,397	21,362,249,382
2001	2002	16,287,936,204	4,706,568,197	1,939,135,604	2,761,597	10,783,566	22,947,185,168
2002	2003	17,861,614,734	5,073,598,476	2,096,061,645	2,637,103	11,689,521	25,045,601,479
2003	2004	19,772,461,244	5,111,733,784	2,110,768,835	2,228,102	10,291,853	27,007,483,818
2004	2005	21,473,516,492	5,401,426,072	2,255,578,223	2,159,513	10,439,685	29,143,119,985
2005	2006	23,354,466,689	5,595,335,071	2,360,095,217	2,059,397	9,740,790	31,321,697,164
2006	2007	25,440,460,467	5,903,419,263	2,453,563,401	2,022,629	10,249,451	33,809,715,211

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2006.

DUPAGE COUNTY, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
November 30, 2006

District	Total Debt Outstanding (2)	Percentage Applicable To County (3)	Amount Applicable To County (2)
County	<u>\$ 195,630,000</u>	100.00%	<u>\$ 195,630,000</u>
Subtotal, County	<u>195,630,000</u>		<u>195,630,000</u>
Forest Preserve	209,896,312	100.00%	209,896,312
Water Commission	65,400,000	98.41%	64,360,140
Cities & Villages	6,738,291,764 (2)	9.56%	644,052,564
Townships	430,000	100.00%	430,000
Parks	881,969,294 (2)	31.16%	274,849,322
Fire Protection	17,120,000	91.94%	15,740,523
Airport	10,698,089	93.57%	10,010,202
Library	29,440,000	61.69%	18,162,779
Special Service	4,971,325	100.00%	4,971,325
Grade Schools	432,397,489	93.65%	404,961,113
High Schools	325,637,083	95.62%	311,369,332
Unit Schools	1,490,673,964	54.02%	805,326,199
Community Colleges	<u>87,251,276 (2)</u>	14.93%	<u>13,023,860</u>
Subtotal, Overlapping	<u>10,294,176,596</u>		<u>2,777,153,671</u>
Totals	<u>\$10,489,806,596</u>		<u>\$ 2,972,783,671</u>

(1) Information abstracted from County Clerk's records.

(2) Includes City of Chicago for which a minor portion overlaps into DuPage County.

(3) Debt Percentage Applicable to County is calculated by applying the ratio of assessed value of the specific district to that portion which is in DuPage. Percentages have been rounded to the nearest hundredth.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2006.

**DUPAGE COUNTY, ILLINOIS
VALUATION AND SELECTED DEBT RATIOS
November 30, 2006**

Assessed Value of All Taxable Property in 2006	\$ 34,791,533,054
Estimated 2006 Full Value	\$ 104,374,599,162
2006 Population (1)	932,670

	Direct Only	Direct and Underlying
Ratio of Bonded Debt to Assessed Value	0.562%	8.545%
Ratio of Bonded Debt to Estimated Full Value	0.187%	2.848%
Per Capita Bonded Debt	\$ 209.75	\$ 3,187.39

(1) Estimated by the DuPage County Development Department.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2006.

**DUPAGE COUNTY, ILLINOIS
PRINCIPAL TAXPAYERS
November 30, 2006**

Taxpayer	Type of Business	2006 Assessed Valuation (1)	Percentage of Total Assessed Valuation
Hamilton Partners, Inc.	Commercial Development	\$ 146,573,000	0.42%
Oakbrook Shopping Center	Shopping Center Property	109,028,000	0.31%
AIMCO	Property Development	83,709,000	0.24%
NS-MPG INC (Lucent Industries)	Communications Research and Development	82,520,000	0.24%
Duke Realty Ltd	Commercial Development	63,683,000	0.18%
AMB Prop RE Tax CO	Commercial Property	60,547,000	0.17%
Commonwealth Edison	Utility	54,465,000	0.16%
Centerpoint Properties	Industrial Property Development	51,531,000	0.15%
National Tax Search	Property Tax Consulting	44,037,000	0.13%
McDonald's Corporation	Food Service	41,549,000	0.12%
Total		\$ 737,642,000	2.12%

(1) The assessed valuation is an approximation based on the records maintained by the County. Since most large taxpayers have numerous parcels of real property, it is possible to miss some valuations as well as some of the largest taxpayers.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2006.

DUPAGE COUNTY, ILLINOIS
PROPERTY TAX RATES PER \$100 ASSESSED AS EXTENDED
ALL DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
DuPage County	\$ 0.1713	\$ 0.1797	\$ 0.1850	\$ 0.1999	\$ 0.2154	\$ 0.2353	\$ 0.2536	\$ 0.2682	\$ 0.2831	\$ 0.2970
Cities & Villages	0.5412	0.5607	0.5102	0.5862	0.6046	0.6081	0.6081	0.6152	0.6194	0.6182
High School Districts	0.9144	0.9395	0.9662	1.0086	1.0537	1.0933	1.1137	1.1320	1.1490	1.1443
Unit School Districts	1.5584	1.6083	1.6305	1.6758	1.6688	1.7113	1.6610	1.6070	1.6292	1.6575
Grade School Districts	1.4412	1.4703	1.4977	1.5017	1.4996	1.5212	1.5304	1.5386	1.5481	1.5561
Junior Colleges	0.1984	0.1960	0.2055	0.2154	0.2229	0.1996	0.2028	0.2065	0.2097	0.2112
Townships	0.0968	0.0995	0.1017	0.1068	0.1088	0.1188	0.1224	0.1233	0.1268	0.1311
Sanitary Districts	0.0024	0.0025	0.0025	0.0027	0.0028	0.0029	0.0030	0.0030	0.0030	0.0031
Park Districts	0.2853	0.2933	0.2982	0.3057	0.2962	0.3073	0.3163	0.3154	0.3248	0.3238
Library Districts	0.0548	0.0569	0.5830	0.0583	0.0613	0.0636	0.0640	0.0632	0.0605	0.0613
Forest Preserve District	0.1303	0.1271	0.1358	0.1419	0.1534	0.1654	0.1742	0.1797	0.1849	0.1871
Fire Protection Districts	0.2298	0.2235	0.2288	0.2363	0.2429	0.2416	0.2429	0.2501	0.2510	0.2544
DuPage Water Commission	-	-	-	-	-	-	-	-	-	-
Special Service Areas	0.0153	0.0145	0.0140	0.0150	0.0200	0.0211	0.0236	0.0231	0.0222	0.0220
Other Special Districts	0.0207	0.0222	0.0239	0.0254	0.0267	0.0290	0.0311	0.0326	0.0343	0.0345
Total	\$ 5.6603	\$ 5.7940	\$ 6.3890	\$ 6.0797	\$ 6.1771	\$ 6.3185	\$ 6.3471	\$ 6.3579	\$ 6.4460	\$ 6.5016

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2006

**DUPAGE COUNTY, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years**

Levy Year	Levies (1)	Collections (2)(4)	Percent
1997	60,305,028	59,902,749	99.33%
1998	60,201,488	59,816,218	99.36%
1999	60,089,130	59,895,854	99.68%
2000	59,999,404	59,821,035	99.70%
2001	59,904,729	59,768,922	99.77%
2002	59,890,523	59,724,648	99.72%
2003	60,035,691	59,868,006	99.72%
2004	59,925,342	59,800,186	99.79%
2005	62,520,385	62,380,705	99.78%
2006	64,335,355	(3)	N/A

(1) Property taxes levied in a given year become liabilities and are actually collected in the subsequent year. Levies do not include Special Service Areas.

(2) Tax collection amounts are obtained from the Collector's Annual report.

(3) Tax collections for the 2006 levy will not be made until 2007.

(4) Tax collections are shown net of Court ordered abatements.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal ended November 30, 2006.

**DuPAGE WATER COMMISSION
TRANSFER TO DuPAGE COUNTY**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
2004	\$15,000,000
2005	15,000,000
2006	15,000,000
2007	15,000,000
 TOTAL	 <u><u>\$60,000,000</u></u>

Note: Public Act 93-0226 amended the Water Commission Act of 1985 requiring the Commission to transfer \$75,000,000 to DuPage County in installments of \$15,000,000 per year for a period of five years beginning July 2003,.

EXHIBIT 30

Jenner & Block
DuPage Water Commission Internal Investigation
Water Sales Accountability

1	Year	A	B	C	D	E	F	G	H	I		K	L	M	N	O
										Source	Customers					
3	FY 2004	FS & AR	30,798,721,000	31,625,045,163	97.4%	\$ 42,513,653	\$ 39,013,675	\$ 3,499,978	\$ 1.3804	\$ 1.3804	\$ 1.2336	\$ 0.1467	\$ 1.38	\$ 0.27	\$ 1.65	
4	FY 2005	FS & AR	30,432,130,000	31,214,877,546	97.5%	\$ 43,539,448	\$ 39,657,670	\$ 3,881,778	\$ 1.4307	\$ 1.4307	\$ 1.2705	\$ 0.1602	\$ 1.43	\$ 0.22	\$ 1.65	
5	FY 2006	FS & AR	33,204,877,000	34,062,751,486	97.5%	\$ 40,844,747	\$ 44,500,686	\$ (3,655,939)	\$ 1.2301	\$ 1.2301	\$ 1.3064	\$ (0.0763)	\$ 1.23	\$ 0.22	\$ 1.45	
6	FY 2007	Note FY 2007, #3	29,978,798,000	30,854,930,302	97.2%	\$ 37,880,550	\$ 41,010,458	\$ (3,129,908)	\$ 1.2636	\$ 1.2636	\$ 1.3300	\$ (0.0664)	\$ 1.24	\$ 0.21	\$ 1.45	
7	FY 2008	AR	31,015,607,000	31,915,260,133	97.2%	\$ 32,263,252	\$ 44,254,947	\$ (11,991,695)	\$ 1.0402	\$ 1.0402	\$ 1.3866	\$ (0.3464)	\$ 1.04	\$ 0.21	\$ 1.25	

Note 1: Except where noted, the Water Sales Accountability schedules included in the audited financial statements (FS) and annual reports (AR) and the Water Sales by Customer schedules included in the Annual Reports were the sources of information for columns A through K.

Note 2: The projections included in the Capital Improvement Plans were the sources of information form columns M through O.

Observations:

FY 2006 The revenue impact of the \$0.20 (\$1.65 to \$1.45) decrease in the water rate was a decrease of approximately \$6.6 million in FY 2006.

FY 2007 The revenue impact of the \$0.20 (\$1.65 to \$1.45) decrease in the water rate was a decrease of approximately \$5 million in FY 2007.

FY 2007, #1 The FY 2007 Water Sales Accountability schedule is the only one that includes customer receipts for Fixed Costs in Billings to Customers. All of the others only include O&M receipts. Including Fixed Cost receipts in Billings to Customers gives the reader the false impression that FY 2007's O&M billings were in excess of water costs, when in fact they were not. The FY 2007 Customer Billings above only include O&M billings.

FY 2007, #2 The FY 2007 Water Sales Accountability schedule in the FY 2007 FS agrees to the schedule in the AR, except that the Mar-07 Gallon Billed % is correctly calculated as 64.73% vs 98.18%.

FY 2007, #3 The Mar-07 "Purchases from Chicago" and "Billings from Chicago FY 2007" appear to have been inflated by the author of the FY 2007 Water Sales Accountability schedule. The amounts presented in this schedule are 3,412,423,571 and \$4,538,523, respectively. Actual March 2007 Chicago Billings, as recorded in the general ledger, are \$3,040,272. This amount agrees to billings reported in the March 31, 2007 Water Sales Analysis, which was included in the April 12, 2007 Board materials and also reports March 31, 2007 gallons purchases as 2,285,918,985. The impact to water costs is \$1,498,251.

FY 2008 The FY 2008 audited financial statements did not include a Water Sales Accountability schedule; therefore, the Annual Report was relied upon. The revenue impact of the \$0.20 (\$1.45 to \$1.25) in the water rate was a decrease of approximately \$6.2 million. In addition, the impact of increase costs approximated \$1.8 million.

	Gallons / 1000	x Rate Var.	Effect
Rate Decrease	31,015,607	\$ 0.2000	\$ 6,203,121
Increase in Cost	31,915,260	\$ 0.0566	\$ 1,807,650
			<u>\$ 8,010,772</u>

EXHIBIT 31

Explanations of Decrease in Unrestricted Cash and Investment Balance in FY2008 and FY2009

	FY2008	FY2009	Combined
Unrestricted cash and investments - beginning balance	69,181,003	19,477,125	69,181,003
Unrestricted cash and investments - ending balance	19,477,125	3,190,470	3,190,470
Decrease in unrestricted cash and investment balance	(49,703,878)	(16,286,655)	(65,990,533)

Decrease is comprised of:

	FY2008	FY2009	Combined
- Cash	(184,617)	(20,817)	(205,435)
- Investment - Water Fund	8,136	(216,781)	(208,645)
- Investment - Depre Account	(425,706)	550,243	124,537
- Investment - General Account	(24,183,287)	(2,089,250)	(26,272,537)
- Investment - Sales Tax	(24,918,404)	(14,510,050)	(39,428,453)
Total	(49,703,878)	(16,286,655)	(65,990,533)

% decrease in unrestricted cash and investments caused by decrease in Sales Tax and General Account balance

99% 102% 100%

A General Account

	FY2008	FY2009	Combined
Beginning balance	26,272,537	2,089,250	26,272,537
Interest received	83,881	7,220	91,100
Transfer from Water Fund Investment	2,690,915		2,690,915
Release from Depreciation Investment	2,794,050		2,794,050
Transfer to O&M - for rebate payment	(20,000,000)		(20,000,000)
Transfer to O&M to fund disbursements	(9,752,134)	(2,096,469)	(11,848,603)
Ending balance	2,089,250	-	-

The depletion of balance in General Account in FY2008 and FY2009 was caused by:

- 1) Transfer of \$20 million to O&M for payment of rebate
- 2) Transfer to O&M in a total amount of \$11.8 million to fund other disbursements

In addition, inflows in to General Account declined in FY2008 and FY2009 as a result of:

- 1) Decrease in interest due to diminishing balance in the account
- 2) Decreasing transfers of excess funds from Depreciation Account

Note that in FY2007, General Account balance was reduced by \$10 million. Only \$281K was transferred to General Account from the Water Fund. And on the other hand, \$15 million was transferred out of General Account to O&M to fund operating and other disbursements. Without increasing water rates, the depletion of General Account balance was foreseeable, even without the \$40 million rebate.

B Sales Tax Investment Account

	FY2008	FY2009	Combined
Sales Tax Investment Beginning Balance	61,573,546	21,655,144	61,573,546
50% Fixed Costs Restricted by Board Resolution	7,145,093	7,145,093	7,145,093
DuPage County payment (PA 93-0226)	15,000,000		15,000,000
Unrestricted Sales Tax Investment Beginning Balance	39,428,453	14,510,051	54,428,453
Sales tax proceeds net of City of West Chicago refund	34,522,874	32,792,114	67,314,989
Investment proceeds in excess of purchase	1,323,556	879,845	2,203,402
Interest	425,310	27,107	452,417
DuPage County payment	(15,000,000)		(15,000,000)
Funding Revenue Bond payments	(7,145,344)	(6,609,326)	(13,754,670)
Funding GO Bond payment	(13,100,000)	(12,000,000)	(25,100,000)
Funding customer rebate	(20,000,000)		(20,000,000)
Reimburse construction	(2,907,267)	(5,159,632)	(8,066,898)
Transfer to O&M for operating expenses	(18,037,533)	(24,440,034)	(42,477,566)
Sales Tax Investment Ending Balance	21,655,144	7,145,219	7,145,219

Restricted by Board Resolution	7,145,093	7,145,093	7,145,219
Unrestricted Sales Tax Investment Ending Balance	<u>14,510,051</u>	<u>126</u>	<u>(0)</u>

The depletion of balance in Sales Tax Investment account was caused by:

- 1) \$15 million DuPage County payment in FY2008
- 2) \$13.8 million used to fund Revenue Bond payments in FY2008 and FY2009
- 3) \$25.1 million used to fund GO Bond payments in FY2008 and FY2009
- 4) Transfer of \$20 million to O&M in FY2008 to fund customer rebate payment
- 5) Transfer of \$8.0 million to O&M in FY2008 and FY2009 for reimbursing construction expenditures
- 6) Transfer of \$42.5 million to O&M for operating and other disbursements

In addition, in FY2008 and FY2009, inflows of funds in Sales Tax Investment account decreased because:

- 1) Sales tax receipts reduced by \$3.7 million as compared to FY2007, resulting from economic downturn as well as City of West Chicago refund
- 2) Interest income reduced by \$1.8 million, resulting from substantial decrease in funds in Sales Tax Investment account.

EXHIBIT 32



DuPage Water Commission MEMORANDUM

TO: Chairman Vondra and Commissioners

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

DATE: January 7, 2005

SUBJECT: Capital Improvement Plan

In accordance with Commission policy, the Capital Improvement Plan is reviewed and evaluated by staff in connection with each new budget cycle. A draft of the updated plan is then submitted to the Commission for its consideration. This annual document is based on the Commission's anticipated needs for normal operations, emergency operations and improvements to the system. Included in the plan is a 15 year projection of revenues, expenditures and fund balances. The proposed capital plan is included in the projection summary.

The plan is divided into several sections – Distribution System Improvements, DuPage Pump Station Improvements, Lexington Pump Station Improvements, and Standpipe Improvements. A summary shows the capital outlay (funded by sales tax revenues) and major non-recurring maintenance (funded by water rates) on a fiscal year basis. Each fiscal year's programmed expenditures are included in the financial projection of Commission revenues and expenditures through fiscal year 2019-20.

The status of the Capital Improvement Plan projects is as follows:

Contract TIB-1: under construction approximately 43% complete

30 Million Gallon Reservoir: design 90% complete

DuPage Electrical Generation Facility: design 30% complete and on hold

Pipe Storage Facility: design complete

The draft fiscal 2005-06 planning document represents the tenth consecutive year in which the Commission has evaluated a Capital Improvement Plan. Utilizing this process over the years has allowed the Commission to have a much

better understanding of its long-term capital and operating needs and the level of funding required from various sources.

Current Commission policy reflected in this plan uses sales tax to pay 50% of the Water Revenue Bonds. Public Act 93-0226, which was enacted on July 22, 2003, requires the Commission to maintain a customer rate of \$1.65 per 1,000 gallons for a period of five years. To accomplish this, and to maintain the rate thereafter, it is necessary to use sales tax beginning in fiscal year 2008-09 to supplement operation and maintenance costs.

Planned improvements accepted by the Board will be included in the 2005-06 budget document. The budget will be sent to the Board for its review in February and released, in tentative draft form, to the Charter Customers prior to March 1, 2005.

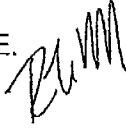
EXHIBIT 33



DuPage Water Commission

MEMORANDUM

TO: Chairman Vondra and Commissioners

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

DATE: January 12, 2006

SUBJECT: Capital Improvement Plan

In accordance with Commission policy, the Capital Improvement Plan is reviewed and evaluated by staff in connection with each new budget cycle. A draft of the updated plan is then submitted to the Commission for its consideration. This annual document is based on the Commission's anticipated needs for normal operations, emergency operations and improvements to the system. While the main focus is the next five fiscal years, included in the plan are additional nine year projections of revenues, expenditures and fund balances. The proposed capital plan is included in the projection summary.

The plan is divided into several sections – Distribution System Improvements, DuPage Pump Station Improvements, Lexington Pump Station Improvements, and Standpipe Improvements. A summary shows the capital outlay (funded by sales tax revenues) and major non-recurring maintenance (funded by water rates) on a fiscal year basis. Each fiscal year's programmed expenditures are included in the financial projection of Commission revenues and expenditures through fiscal year 2019-20.

The status of the Capital Improvement Plan projects is as follows:

Contract TIB-1: Construction complete

30 Million Gallon Reservoir: Design 90% complete

DuPage Electrical Generation Facility: Design 30% complete and on hold

Cadwell Avenue Realignment: Design 80% complete

The draft fiscal 2006-07 planning document represents the eleventh consecutive year in which the Commission has evaluated a Capital Improvement Plan. Utilizing this process over the years has allowed the Commission to have a much

better understanding of its long-term capital and operating needs and the level of funding required from various sources.

Current Commission policy reflected in this plan uses sales tax to pay 50% of the Water Revenue Bonds. Public Act 93-0226, which was enacted on July 22, 2003, requires the Commission to maintain a customer rate of not more than \$1.65 per 1,000 gallons for a period of five years. This plan, though, maintains the current water rate of \$1.45 per 1,000 gallons through fiscal year 2009-10. A customer rate of \$1.55 per 1,000 gallons is maintained thereafter. To accomplish this, it is necessary to use sales tax beginning in fiscal year 2008-09 to supplement operation and maintenance costs.

Planned improvements accepted by the Board will be included in the 2006-07 budget document. The budget will be sent to the Board for its review in February and released, in tentative draft form, to the Charter Customers prior to March 1, 2006.

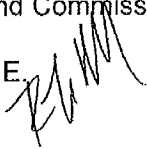
EXHIBIT 34



DuPage Water Commission

MEMORANDUM

TO: Chairman Rathje and Commissioners

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

DATE: January 11, 2007

SUBJECT: Capital Improvement Plan

In accordance with Commission policy, the Capital Improvement Plan is reviewed and evaluated by staff in connection with each new budget cycle. A draft of the updated plan is then submitted to the Commission for its consideration. This annual document is based on the Commission's anticipated needs for normal operations, emergency operations and improvements to the system. While the main focus is the next five fiscal years, included in the plan are additional nine year projections of revenues, expenditures and fund balances. The proposed capital plan is included in the projection summary.

The plan is divided into several sections – DuPage Pump Station Improvements, Lexington Pump Station Improvements, and Standpipe Improvements. A summary shows the capital outlay, which are funded by sales tax revenues, on a fiscal year basis. Each fiscal year's programmed expenditures are included in the financial projection of Commission revenues and expenditures through fiscal year 2020-21.

This plan differs from last year's Capital Improvement Plan as follows:

The 30 Million Gallon Reservoir has been budgeted in fiscal year 2015 - 2016, the year the Revenue Bonds are retired.

The replacement of the Variable Frequency Drives at the Lexington Pumping Station has been added. This work will be done in conjunction with the Lexington Pumping Station electrical generation system. The Variable Frequency Drives were installed during the initial construction of the pumping station. Obtaining replacement parts has been difficult and the units, because of the older technology, take up a large space at the pumping station.

Solar Photovoltaic System has been added for the Lexington Pumping Station. The Chicago Department of Water Management

has proposed the installation of photovoltaic cells to promote "green" technology.

The cost of the Electrical Generation Facility, the Variable Frequency Drive Replacement and the Solar Photovoltaic System at the Lexington Pumping Station will be split between the Chicago Department of Water Management and the Commission. The Chicago Department of Water Management will pay 50% of the Electrical Generation Facility up to a maximum of \$8.5 million. The Commission will pay 50% of the Solar Photovoltaic System up to \$4 million. Because the replacement of the Variable Frequency Drives is considered maintenance, the Commission and the Chicago Department of Water Management will equally share the replacement cost.

The draft fiscal 2007-08 planning document represents the twelfth consecutive year in which the Commission has evaluated a Capital Improvement Plan. Utilizing this process over the years has allowed the Commission to have a much better understanding of its long-term capital and operating needs and the level of funding required from various sources.

Current Commission policy reflected in this plan uses sales tax to pay 50% of the Water Revenue Bonds. Public Act 93-0226, which was enacted on July 22, 2003, requires the Commission to maintain a customer rate of not more than \$1.65 per 1,000 gallons for a period of five years. Based upon the Committee of the Whole meeting of December 14, 2006, this plan proposes reducing the water rate to \$1.15 per 1,000 gallons through fiscal year 2014-2015, then increasing the rate to \$1.25 to fund the construction of 30 Million Gallon Reservoir. This prevents the unrestricted reserves from being reduced too low during the construction period. To maintain this lower rate, it is necessary to use sales tax beginning in fiscal year 2008-09 to supplement operation and maintenance costs. The reduced water rate will result in a reduction in the Commission's unrestricted reserves to put them in line with the proposed policy of 90 days operating budget excluding approved five year capital improvement projects.

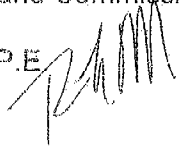
Planned improvements accepted by the Board will be included in the 2007-08 budget documents. The budget will be sent to the Board for its review in February and released, in tentative draft form, to the Charter Customers prior to March 1, 2007.

EXHIBIT 35



DuPage Water Commission MEMORANDUM

TO: Chairman Rathje and Commissioners

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

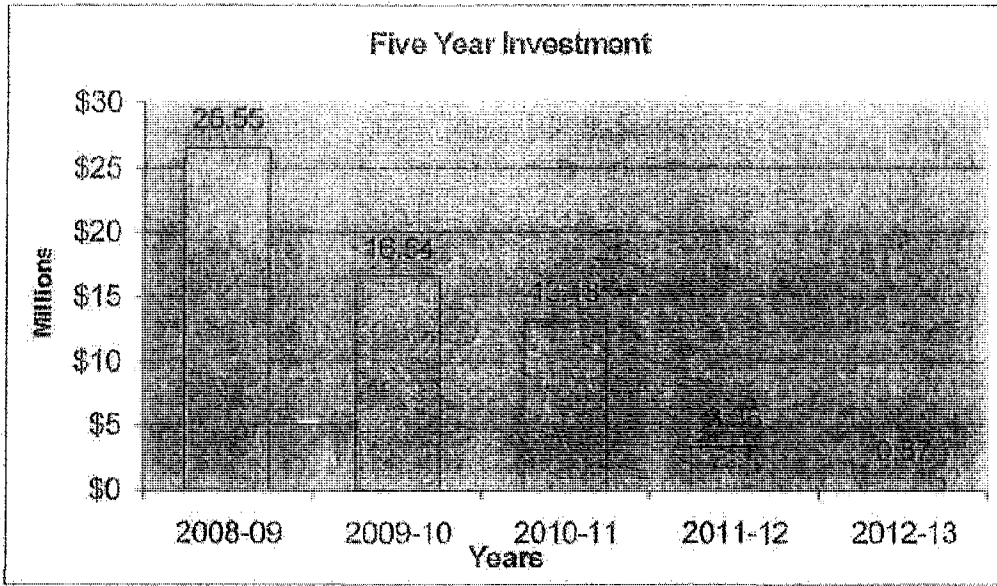
DATE: January 24, 2008

SUBJECT: Capital Improvement Plan

In accordance with Commission policy, the Capital Improvement Plan is reviewed and evaluated by staff in connection with each new budget cycle. A draft of the updated plan is then submitted to the Commission for its consideration. This annual document is based on the Commission's anticipated needs for normal operations, emergency operations and improvements to the system. While the main focus is the next five fiscal years, included in the plan are additional eight year projections of revenues, expenditures and fund balances. The proposed capital plan is included in the projection summary.

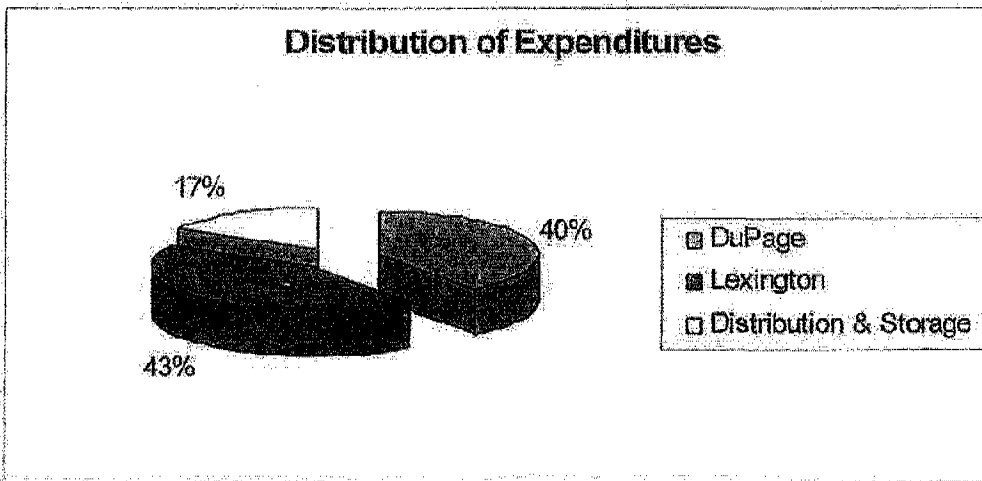
The plan is divided into several sections -- DuPage Pump Station Improvements, Lexington Pump Station Improvements, and Distribution & Storage System Improvements. A summary shows the capital outlay, which are funded by sales tax revenues, on a fiscal year basis. Each fiscal year's proposed expenditures are included in the financial projection of Commission revenues and expenditures through fiscal year 2020-2021.

The Commission proposes to spend approximately \$60.5 million on 11 projects during the planning period from FY 2008-2009 through FY 2012-2013. The following chart shows the projected annual expenditures over the next five years.



Significant changes in capital expenditures from the previous plan include:

- Completion of Cadwell Ave. re-alignment
- Completion of Hydro Mixing System (Tank 4 East)
- Addition of corrosion mitigation for steel water mains
- Complete repainting of five standpipes
- Site improvements



The cost of the Electrical Generation Facility, the Variable Frequency Drive Replacement and the Solar Photovoltaic System at the Lexington Pumping Station will be split between the Chicago Department of Water Management and the Commission. The Chicago Department of Water Management will pay 50% of the Electrical Generation Facility up to a maximum of \$8.5 million. The Commission will pay 50% of the Solar Photovoltaic System up to \$4 million. Because the replacement of the Variable Frequency Drives is considered maintenance, the Commission and the Chicago Department of Water Management will equally share the replacement cost.

The draft fiscal 2008-09 planning document represents the thirteenth consecutive year in which the Commission has evaluated a Capital Improvement Plan. Utilizing this process over the years has allowed the Commission to have a much better understanding of its long-term capital and operating needs and the level of funding required from various sources.

Current Commission policy reflected in this plan uses sales tax to pay 50% of the Water Revenue Bonds Principal & Interest. Public Act 93-0226, which was enacted on July 22, 2003, requires the Commission to maintain a customer rate of not more than \$1.65 per 1,000 gallons for a period of five years.

This plan proposes incorporating the City of Chicago's water rate increases into the Commission's rate. The total Charter Customer average water rate is proposed to remain at \$1.25 per thousand gallons until October 1, 2008. On October 1, 2008, the Charter Customer average water rate is proposed to increase to \$1.45 per thousand gallons for the fiscal year 2008-2009, \$1.68 per thousand gallons for the fiscal year 2009-2010, and \$1.93 per thousand gallons for the fiscal year 2010-2011 and thereafter. This rate increase will result in a construction reserve for the anticipated construction of the 30 million gallon reservoir for fiscal year 2015-2016 and to maintain the \$20.0 million emergency reserve. Sales tax revenue will be utilized in fiscal year 2008-2009 to supplement operation and maintenance revenues.

Planned improvements accepted by the Board will be included in the 2008-2009 budget documents. The budget will be sent to the Board for its review in February and released, in tentative draft form, to the Charter Customers prior to March 1, 2008.

EXHIBIT 36



DuPage Water Commission MEMORANDUM

TO: Chairman Vondra & Commissioners

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

DATE: February 1, 2006

SUBJECT: Commissioner Poole CIP Alternate

Attached is an alternate long range funding method proposed by Commissioner Poole. The following are notes regarding Commissioner Poole's proposed plan.

1. The target maximum available balance at April 30, 2020 is \$25 million.
2. The total water rate is \$1.45 for FY 2006-07 and FY 2007-08. The rate increases \$0.05 in FY 2008-09 then \$0.06 each fiscal year through FY 2019-20.
3. General Obligation bonds are defeased during a period of positive arbitrage in FY 2006-07.
4. Operation and Maintenance rates subsidize \$1.6 million of the General Obligation bond defeasance in FY 2006-07.
5. Operation and Maintenance rates are subsidized by current sales tax collections in FY 2008-09 through FY 2013-14.
6. Water Revenue bonds are defeased during a period of positive arbitrage on April 30, 2014.
7. Sales tax ends April 30, 2014 and all remaining sales tax balances not needed for estimated unspecified construction through FY 2019-20 are transferred as a one-time Operation & Maintenance rate subsidy to be used through FY 2019-20.

Administration/Reports/Five Year Capital/FY 2006-2007/Poole Plan 060201.doc

EXHIBIT 37

From: bchaplin03@comcast.net
Sent: Sunday, June 07, 2009 7:57 PM
To: Richter@dpwc.org
Cc: Crowley, Maureen; Martin, Robert; Rathje, S. Louis
Subject: Finance Question

Max,

The loss from regular operations has been steadily climbing and at some point it will overwhelm the sales tax and investment income.

FY2005: -7.7M
FY2006: -13.7M
FY2007: -17M
FY2008: -22.2M
FY2009: ??

I would like to have a response to this at the meeting.

Thank you,

Liz Chaplin

EXHIBIT 38

From: bchaplin03@comcast.net
Sent: Monday, June 15, 2009 7:54 AM
To: Richter@dpwc.org; Crowley, Maureen; Martin, Robert
Cc: Rathje, S. Louis
Subject: Finance Question

With regards to my original question regarding the operating loss I was disappointed that even though given ample time to prepare a thoughtful response none was given. Maybe you did not understand my original question so we will try again. When you sell water for less than it costs for you to operate the system, it results in a loss and that is what is reported on the certified financial audit. You stated that the loss is on paper only because of depreciation. Don't you have to depreciate things that must be eventually replaced? Is depreciation an expense because equipment is being "used up" over time?

Is the operating loss certified on the audit report in fact an indication that if there were no sales tax nor investment income than the DWC would have to report a loss because the income is less than the expenses?

So again I will ask the loss from regular operations has been steadily climbing and at some point will overwhelm the sales tax and income investment income

FY 2005: -7.7 million
FY2006: -13.7 million
FY 2007 -17.7 million
FY 2008: -22.2 million
FY 2009: ??

I look forward to a more detailed response with back up information if necessary.

Thank you,

Liz Chaplin

EXHIBIT 39



DuPage Water Commission

MEMORANDUM

TO: Chairman Rathje and Commissioners

FROM: Robert L. Martin, P.E.
General Manager *RLM/abj*

DATE: June 19, 2009

SUBJECT: Recent Items of Interest

Attached are the items of interest for your review:

1. Memorandum dated June 19, 2009 in response to Commissioner Chaplin's email of June 15, 2009
2. Memorandum dated June 19, 2009 regarding Senate Bill 1909 – STAR Bond Financing

Board/Items of Interest/2009/090619.doc



DuPage Water Commission MEMORANDUM

TO: Commissioner Chaplin

Copies: Chairman Rathje, Commissioners, General Manager Martin

FROM: R. Max Richter *RMR*
Financial Administrator

DATE: June 19, 2009

SUBJECT: Response to your Email

This is in response to your email of June 15, 2009 and June 7, 2009 (attached).

QUESTION:

"Is the operating loss certified on the audit report in fact an indication that if there were no sales tax nor investment income than the DWC would have to report a loss because the income is less than the expenses?"

If there was no sales tax, the Commission would increase the rate to compensate for any short falls as required by the 1987 Bond Ordinance (Ordinance O-1-87) which requires the Commission to set rates "... to pay or provide for the Operation and Maintenance Costs, to provide for an adequate depreciation fund, to pay principal and the interest on all Bonds..." (Article Ten General Covenants, Section 10.03 Rate covenant). This would cause the "Total operating revenues" in the audited financial statements to increase to offset the decrease in sales tax.

The Commission has been subsidizing the water rate via the sales tax revenues. If the Commission did not use the sales tax to subsidize the water rates, the rates for fiscal year 2009-10 would be \$2.50 (\$2.06 Operation and Maintenance rate and \$0.44 fixed rate). The projected rates for the fiscal year 2010-11 would be \$3.05 (\$2.61 Operation and Maintenance rate and \$0.44 for the fixed cost). The fixed cost rate would double, since one-half of the revenue bond debt service is subsidized by the sales tax revenues.

My statement concerning depreciation in the audited financial statements was that it is a non-cash item which has no impact on the cash reserves and does not impact the Operation and Maintenance Rate. The audited financial statements reflect the overall financial status of the Commission, not just from a rate making basis. The Commission has established the Operation and Maintenance Rate

based upon total revenues, which has included sales tax, versus the total expenditures. The sales tax has also subsidized the fixed rate (reducing it by 50%). The audited financial operating loss line which you are referencing does not reflect the principal and interest payments for the General Obligation Bonds and the Revenue Bonds and the capital expenditures.

Depreciation is the process by which the Commission gradually records the loss in value of a fixed asset. The purpose of recording depreciation as an expense over a period is to spread the initial purchase price of the fixed asset over its useful life. However, unlike other expenses, depreciation expense is a "non-cash" charge. This simply means that no money is actually paid at the time in which the expense is incurred. The Commission is required to record depreciation for accounting purposes. However, the Commission's rate making philosophy excludes any non-cash expenses (depreciation and other amortizations) from revenues or expenditures when calculating the revenue required for the cash expenditures.

The Commission has established the Operation and Maintenance rate based upon the fund balance in the "Unrestricted Cash & Equivalents" as projected in the Five Year Capital Improvement Plan (attached). The Commissioners agreed that a minimum balance for "Emergency Reserves" would be \$20.0 million. We are projecting the rate will increase, for the fiscal year 2010-11, to \$1.98 (Operation and Maintenance rate \$1.76 to accommodate for the increase in the City of Chicago rates and decrease in the sales tax and investment income and the fixed cost rate remaining at \$0.22) to maintain a minimum balance of \$20.0 million in the "Unrestricted Cash & Equivalents".

The Commission's investment income has declined but will be included in the rate making philosophy.

This memo has been reviewed by McGladrey & Pullen, LLP.

Max Richter

From: bchaplin03@comcast.net
Sent: Monday, June 15, 2009 7:54 AM
To: Max Richter; Maureen Crowley; Robert Martin
Cc: Rathje, S. Louis
Subject: Finance Question

With regards to my original question regarding the operating loss I was disappointed that even though given ample time to prepare a thoughtful response none was given. Maybe you did not understand my original question so we will try again. When you sell water for less than it costs for you to operate the system, it results in a loss and that is what is reported on the certified financial audit. You stated that the loss is on paper only because of depreciation. Don't you have to depreciate things that must be eventually replaced? Is depreciation an expense because equipment is being "used up" over time?

Is the operating loss certified on the audit report in fact an indication that if there were no sales tax nor investment income than the DWC would have to report a loss because the income is less than the expenses?

So again I will ask the loss from regular operations has been steadily climbing and at some point will overwhelm the sales tax and income investment income

FY 2005: -7.7 million
FY2006: -13.7 million
FY 2007 -17.7 million
FY 2008: -22.2 million
FY 2009: ??

I look forward to a more detailed response with back up information if necessary.

Thank you,

Liz Chaplin

Max Richter

From: bchaplin03@comcast.net
Sent: Sunday, June 07, 2009 7:57 PM
To: Max Richter
Cc: Maureen Crowley; Robert Martin; Rathje, S. Louis
Subject: Finance Question

Max,

The loss from regular operations has been steadily climbing, and at some point it will overwhelm the sales tax and investment income.

FY2005: -7.7M

FY2006: -13.7M

FY2007: -17M

FY2008: -22.2M

FY2009: ??

I would like to have a response to this at the meeting.

Thank you,

Liz Chaplin

EXHIBIT 40

DuPage Water Commission Forensic Investigation
 Analysis of Unrestricted and Restricted Net Assets for Fiscal Year 2007

Source: Audited Financial Statements and "Requirement Analysis" provided by Rick Skiba

	A	B	C	D	E
		Reference	G/L Account No.	4/30/2007 Balance	Data Source
1					
2	Unrestricted Assets				
3	Cash		01-1110 to 01-1133	283,609	Requirement Analysis
4	Investment - Water Fund		01-1210	2,395,952	
5	Investment - Depre Account		01-1216	800,451	
6	Investment - General Account		01-1217	26,272,537	
7	Investment - Sales Tax		01-1230	39,428,453	
8	Total Unrestricted Cash & Investment			69,181,003	
9					
10	A/R - Customer		01-1310	4,043,376	
11	A/R - Sales Tax		01-1331	8,529,260	
12	Other A/R		01-1398	13,373	
13	Interest Receivable - Sales Tax Investment		01-1430	907,447	
14	Inventory		01-1501	167,080	
15	Prepays and Other		01-1550 to 01-1553	491,795	
16	A/R - Water Quality Loan (noncurrent)	R-32-02	01-1332	4,999,623	
17	Total Unrestricted Assets			88,332,957	
18					
19	Unrestricted - Liabilities				
20	Deferred Revenue		01-2700	2,607,080	
21	Total Liabilities payable from unrestricted funds			2,607,080	
22					
23	Unrestricted Net Assets			85,725,877	
24					
25					
26					
27					
28					
29	Restricted - Assets				
30	Investment - O&M Account	Ordinance 0-1-87	01-1211	9,542,462	
31	Investment - Bond Interest	Ordinance 0-1-87	01-1212	2,942,665	
32	Investment - Bond Principal	Ordinance 0-1-87	01-1213	9,078,928	
33	Investment - O&M Reserve	Ordinance 0-1-87	01-1215	12,169,760	
34	Investment - Depreciation Account	Ordinance 0-1-87	01-1216	5,000,000	
35	Investment - Sales Tax Investment (Fixed Cost Reduction)	Ordinance O-7-02	01-1230	7,145,093	
36	Investment - Sales Tax Investment (Payable to DuPage County)	Public Act 93-0226	01-1230	15,000,000	
37	Investment - GO Bond	Ordinance O-1-07	01-1243	13,934,381	
38	Total Restricted Cash & Investments			74,813,288	
39					
40	Interest Receivable - Revenue Bonds Interest		01-1412	534	
41	Interest Receivable - Revenue Bonds Principal		01-1413	1,374	
42	Interest Receivable - GO Bonds		01-1443	103,193	
43	Total Restricted Assets			74,918,389	
44					
45	Restricted - Liabilities				
46	Accounts Payable		01-2110, 01-2210 to 01-2260, 01-2510, 01-2530	4,097,550	
47	Accrued Interest - Revenue Bond		01-2440	2,800,094	
48	Accrued Interest - GO Bond		01-2450	400,442	
49	Due to DuPage County		01-2191	15,000,000	
50	Total Liabilities payable from restricted funds			22,298,085	
51					
52	Restricted Net Assets			52,620,303	
53					
54	Capital Assets				
55	Land and CIP		01-1710, 01-1780 01-1720 to 01-1760, 01-1820 to 01-1860	32,712,041	Audited FS
56	Other Capital Asset			343,930,865	
57	Total Capital Assets			376,642,906	
58					
59	Bonds Payable - Current		01-2341, 01-2350	19,372,287	
60	Bonds Payable - Noncurrent		01-2841 to 01-2853	132,643,189	
61	Total bonds payable			152,015,476	
62					
63	Net Capital Assets			224,627,430	
64					
65	Total Net Assets			362,973,610	

	F	G	H	I	J	K	L
Designation of Unrestricted Funds							
Asset Type	Funds from unearned revenue	Construction Reserve R-14-04	Emergency Reserve R-14-04	O&M Rate Stabilization R-14-04	Water Quality Loan R-32-02	Total	
Unrestricted Assets							283,609
Cash	283,609						283,609
Investment - Water Fund	2,323,471					72,481	2,395,952
Investment - Depre Account				800,451			800,451
Investment - General Account			12,900,000	8,507,641	4,864,896		26,272,537
Investment - Sales Tax		39,428,453					39,428,453
Total Unrestricted Cash & Investment							-
A/R - Customer				4,043,376			4,043,376
A/R - Sales Tax		8,529,260					8,529,260
Other A/R				13,373			13,373
Interest Receivable - Sales Tax Investment		907,447					907,447
Inventory				167,080			167,080
Prepays and Other				491,795			491,795
A/R - Water Quality Loan (noncurrent) - See Note 1					4,999,623		4,999,623
Total Unrestricted Assets							-
Unrestricted - Liabilities							(2,607,080)
Deferred Revenue	(2,607,080)						(2,607,080)
Unrestricted Net Assets		48,865,161	12,900,000	14,023,716	9,937,000		85,725,877
Liquid Funds - Cash & Investments		39,428,453	12,900,000	9,308,092	4,937,377		66,573,923
Receivables, Prepays, Inventory and Other		9,436,707	-	4,715,623	4,999,623		19,151,954
		48,865,161	12,900,000	14,023,716	9,937,000		85,725,877

- Allocation Criteria -
1. Sales tax receipts and receivables can only be used for Construction Reserve
 2. General Account Investments is first used for undistributed Water Quality Loan
 3. The remaining balance in investment accounts, Customer A/R, other A/R, inventory, prepays are used to fund Emergency Reserve first until it reached target
 4. Any remaining balance in the unrestricted funds is then used to fund O&M Rate Stabilization

Note	Resolution No.	Amount Loan	Total Commitment	Unloaned portion of the amount committed
Note 1 - LT A/R - Distributed Water Quality Loan	R-14-03	4,788,000.00	4,788,000.00	-
Loan to Village of Downers Grove	R-48-03	211,623.00	1,421,700.00	1,210,077.00
Loan to Village of Woodridge		4,999,623.00	6,209,700.00	1,210,077.00

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**DuPage Water Commission Forensic Investigation
Analysis of Unrestricted and Restricted Net Assets for Fiscal Year 2008**

Source: Audited Financial Statements and "Requirement Analysis" provided by Rick Skiba

	A	B	C	D	E
		Reference	G/L Account No.	4/30/2008 Balance	Data Source
1					
2	Unrestricted Assets				
3	Cash		01-1110 to 01-1133	98,992	Requirement Analysis
4	Investment - Water Fund		01-1210	2,404,088	
5	Investment - Depre Account		01-1216	374,746	
6	Investment - General Account		01-1217	2,089,250	
7	Investment - Sales Tax		01-1230	14,510,050	
8	Total Unrestricted Cash & Investment			19,477,125	
9					
10	A/R - Customer		01-1310	4,074,580	
11	A/R - Sales Tax		01-1331	8,315,260	
12	Other A/R		01-1398	27,573	
13	Interest Receivable - Sales Tax Investment		01-1430	556,087	
14	Inventory		01-1501	167,080	
15	Prepays and Other		01-1550 to 01-1553	460,204	
16	A/R - Water Quality Loan (noncurrent)		01-1332	5,637,192	
17	Total Unrestricted Assets			38,715,101	
18					
19	Unrestricted - Liabilities				
20	Deferred Revenue		01-2700	2,406,088	
21	Total Liabilities payable from unrestricted funds			2,406,088	
22					
23	Unrestricted Net Assets			36,309,013	
24					
25					
26					
27					
28					
29	Restricted - Assets				
30					
31	Investment - O&M Account	Ordinance 0-1-87	01-1211	9,830,659	
32	Investment - Bond Interest	Ordinance 0-1-87	01-1212	2,781,849	
33	Investment - Bond Principal	Ordinance 0-1-87	01-1213	9,730,158	
34	Investment - O&M Reserve	Ordinance 0-1-87	01-1215	12,692,764	
35	Investment - Depreciation Account	Ordinance 0-1-87	01-1216	5,000,000	
36	Investment - Sales Tax Investment (Fixed Cost Reduction)	Ordinance O-7-02	01-1230	7,145,093	
37	Investment - GO Bond	Ordinance O-1-08	01-1243	14,433,283	
38	Total Restricted Cash & Investments			61,613,806	
39					
40	Interest Receivable - Revenue Bonds Interest		01-1412	82	
41	Interest Receivable - Revenue Bonds Principal		01-1413	282	
42	Interest Receivable - O&M Reserve Account		01-1415	295,068	
43	Interest Receivable - GO Bonds		01-1443	111,957	
44	Total Restricted Assets			62,021,195	
45					
46	Restricted - Liabilities				
47	Accounts Payable		01-2110, 01-2210 to 01-2260, 01-2510 - 01-2612	4,388,494	
48	Accrued Interest - Revenue Bond		01-2440	2,582,844	
49	Accrued Interest - GO Bond		01-2450	311,150	
50	Total Liabilities payable from restricted funds			7,282,488	
51					
52	Restricted Net Assets			54,738,707	
53					
54	Capital Assets				
55	Land and CIP		01-1710, 01-1780	35,600,745	Audited FS
56	Other Capital Asset		01-1720 to 01-1760, 01-1820 to 01-1860	337,567,156	
57	Total Capital Assets			373,167,901	
58					
59	Bonds Payable - Current		01-2341, 01-2350	20,090,393	
60	Bonds Payable - Noncurrent		01-2841 to 01-2853	112,555,514	
61	Total bonds payable			132,645,907	
62					
63	Net Capital Assets			240,521,994	
64					
65	Total Net Assets			331,569,714	

	F	G	H	I	J	K	L
	Designation of Unrestricted Funds						
1	Asset Type	Funds from unearned revenue	Construction Reserve R-14-04	Emergency Reserve R-28-07	O&M Rate Stabilization R-14-04	Water Quality Loan R-32-02	Total
2	Unrestricted Assets						
3	Cash	98,992					98,992
4	Investment - Water Fund	2,306,096				97,992	2,404,088
5	Investment - Depre Account			374,746			374,746
6	Investment - General Account	1,000				2,088,250	2,089,250
7	Investment - Sales Tax		14,510,050				14,510,050
8	Total Unrestricted Cash & Investment						-
9	Unrestricted - Liabilities						
10	A/R - Customer			1,961,013		2,113,567	4,074,580
11	A/R - Sales Tax		8,315,260				8,315,260
12	Other A/R			27,573			27,573
13	Interest Receivable - Sales Tax Investment		556,087				556,087
14	Inventory			167,080			167,080
15	Prepays and Other			460,204			460,204
16	A/R - Water Quality Loan (noncurrent) - See Note 1					5,637,192	5,637,192
17	Total Unrestricted Assets						-
18	Unrestricted - Liabilities						
19	Deferred Revenue	(2,406,088)					(2,406,088)
20							
21							
22							
23	Unrestricted Net Assets	-	23,381,397	2,990,616	-	9,937,000	36,309,013
24							
25	Liquid Funds - Cash & Investments		14,510,050	374,746	-	2,186,241	17,071,037
26	Receivables, Prepays, Inventory and Other		8,871,347	2,615,870	-	7,750,759	19,237,976
27			23,381,397	2,990,616	-	9,937,000	36,309,013
28							
29							

	Resolution No.	Amount Funded	Amt Committed	Unfunded Commitment
30	Note 1 - LT A/R - Distributed Water Quality Loan	4,999,623.00	6,209,700.00	1,210,077.00
31	Water Quality Loan (LT A/R) balance as of 4/30/07			
32	Loan to Village of Carol Stream	2,751,135.60	740,000.00	(2,011,135.60)
33	Water Quality Loan (LT A/R) balance as of 4/30/08	7,750,758.60	6,949,700.00	(801,058.60)
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DuPage Water Commission Forensic Investigation
Analysis of Unrestricted and Restricted Net Assets for Fiscal Year 2009

Source: Draft Financial Statements, Trial Balance, and "Requirement Analysis" provided by Rick Skiba

	A	B	C	D	E
			G/L Account		
	Reference	No.	4/30/2009 Balance	Data Source	
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2					
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Requirement Analysis

not fully funded

Draft FS

	F	G	H	I	J	K	L
	Designation of Unrestricted Funds						
1	Asset Type	Funds from unearned revenue	Construction Reserve R-14-04	Emergency Reserve R-28-07	O&M Rate Stabilization R-14-04	Water Quality Loan R-32-02	Total
2	Unrestricted Assets						
3	Cash	78,174					78,174
4	Investment - Water Fund	2,187,306					2,187,306
5	Investment - Depre Account					924,989	924,989
6	Investment - General Account						-
7	Investment - Sales Tax						-
8	Total Unrestricted Cash & Investment						-
9							
10	A/R - Customer			1,322,827		3,374,820	4,697,646
11	A/R - Sales Tax		6,641,638				6,641,638
12	Other A/R						-
13	Interest Receivable - Sales Tax Investment		210,915				210,915
14	Inventory			167,080			167,080
15	Prepays and Other			421,240			421,240
16	A/R - Water Quality Loan (noncurrent) - Same Bal as 4/30/08					5,637,192	5,637,192
17	Total Unrestricted Assets						-
18							
19	Unrestricted - Liabilities						
20	Deferred Revenue	(2,265,481)					(2,265,481)
21							-
22							
23	Unrestricted Net Assets	-	6,852,553	1,911,147	-	9,937,000	18,700,699
24							
25	Liquid Funds - Cash & Investments	2,265,481	-	-	-	924,989	3,190,470
26	Receivables, Prepays, Inventory and Other	-	6,852,553	1,911,147	-	9,012,011	17,775,711
27	Unearned Revenue	(2,265,481)					(2,265,481)
28		-	6,852,553	1,911,147	-	9,937,000	18,700,699
29				(18,088,853)			
30							
31							
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DuPage Water Commission Forensic Investigation
Analysis of Unrestricted and Restricted Net Assets from May to October 2009
 Unaudited Financial Information - Source: 2009 May - October Requirement Analysis provided by Rick Skiba

	A	B	C	D	E	F	G	H
	5/31/2009 Bal	6/30/2009 Bal	7/31/2009 Bal	8/31/2009 Bal	9/30/2009 Bal	10/31/2009 Bal		
Unrestricted Assets								
Cash	51,966	2,212,367	350,976	927,277	1,335,261	447,254		
Investment - Water Fund	2,201,573	1,879,834	1,879,834	1,291,977	672,436	1,748,501		
Investment - Depr Account								
Investment - General Account								
Investment - Sales Tax	594,239	175,000						
Total Unrestricted Cash & Investment	2,787,778	2,417,367	2,230,810	2,219,254	2,207,697	4,082,505		
A/R - Customer	5,778,081	5,347,235	6,919,216	6,875,509	5,854,733	5,149,505		
A/R - Sales Tax & Other	4,118,388	3,650,095	5,154,784	1,940,265	2,836,105	5,786,287		
Interest Receivable - Sales Tax Investment	211,630	211,630	444,488	397,512	349,536	301,560		
Inventory, Prepays and Other	541,640	492,464	5,637,192	5,637,192	5,637,192	5,637,192		
A/R - Water Quality Loan (noncurrent)	5,637,192	5,637,192	20,386,489	17,069,731	16,885,262	23,152,805		
Total Unrestricted Assets	19,074,708	17,755,983	22,308,810	22,192,514	22,076,977	21,957,755		
Unrestricted - Liabilities	2,253,539	2,212,367	2,230,810	2,219,254	2,207,697	2,195,755		
Deferred Revenue	2,253,539	2,242,367	2,230,810	2,219,254	2,207,697	2,195,755		
Total Liabilities payable from unrestricted funds	16,821,170	15,513,616	18,155,679	14,850,477	14,874,394	20,937,048		
Unrestricted Net Assets								
Designation Analysis								
Cash & Water Fund Investment offset against Deferred Revenue		175,000						4,082,505
Investment - Depr Account and General Account	534,239							5,149,505
Investment - Sales Tax Account	5,778,081	5,347,235	6,919,216	6,875,509	5,854,733	5,149,505		3,926,734
A/R - Customer	4,118,388	3,650,095	5,154,784	1,940,265	2,836,105	1,859,553		1,859,553
A/R - Sales Tax	211,630	211,630	444,488	397,512	349,536	301,560		301,560
A/R - Other	541,640	492,464	5,637,192	5,637,192	5,637,192	5,637,192		5,637,192
Interest Rec - Sales Tax	5,637,192	5,637,192	18,155,679	14,850,477	14,677,565	20,937,048		20,937,048
Inventory & Prepays	16,821,170	15,513,616						
A/R - Water Quality Loan (noncurrent)	4,330,018	3,861,725	5,154,784	1,940,265	2,836,105	8,009,239		
Total unrestricted net assets								
Construction Reserve - Sales Tax Investment & Receivable	4,299,808	4,299,808	4,299,808	4,299,808	4,299,808	4,299,808		4,299,808
Unfunded Water Quality Loan	5,637,192	5,637,192	5,637,192	5,637,192	5,637,192	5,637,192		5,637,192
Funded Water Quality Loan	2,554,152	1,714,891	3,063,895	2,973,212	1,904,460	3,010,809		3,010,809
Unrestricted asset balance after construction reserve and Water Quality Loan	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000		20,000,000
Target \$20 million Emergency Reserve	(17,445,848)	(18,285,109)	(16,936,105)	(17,024,788)	(18,095,540)	(16,989,191)		
Short of Target by:								
Unrestricted funds available for O&M Rate Stabilization	110,210	1,247,712	1,251,848	38,964	218,869	115,407		
Restricted - Assets								
Cash	15,076,551	15,687,762	16,352,992	16,270,576	15,456,651	14,357,442		
Investment - Water Fund	359,637	559,637	917,108	1,622,182	1,974,719	2,080,548		
Investment - O&M Account	1,516,760	1,516,760	2,365,052	4,042,320	4,880,654	5,042,964		
Investment - Bond Interest	13,804,256	12,677,799	8,697,505	7,119,518	6,427,697	232,211		
Investment - Bond Principal	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000		
Investment - O&M Reserve	6,549,784	5,954,349	5,954,349	4,763,479	4,168,044	3,572,610		
Investment - Depreciation Account	13,629,826	13,629,826	13,629,826	13,629,826	13,629,826	13,067,229		
Investment - Sales Tax Investment (Fixed Cost Reduction)								
Investment - GO Bond								

	A	B	C	D	E	F	G	H
	5/31/2009 Bal	6/30/2009 Bal	7/31/2009 Bal	8/31/2009 Bal	9/30/2009 Bal	10/31/2009 Bal		
Total Restricted Cash & Investments	56,246,887	56,354,538	53,560,882	52,513,987	51,261,321	43,461,410		
Interest Receivable - O&M Account						25,065		
Interest Receivable - Revenue Bonds Interest	5,741	5,241				35,181		
Interest Receivable - Revenue Bonds Principal	7,296	7,296				52,891		
Interest Receivable - O&M Reserve Account								
Interest Receivable - GO Bonds	21,538	21,538				38,107		
Total Restricted Assets	56,280,262	56,388,613	53,560,882	52,513,987	51,261,321	43,612,653		
Restricted - Liabilities								
Accounts Payable	8,284,583	8,923,117	9,471,790	9,407,362	8,773,345	7,429,069		
Accrued Interest - Revenue Bond	352,536	705,073	1,057,609	1,410,116	1,762,682	2,115,219		
Accrued Interest - GO Bond	319,069	425,425	531,781	638,138	106,356	212,713		
Total Liabilities payable from restricted funds	8,956,188	10,053,615	11,061,181	11,455,645	10,642,383	9,757,000		
Restricted Net Assets	47,324,774	46,334,998	42,499,701	41,058,341	40,618,937	33,855,653		
Capital Assets	366,642,115	366,092,896	365,993,677	365,144,357	364,895,238	379,559,450		
Bonds Payable - Current	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000		
Bonds Payable - Noncurrent	81,114,977	81,153,239	81,194,982	81,236,725	81,278,468	81,323,693		
Total bonds payable	103,019,977	103,058,239	103,099,982	103,141,725	103,183,468	103,228,693		
Net Capital Assets	263,622,138	263,034,657	262,893,695	262,302,732	261,711,770	276,330,757		
Total Net Assets	327,768,082	324,883,272	323,549,075	318,211,551	317,008,272	331,143,458		
Balance per Requirement Analysis prepared by Rick Skiba	327,768,082	324,883,272	323,549,075	318,211,551	317,008,272	331,143,458		
Diff								
Compliance of Revenue Bond Ordinance 0-1-87								
O&M Investment Account	6,902,178	6,902,178	6,902,178	6,902,178	6,902,178	6,902,178	7,068,845	
Requirement - sufficient reserve for the next month's operating exp.	6,902,178	6,902,178	6,902,178	6,902,178	6,902,178	6,902,178	7,068,845	
(Under)/Over-funded			0					
Revenue Bond - Interest (Under)/Over-funded								
Revenue Bond - Principal Investment & Interest Rec	212,342	212,342	212,036	212,036	212,037	212,037	510	
Revenue Bond - Principal Investment - Current	1,524,056	2,362,380	3,203,986	4,042,320	4,880,654	5,095,855		
Revenue Bond - Principal (Under)/Over-funded	848,333	1,676,667	2,515,000	3,353,333	4,191,667	5,030,000		
O&M Reserve	13,804,356	12,677,799	8,697,505	7,119,518	6,427,697	232,211		
O&M Reserve Required for Compliance	13,804,356	13,804,356	13,804,356	13,804,356	13,804,356	14,137,689		
(Under)/Over-funded		(1,126,557)	(5,106,851)	(6,684,838)	(7,376,659)	(13,905,478)		
Depreciation Account	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000		
Required Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000		
(Under)/Over-funded								
Sales Tax Receipts Restricted by Resolution								
No of Month to reserve	6,549,784	5,951,349	5,358,914	4,763,479	4,168,044	3,572,610		
Beg amount to reserve	11	10	9	8	7	6		
Calculated amount to reserve	7,145,219	7,145,219	7,145,219	7,145,219	7,145,219	7,145,219		
(Under)/Over-reserved	6,549,784	5,951,349	5,358,914	4,763,479	4,168,044	3,572,610		
	(0)	0	0	(0)	0	0		

EXHIBIT 41

3/2/2010 DPWC MONTHLY CASH/OPERATING REPORT

	12/31/2009		
	TARGETED Reserve/Cash Amount-Needed A	Amount On Hand B	Amount Needed (Shortfall) D
TABLE 1			
RESERVE ANALYSIS			
A. Cash -Reserve (Change Resolution From Three months to Two Months)	\$ 13,000,000	\$ 8,000,000	\$ 5,000,000
B. Cash -Available for General Use	\$ -	\$ 15,074,381	\$(15,074,381)
C. Depreciation Reserve	\$ 5,000,000	\$ 1,992,831	\$ 3,007,169
D. O+M Account (One MO-A/P+ Next Month-Est \$6.5M Mo)	\$ 13,000,000	\$ 11,442,531	\$ 1,557,469
E. O+M Reserve-Revenue Bond (Two MO Operating at est. \$6.5M Mo.)	\$ 13,000,000	\$ -	\$ 13,000,000
TOTAL SUMMARY CASH + RESERVE ANALYSIS	\$ 44,000,000	\$ 36,509,743	\$ 7,490,257
F. CURRENT CONSTRUCTION OBLIGATIONS-2009/10 CARRY OVER	\$ 38,755,044		\$ 30,058,320
COMBINED TOTAL TABLE 1 RESERVE AND CONSTRUCTION	\$ 82,755,044	\$ 36,509,743	\$ 37,548,577

TABLE 2

OTHER CASH

G. Revenue Bond Reserve (EA. month from operating budget approx \$0.6M)	\$ 12,175,219	\$ 9,804,103	\$ 2,371,116
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EXHIBIT 42

DuPage Water Commission
Job Description
Accountant

IDENTIFICATION

Position Title: Accountant
Department: Administration
Supervisor: Financial Administrator

JOB SUMMARY:

Under the direction of the Financial Administrator, the Accountant assists in the accounting and finance activities of the Commission including, but not limited to, the recording, preparing, and reconciliation of financial statements, investments, accounts payable, billing, and payroll.

ESSENTIAL FUNCTIONS AND RESPONSIBILITIES:*

Assist the Financial Administrator in recommending changes in procedures to make accounting and financial activities more efficient.

Use accounting software to prepare journal entries, payroll, accounts payable, and bank reconciliations.

Keep inventory lists, investment lists, accounts receivable list, prepaid insurance list, and produce customer invoices.

Ensure compliance with Internal Revenue Service and Government Accounting Standard rules and regulations.

Act as a backup to Administrative Assistant/Receptionist, when necessary.

Prepare and input Journal entries into the General Ledger.

Reconcile bank statements.

Reconcile investment lists and collateral lists to bank statements.
Input and produce accounts payable for the Commission's vendors.

Input and produce the payroll for the Commission employees on a biweekly basis.

* This list of essential responsibilities and functions is not exhaustive. The Commission reserves the right to supplement this list, particularly if the scope of duties in this position changes.

DuPage Water Commission
Job Description
Accountant

Assist the Financial Administrator with the annual financial audits.

Prepare customer invoices on a monthly basis.

Calculate quarterly Federal Withholding, State Withholding, and State Unemployment taxes.

Act as backup to Administrative Assistant/Receptionist with answering and screening incoming phone calls, greeting visitors, scanning visitor drivers licenses, and making appropriate badges.

Act as backup to Administrative Assistant/Receptionist with obtaining approval for field personnel for confined space entry.

Ensure timely communication and response to internal and external requests when working by regularly checking mail boxes, e-mail, and voice mail on office and Nextel phones.

Perform other duties as required or assigned which are reasonably within the scope of the duties enumerated above.

SAFETY RESPONSIBILITIES:

Follow all applicable safety policies and procedures, and conduct activities in a safe manner.

Inspect personal tools, equipment, and work area to identify safety hazards, and follow-up on corrective actions to eliminate such hazards.

Voice safety concerns to supervisor or Safety Coordinator.

Initiate and suggest new safety policies and procedures to enhance workplace safety.

EDUCATION, TRAINING, AND EXPERIENCE:

Education:

Bachelor's Degree in Accounting or Finance.

CPA Certification preferred, but not required.

Experience:

A minimum of 3 years experience in an accounting position.

DuPage Water Commission
Job Description
Accountant

REQUIRED SKILLS, KNOWLEDGE, AND ABILITIES:

Able to read, write and speak English fluently.

Ability to learn and effectively use Computerized Maintenance Management System software.

Proficiency with Microsoft Excel.

Knowledge of governmental accounting.

Knowledge of computerized financial systems.

Ability to maintain confidentiality as appropriate.

Ability to deal with members of the Board, staff, and the public in a helpful, calm, and efficient manner.

Ability to learn, understand and adhere to all applicable safety precautions and procedures.

PHYSICAL AND MEDICAL STANDARDS:

None

WORKING CONDITIONS AND ENVIRONMENT:

The Accountant will spend most of his or her time in an office environment, but at times will need to meet and confer with Commission employees in the pumping station and in other locations throughout the Commission's facilities. Files are stored on shelves requiring periodic use of ladders or work platforms. Oils and other slippery fluids and substances occasionally can be found on floors in the pump room and other locations. High voltage electrical transformers and equipment exist in the pump room and other locations. Exposure to chemicals such as sodium hypochlorite can occur in the pump room and other locations.

LICENSES AND CERTIFICATES:

Must pass a pre-employment drug test and security background check.

Must sign Confidentiality Agreement upon hire.

DuPage Water Commission
Job Description
Accountant

PERTINENT INFORMATION:

This is a non-exempt position. Successful candidate must comply with all policies and practices of the DuPage Water Commission including:

Overtime:

As a condition of employment, shall be available to work overtime or work during non-business hours as required by the General Manager or authorized representative.

HOURS WORKED:

Forty (40) hours per week minimum.

Print Employee Name

Employee Signature

Date

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EXHIBIT 43

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 STATEMENT OF REVENUES & EXPENDITURES
 February 28, 2009

	CURRENT MONTH		YEAR TO DATE		INC. (DEC)
	FY 2009	INC. (DEC)	FY 2009	FY 2008	
REVENUE					
WATER SALES	3,999,982	305,595	32,126,926	29,546,547	2,579,981
SALES TAX	2,652,721	(339,357)	23,236,203	29,461,793	(-1,233,591)
INVESTMENT INCOME	51,932	(49,728)	1,200,575	1,173,725	26,851
OTHER INCOME					
TOTAL REVENUE	6,704,635	(122,905)	61,555,407	60,182,172	1,333,237
EXPENDITURES					
PERSONAL SERVICES	211,678	327,224	3,301,371	3,611,754	189,617
PROFESSIONAL SERVICES	71,547	(22,939)	213,103	229,407	(16,451)
CONTRACTUAL SERVICES	2,003	(21)	248,326	208,894	39,432
INSURANCE	5,758	(7,787)	74,817	73,734	1,079
WATER SUPPLY COSTS (NOTE 1)		555,540	42,255,262	37,591,975	4,763,287
BOND PRINCIPAL & INTEREST EXPENSE	4,769,058		14,072,927		
LAND AND RIGHT OF WAY					
CAPITAL EQUIPMENT PURCHASES	519,250	319,931	2,829,853	2,409,558	419,785
TOTAL EXPENDITURES	5,771,335	726,528	62,906,422	57,599,541	5,396,781
REBATES				40,000,000	
TRANSFER TO OTHER GOVERNMENTS				15,000,000	
NET INCREASE / (DECREASE) IN FUNDS	931,030	(842,233)	(1,351,015)	(2,417,371)	(4,013,544)

	February 28, 2009		February 28, 2008		% CHANGE
	February 28, 2009	February 28, 2008	February 28, 2009	February 28, 2008	
FUNDS CONSIST OF					
PETTY CASH	800	850			
CASH AT BANK ONE	7,503	7,525			
CASH AT MB FINANCIAL LOCK BOX	542,442	582,714	(42,572)		
CASH AT HARRIS BANK	85,994	22,980	43,034		
TOTAL CASH	374,452	724,000	(409,548)		

	February 28, 2009		February 28, 2008		% CHANGE
	February 28, 2009	February 28, 2008	February 28, 2009	February 28, 2008	
ILLINOIS FUNDS MONEY MARKET	19,249	25,040	14,943,446	24,679,023	(34.2%)
ILLINOIS FUNDS PRIME FUND	73,726	19,958	12,281,014	19,071,524	1.8%
GOVERNMENT MONEY MARKET FUNDS	0.00%	14,789	3,158	13,384,220	(100.0%)
U.S. TREASURY INVESTMENTS	48,071	10,843	33,713,255	9,924,154	259.9%
U.S. AGENCY INVESTMENTS	0.00%	28,293	8,580,000	28,500,000	0.0%
CERTIFICATES OF DEPOSIT	10,854	100.00%	77,941,505	90,568,142	(13.03%)
TOTAL INVESTMENTS	132,000	172,923	77,941,505	90,568,142	(13.03%)
TOTAL FUNDS			77,942,957	91,280,142	(13.47%)
UNRESTRICTED FUNDS			16,075,525	39,583,840	(59.28%)
RESTRICTED FUNDS			61,867,432	51,696,302	19.75%
TOTAL FUNDS			77,942,957	91,280,142	(13.47%)

NOTE 1: INCREASED WATER SUPPLY COST DUE TO CITY OF CHICAGO RATE INCREASE EFFECTIVE JANUARY 1, 2009

EXHIBIT 44

McGladrey & Pullen
Certified Public Accountants

DuPage Water Commission

Financial Audit and Compliance Examination
April 30, 2006

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

DuPage Water Commission

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DuPage Water Commission

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DuPage Water Commission

Commission Officials
Year Ended April 30, 2006

General Manager	Mr. Robert L. Martin
Financial Administrator	Mr. R. Max Richter
Staff Attorney	Ms. Maureen Crowley

Commission administrative offices are located at:

600 East Butterfield Road
Elmhurst, IL 60126



DuPage Water Commission

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

July 27, 2006

McGladrey & Pullen, LLP
Certified Public Accountants
20 North Martingale Road, Suite 500
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Commission. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following assertions during the year ended April 30, 2006. Based on this evaluation, we assert that during the year ended April 30, 2006, the Commission has materially complied with the assertions below.

- A. Whether the Commission is maintaining effective accounting control over revenues, obligations, expenses, assets and liabilities.
- B. Whether the records, books and accounts of the Commission adequately record its financial and fiscal operations and provide a basis for review of accountability by external auditors.
- C. Whether key financial, statistical, and program data produced by the Commission provide useful information for review of accountability regarding service efforts and accomplishments.

Yours very truly,

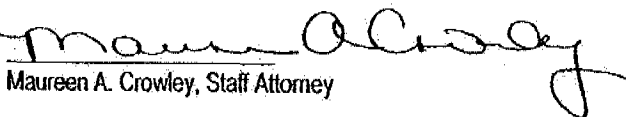
DuPage Water Commission



Robert L. Marjin, General Manager



R. Max Richter, Financial Administrator



Maureen A. Crowley, Staff Attorney

DuPage Water Commission

Compliance Report Summary Year Ended April 30, 2006

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

Auditor's Reports

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

Summary of Findings

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	0	2
Repeated findings	0	2
Prior recommendations implemented or not repeated	2	1

Details of findings are presented in a separately tabbed report section.

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
<u>Prior Findings Not Repeated – Government Auditing Standards</u>		
06 – 1	8	Accounting Software
06 – 2	8	Capital Assets

DuPage Water Commission

Compliance Report
Summary – Continued
Year Ended April 30, 2006

Exit Conference

Commission management waived having an exit conference in a letter dated September 7, 2006. Responses to the *recommendations were provided by Robert L. Martin in a letter dated September 18, 2006.*

McGladrey & Pullen

Certified Public Accountants

Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information For State Compliance Purposes

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the DuPage Water Commission's (Commission) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended April 30, 2006. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

- A. Whether the Commission is maintaining effective accounting control over revenues, obligations, expenses, assets and liabilities.
- B. Whether the records, books and accounts of the Commission adequately record its financial and fiscal operations and provide a basis for review of accountability by external auditors.
- C. Whether key financial, statistical, and program data produced by the Commission provide useful information for review of accountability regarding service efforts and accomplishments.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements during the year ended April 30, 2006.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Commission's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the DuPage Water Commission (Commission) as of April 30, 2006, and for the year then ended as listed in the table of contents, and have issued our report thereon dated July 27, 2006. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Commission. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Commission's basic financial statements for the year ended April 30, 2005. In our report dated July 27, 2005, we expressed an unqualified opinion on the basic financial statements. In our opinion, the April 30, 2005, Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited," is fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 2005, taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the DuPage Water Board of Commissioners and Commission management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Schaumburg, Illinois
July 27, 2006

McGladrey & Pullen

Certified Public Accountants

Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the DuPage Water Commission (Commission), as of and for the year ended April 30, 2006, and have issued our report thereon dated July 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted certain immaterial instances of internal control deficiencies, which we have reported to management of the Commission in a separate letter dated July 27, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters which we have reported to management of the Commission in a separate letter dated July 27, 2006.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the DuPage Water Board of Commissioners and Commission management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Schaumburg, Illinois
July 27, 2006

DuPage Water Commission

**Prior Findings Not Repeated – Government Auditing Standards
Year Ended April 30, 2006**

Finding 06 – 1 Accounting Software

In the prior year, it was noted that the Commission had created a series of linked electronic spreadsheets using Microsoft Excel, which functioned as its accounting system. The Commission's daily activity was manually entered as journal entries into these spreadsheets. Although the linked spreadsheets are capable of producing reports such as a trial balance, general ledger, and financial statements, they still did not constitute an adequate accounting system. In the prior year, the Commission had purchased software, but had not yet implemented many of the program functions. (Finding Code No. 05-1)

During the current year, the Commission fully integrated the use of the purchased accounting software to record its daily activity. As a result, the Commission has been able to implement stronger controls over the financial reporting process.

Finding 06 – 2 Capital Assets

In the prior year it was noted the Commission did not have detailed capital asset records and there was not an adequate segregation of duties in accounting for capital assets. We noted the following:

- The Commission maintained records of the historical cost of capital assets by pools (similar assets constructed or purchased at once), but did not maintain records of the individual capital asset items within the pools. Furthermore, the cost pools are depreciated over the estimated lives of the pool versus individual asset life. The Commission purchased a new accounting software package but had not implemented the capital assets functions of the new software program.
- The individual assigned the duty of conducting the physical inventory of capital assets also reconciled the capital asset inventory records. (Finding Code No. 05-2)

During the current year, the Commission entered individual fixed asset records into the new fixed asset software. The Commission implemented procedures to segregate the physical inventory function from the recordkeeping function.

DuPage Water Commission

**Financial Statement Report
Summary
Year Ended April 30, 2006**

The audit of the accompanying basic financial statements of the DuPage Water Commission (Commission) was performed by McGladrey & Pullen, LLP, as special assistant auditors for the Auditor General, State of Illinois.

Based on their audit, the auditors expressed an unqualified opinion on the Commission's basic financial statements.

McGladrey & Pullen

Certified Public Accountants

Independent Auditors' Report

Honorable William G. Holland
Auditor General, State of Illinois
and
Honorable Chairman and
Members of the Board of Commissioners
DuPage Water Commission

As Special Assistant Auditors for the Auditor General, we have audited the accompanying basic financial statements of the DuPage Water Commission (Commission) as of April 30, 2006, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of April 30, 2006, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 27, 2006, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The required supplementary information, which includes Management's Discussion and Analysis on pages 12 through 18 and pension related information on pages 40 and 41 is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on budget comparison listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, provisions or conditions of Article X of the Revenue Bond Ordinance of 1987, Article II of the Water Refunding Bond Ordinance of 1993, and Article II of the Water Refunding Bond Ordinance of 2003, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

McGladrey & Pullen, LLP

Schaumburg, Illinois
July 27, 2006

DuPage Water Commission

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the DuPage Water Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year ending April 30, 2006.

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of the following components: Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Assets presents information on all the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the Commission's net assets changed during the most recent fiscal year. Both the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets include all the assets and liabilities of the Commission. The statements are presented using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies.

The Statement of Cash Flows provides information on the Commission's gross sources and uses of cash during the fiscal year.

The Notes to the Financial Statements generally provide more detailed information about the Commission's assets, liabilities, net assets and operations, as well as summarize the Commission's significant accounting policies.

FINANCIAL OPERATIONS SUMMARY

With revenues of \$89.4 million and expenses totaling \$71.1 million, the Commission's net assets increased by \$18.3 million in fiscal year 2005-06 to \$344.4 million. Restricted net assets and net assets invested in property, plant and equipment were \$31.9 million and \$232 million respectively.

FINANCIAL ANALYSIS

Changes in Net Assets. The table below presents information on the Commission's assets and liabilities, with the difference between the two reported as net assets. All significant dollar changes have been explained.

The decrease in total cash and investments can be attributed to the \$15 million payment to DuPage County. State of Illinois Public Act 93-0226 adopted July 22, 2003 requires a \$75 million transfer of Commission Funds to DuPage County over a five-year period.

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Long-term loan receivables decreased because of repayments of long-term water quality loans given to customer utilities of the Commission. Certain areas in DuPage County have been affected by contaminated well water and the loans provided a financial means for these communities to provide water to areas that were affected by the contamination. These loans will be discussed in further detail in the "Other Financial Information" section below.

Net capital assets represent the total of assets capitalized less accumulated depreciation. Investment in new construction increased by \$5.6 million.

The Commission originally financed and constructed the Lexington Pump Station and the tunnel that connects Lexington to the Central Park Pumping Station for the City of Chicago. The City of Chicago agreed to pay the Commission back through a 20 percent reduction in water costs (Deferred Water Supply Contract Costs) paid by the Commission. It is anticipated that the balance will be realized during fiscal year 2007.

Amounts payable to DuPage County decreased by \$15 million due to the payment to DuPage County in accordance with State of Illinois Public Act 93-0226. Bonds payable declined because of bond payments made during the fiscal year. This also reduced accrued interest payable.

Net assets invested in capital assets, net of related debt increased \$18.5 million from the prior year due primarily to a decrease in noncurrent bonds payable of \$19.3 million used to finance capital assets.

Restricted net assets increased by \$379 thousand over the prior year due mainly to increases in restricted investments held by a trustee for payment of the current portion of the general obligation bonds, revenue bonds and other liabilities associated with the bonds. For more information see Note 7 (c) and Note 8, in the notes to the financial statements.

A comparative summary of the changes in net assets is presented on the following page.

DuPage Water Commission

Management's Discussion and Analysis

COMPARATIVE SUMMARY OF NET ASSETS
For Fiscal Years Ending April 30

	2006	2005	INCREASE (DECREASE)	% CHANGE
Assets				
Current:				
Unrestricted cash and investments	\$ 93,324,553	\$ 107,525,058	\$ (14,200,505)	-13.2%
Restricted investments	42,964,387	42,506,096	458,291	1.1%
Receivables	14,191,133	14,529,958	(338,825)	-2.3%
Other assets	644,936	703,766	(58,830)	-8.4%
Noncurrent:				
Restricted investments	16,532,818	16,328,752	204,066	1.2%
Long term loan receivable	4,999,623	6,075,247	(1,075,624)	-17.7%
Land and construction in progress	32,573,258	26,978,938	5,594,320	20.7%
Capital assets, net of accumulated depreciation	350,584,643	357,001,682	(6,417,039)	-1.8%
Deferred water supply contract cost	868,166	868,166	-	0.0%
Total assets	556,683,517	572,517,663	(15,834,146)	-2.8%
Liabilities				
Current:				
Payables and accrued liabilities	5,347,320	5,907,703	(560,383)	-9.5%
Due to DuPage County	15,000,000	15,000,000	-	0.0%
Bonds payable	18,726,775	17,605,000	1,121,775	6.4%
Accrued interest	3,492,452	3,770,494	(278,042)	-7.4%
Deferred revenue	2,714,519	2,855,126	(140,607)	-4.9%
Noncurrent:				
Due to DuPage County	15,000,000	30,000,000	(15,000,000)	-50.0%
Bonds payable	152,016,240	171,314,672	(19,298,432)	-11.3%
Total liabilities	212,297,306	246,452,995	(34,155,689)	-13.9%
Net Assets				
Invested in capital assets, net	232,009,827	213,534,114	18,475,713	8.7%
Restricted	31,930,658	31,551,651	379,007	1.2%
Unrestricted	80,445,726	80,978,903	(533,177)	-0.7%
Total net assets	\$ 344,386,211	\$ 326,064,668	\$ 18,321,543	5.6%

DuPage Water Commission

Management's Discussion and Analysis

Revenues and Expenses. The table which follows presents a comparative summary of revenues and expenses. The most significant source of revenues for the Commission continues to be from water sales. Water sales for fiscal year 2006 were 33.2 billion gallons versus 30.4 billion gallons last fiscal year. There were no major new customers and the average charter customer water rate was \$1.65 and \$1.45 per 1,000 gallons for fiscal year 2005 and 2006, respectively. Due to the lower average rate per 1,000 gallons, water revenue decreased by \$2.8 million or 5.5%.

The national economic slow down has eased and sales tax receipts rose substantially in fiscal year 2006. Sales tax revenues have been sufficient to fund all system capital improvements and the statutory payment to the county as well as providing an alternative funding source for debt service. Sales taxes were used to make all general obligation bond payments in fiscal year 2006. In addition, \$7.1 million of sales tax funds were used to reduce the customers' fixed cost payments for fiscal year 2006 by 50%. This practice started in fiscal year 1998 and has continued through fiscal year 2006.

Statement 31 of the Governmental Accounting Standards Board requires investments be reported at fair market value. Investment income increased \$2.6 million from the prior year due to an increase in interest income of \$3.8 million offset by a \$1.2 million decline in the fair value of investments at April 30, 2006.

Water distribution costs remain the highest expense in the Commission's operations. Water distribution costs increased \$5.8 million mainly due to higher water consumption and higher electricity cost.

Personnel service costs decreased over last year due to a \$2.6 million payment to IMRF for prior pension costs.

DuPage Water Commission

Management's Discussion and Analysis

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES
For Fiscal Years Ending April 30

	2006	2005	INCREASE (DECREASE)	% CHANGE
Revenues				
Operating:				
Water sales - all categories	\$ 48,575,115	\$ 51,399,278	\$ (2,824,163)	-5.5%
Other	1,236	6,393	(5,157)	-80.7%
Nonoperating:				
Sales tax	35,394,007	34,384,906	1,009,101	2.9%
Investment income	5,429,134	2,856,461	2,572,673	90.1%
Total revenues	89,399,492	88,647,038	752,454	0.8%
Expenses				
Operating:				
Water supply costs	50,637,086	45,018,872	5,618,214	12.5%
Depreciation	6,702,842	6,668,013	34,829	0.5%
Personnel services	3,122,625	5,355,811	(2,233,186)	-41.7%
All other expenses	1,855,008	2,129,165	(274,157)	-12.9%
Nonoperating:				
Bond interest	8,760,388	9,262,718	(502,330)	-5.4%
Total expenses	71,077,949	68,434,579	2,643,370	3.9%
Change in net assets	18,321,543	20,212,459	(1,890,916)	-9.4%
Net assets May 1	326,064,668	305,852,209	20,212,459	6.6%
Net assets April 30	\$ 344,386,211	\$ 326,064,668	\$ 18,321,543	5.6%

DuPage Water Commission

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Commission's capital assets before depreciation totaled \$469.0 million in fiscal year 2006. This represents an increase of \$5.9 million over last year, mainly in water main and delivery facilities.

COMPARATIVE SUMMARY OF CHANGES IN CAPITAL ASSETS, NET
For Fiscal Years Ending April 30

	2006	2005	INCREASE (DECREASE)	% CHANGE
Land and permanent easements	\$ 11,158,482	\$ 11,158,482	\$ -	0.0%
Construction in progress	21,414,776	15,820,456	5,594,320	35.4%
Water mains	293,121,053	297,302,675	(4,181,622)	-1.4%
Buildings and other structures	54,247,639	56,289,332	(2,041,693)	-3.6%
Pumping equipment	2,733,505	2,912,997	(179,492)	-6.2%
Office furniture and equipment	236,876	250,184	(13,308)	-5.3%
Vehicles and other equipment	245,570	246,494	(924)	-0.4%
Total capital assets, net	\$ 383,157,901	\$ 383,980,620	\$ (822,719)	-0.2%

Detailed information about the Commission's capital assets is presented in the Notes to the Financial Statements.

Debt Administration. All scheduled bond payments through May 1, 2006 were made on time. Requirements of the revenue bond ordinance have also been met, in full, as of fiscal year-end. Principal reductions of \$9.7 million in general obligation debt and \$7.9 million in revenue bond debt were achieved through annual payments. On April 30, 2006, remaining general obligation bond and revenue bond principal outstanding was \$56.4 million and \$117.8 million, respectively. General obligation bond principal and interest payments continue to be 100% funded through the Commission's sales tax proceeds. Property taxes for the bond payments have been abated annually since 1986.

COMPARATIVE SUMMARY OF CHANGES IN OUTSTANDING BONDED DEBT
For Fiscal Years Ending April 30

	2006	2005	INCREASE (DECREASE)	% CHANGE
General obligation bonds	\$ 56,480,000	\$ 66,205,000	\$ (9,725,000)	-14.7%
Water revenue bonds	117,760,000	125,640,000	(7,880,000)	-6.3%
Total outstanding bonded debt	\$ 174,240,000	\$ 191,845,000	\$ (17,605,000)	-9.2%

Detailed information about the Commission's debt is presented in the Notes to the Financial Statements.

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INVESTMENT PORTFOLIO

The Commission's investment portfolio totaled \$152 million. At the end of the fiscal year, the portfolio was earning 4.83% based on market yield and 4.11% based on original purchase price. The benchmark yield adopted by the Commission was 4.73%.

Commission funds were invested as follows at April 30, 2006: United States Treasury obligations (16.0%), United States Agency obligations (29.0%), the Illinois Funds Investment Pool (37.0%) and Certificates of Deposits (17.0%).

OTHER FINANCIAL INFORMATION

On July 22, 2003, the Illinois Governor signed into law Public Act (PA) 93-0226. This Act impacts certain DuPage Water Commission procedures and contracts as well as provides a one-time \$75 million grant from the Commission to DuPage County payable over a five-year period. The Act also limits the Commission's average charter customer water rate to be no greater than \$1.65 per 1,000 gallons until April 30, 2008. This rate is expected to be sufficient to meet all Commission obligations and complete all currently planned capital projects.

The Commission joined with the County of DuPage and the municipalities within the county to solve a water quality issue involving unincorporated areas not presently receiving a Lake Michigan water supply. As a wholesale distributor of Lake Michigan water, the Commission is not able to directly address this issue. However, the Commission agreed to make long-term, low-interest loans available to customer municipalities, retailers of Lake Michigan water, to extend their systems to serve county areas having water quality issues.

The full extent of this contamination is unknown at this time. However, the Commission has committed to provide loans totaling not more than \$10 million toward mitigating the problem. While these long-term low-interest loans may reduce the Commission's investment income, the Commission's long-term rate stabilization and five-year capital improvement programs will not be adversely affected because funds were segregated for this purpose at the time the resolution was passed.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the DuPage Water Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to R. Max Richter, Financial Administrator, DuPage Water Commission, 600 E. Butterfield Road, Elmhurst, IL 60126-4642, (630) 834-0100. E-mail requests should be sent to richter@dpwc.org.

DuPage Water Commission

Statement of Net Assets
April 30, 2006

Assets

Current:

Cash	\$ 780,221
Investments	92,544,332
Restricted investments (Note 7)	42,964,387
Receivables	
Water sales	4,284,960
Accrued interest	1,152,967
Sales tax	8,642,168
Other	111,038
Inventory	167,080
Prepaid expenses and deposits	477,856
Total current assets	<u>151,125,009</u>

Noncurrent:

Restricted investments (Note 7)	16,532,818
Long-term loans receivable (Note 4)	4,999,623
Land and construction in progress	32,573,258
Other capital assets, net of accumulation depreciation of \$85,896,054 (Note 5)	350,584,643
Deferred water supply contract costs	868,166
Total noncurrent assets	<u>405,558,508</u>

Total assets \$ 556,683,517

See Notes to Financial Statements.

(Continued)

DuPage Water Commission

Statement of Net Assets (Continued)

April 30, 2006

Liabilities

Current:

Due to DuPage County	\$ 15,000,000
Deferred revenue	2,714,519
Total current liabilities	<u>17,714,519</u>

Current liabilities payable from restricted assets:

Accounts payable	3,508,484
Accrued liabilities	693,745
Compensated absences	150,470
Contract retentions	994,621
Revenue bonds payable - current (Note 7)	8,254,601
General obligation bonds payable - current (Note 7)	10,472,174
Accrued interest payable	3,492,452
Total current liabilities payable from restricted assets	<u>27,566,547</u>

Noncurrent:

Due to DuPage County	15,000,000
Revenue bonds payable - noncurrent, net (Note 7)	105,568,627
General obligation bonds payable - noncurrent, net (Note 7)	46,447,613
Total noncurrent liabilities	<u>167,016,240</u>

Total liabilities	<u>212,297,306</u>
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Net Assets

Invested in capital assets, net of related debt	232,009,827
Restricted for bond ordinances and sales tax resolution (Note 8)	31,930,658
Unrestricted	80,445,726
Total net assets	<u>\$ 344,386,211</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Revenues, Expenses and
Changes in Net Assets
Year Ended April 30, 2006

Operating revenues	
Water sales	
Operations and maintenance costs	\$ 40,848,001
Fixed costs	7,144,469
Customer differential	582,645
Other income	1,236
Total operating revenues	<u>48,576,351</u>
Operating expenses	
Water supply costs	50,637,086
Depreciation	6,702,842
Personal services	3,122,625
Insurance	834,839
Professional and contractual services	518,112
Administrative costs	497,924
Land and right of way	4,133
Total operating expenses	<u>62,317,561</u>
Operating loss	<u>(13,741,210)</u>
Nonoperating revenues (expenses)	
Sales tax	35,394,007
Investment income	5,429,134
Interest and other charges	(8,760,388)
Net nonoperating revenues	<u>32,062,753</u>
Change in net assets	18,321,543
Net assets, May 1, 2005	<u>326,064,668</u>
Net assets, April 30, 2006	<u>\$ 344,386,211</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Cash Flows
Year Ended April 30, 2006

Cash flows from operating activities	
Cash received from customers	\$ 49,452,742
Cash payments to suppliers	(51,064,513)
Cash payments to employees	(4,428,309)
Other cash payments	(764,056)
Net cash used in operating activities	<u>(6,804,136)</u>
Cash flows from non capital financing activities	
Cash paid to DuPage County	(15,000,000)
Cash received from sales taxes	34,894,007
Net cash provided by non capital financing activities	<u>19,894,007</u>
Cash flows from capital and related financing activities	
Interest paid on revenue bonds	(6,013,295)
Interest paid on general obligation bonds	(3,025,135)
Principal paid on revenue bonds	(8,077,643)
Principal paid on general obligation bonds	(10,099,015)
Construction and purchases of capital assets	(5,880,123)
Net cash used in capital and related financing activities	<u>(33,095,211)</u>
Cash flows from investing activities	
Interest on investments	5,391,568
Proceeds from investments maturing	120,683,544
Payments for investments purchased	(107,456,970)
Loans paid by members	1,075,624
Net cash provided by investing activities	<u>19,693,766</u>
Net decrease in cash	(311,574)
Cash, May 1, 2005	<u>1,091,795</u>
Cash, April 30, 2006	<u>\$ 780,221</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Cash Flows - Continued
Year Ended April 30, 2006

Reconciliation of operating loss to net cash used in
operating activities:

Operating loss	<u>\$ (13,741,210)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	6,702,842
Decrease in water sales accounts receivable	876,392
Decrease in prepaid expenses and deposits	58,830
Decrease in deferred revenue	(140,607)
Decrease in accounts payable	(427,427)
Increase in accrued liabilities and compensated absences	206,579
Decrease in contract retentions	<u>(339,535)</u>
Total adjustments	<u>6,937,074</u>
Net cash used in operating activities	<u>\$ (6,804,136)</u>

See Notes to Financial Statements.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies:

(a) Reporting Entity

The DuPage Water Commission (Commission) is a county water commission, body politic and corporate, political subdivision and unit of local government, in DuPage County, Illinois, existing and operating under the Water Commission Act of 1985 (70 ILCS 3720), effective July 30, 1985, as amended (the "1985 Commission Act"). The Commission declared the official start of operations on May 1, 1992.

The DuPage Water Commission Board consists of 13 Board members. Seven of the Board members are appointed by the DuPage County Board Chairman with the advice and consent of the County Board. One of these appointees is designated as chairman of the Commission. The other six Board members are appointed by vote of the mayors of municipalities within the DuPage County districts.

The purpose and objectives of the Commission are:

- a. To provide water to municipalities and other customers within DuPage County.
- b. To plan, construct, acquire, develop, operate, maintain and/or contract for facilities for receiving, storing and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and other customers.
- c. To provide adequate supplies of such water on an economical and efficient basis for the municipalities and other customers.
- d. To provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding water distribution and supply facilities within DuPage County.

The primary authority to designate management, influence operations, formulate budgets and set water rates rests with the Commission Board. Significant matters that require Board action include setting water rates, borrowing funds, amending the Chicago Water Supply contract or Commission bylaws and employing the general manager and professional contractors. These significant matters must carry a majority vote of all commissioners, which majority must contain at least one-third of the DuPage County appointed Board members and 40% of the municipality appointed Board members. Neither DuPage County nor the municipalities within DuPage County have the ability to significantly influence operations; therefore, the Commission is not included in any other governmental reporting entity. All activities of the Commission are reported in a single enterprise fund. The Commission does not have any component units.

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Commission is accounted for as a proprietary fund type (enterprise fund) using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with water system operations are included on the statement of net assets.

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or prepaid amounts have been utilized. Water revenue is recognized when the water is delivered. Sales tax revenue is recognized at the time of the related sale.

Deferred revenues represent payments from non-charter customers for Customer Differential revenues. These deferred revenues will be amortized on a straight-line basis through April 30, 2024. Customer differentials represent payments for connecting to the Commission's System as well as fixed costs charged to subsequent customers to cover costs which would have been paid by subsequent customers if they had been Charter Customers.

The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Commission's principal ongoing operations.

The Commission applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict Governmental Accounting Standards Board ("GASB") pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs").

(c) Cash

Cash consists principally of deposits held in banks. For purposes of the cash flow statement, the Commission reports all certificates of deposit (CD's), investments in investment pools, money market funds and securities as investments.

(d) Investments

The Commission reports investments at their fair value as of year-end. The net appreciation or depreciation in the fair value of investments is included as interest on investments in the statement of revenues, expenses and changes in net assets.

(e) Accounts Receivable

Customer receivables are recorded as receivables and revenues at their original invoice amount. Management regularly reviews the customer receivable accounts and has deemed no allowance for uncollectible accounts necessary as of April 30, 2006. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 40 days.

(f) Restricted Investments

Restricted investments represent those assets which are required to be held separately from other Commission investments as mandated by the revenue bond indentures. Current portions relate to funds held for revenue bond operating and maintenance costs as well as funds that will be liquidated during the subsequent fiscal year (generally for principal and interest then due), and assets held by trustees for retirement of general obligation bond principal and interest maturing in the next fiscal year. All other investments are considered noncurrent and are generally held until the bonds mature.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(g) Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(h) Capital Assets

Capital assets, which include the Commission's waterworks system, land, buildings, furniture, equipment and vehicles are reported at cost. The Commission capitalizes all capital assets with an initial individual cost or value greater than or equal to \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is included as part of the capitalized value of the asset constructed or improved. There was no interest cost capitalized by the Commission during the current fiscal year.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset</u>	<u>Life</u>
Water mains	80 years
Buildings and other structures	40 years
Pumping equipment	30 years
Office furniture and equipment	3-10 years
Vehicles and other equipment	5-25 years

(i) Bond Discount / Premium, Issuance Expense and Losses on Defeasance

Bond discounts, premiums and issuance costs have been deferred and are being amortized as an element of interest expense over the lives of the related bonds. Bonds payable are reported net of the applicable premium or discount. Losses on defeasance related to the outstanding General Obligation Bonds and Water Refunding Revenue Bonds have been deferred and are being amortized as an element of interest expense over the shorter of the lives of the old or new bonds.

(j) Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused vacation pay benefits and unused current calendar-year personal days. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service with the Commission. All vacation and personal day pay is accrued when incurred and is considered current.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(k) Net Assets

The Statement of Net Assets presents the Commission's assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

It is the Commission's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

(l) Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Note 2. Budgets

In April 2005, the Commission adopted the annual management budget in the amount of \$66,827,671 for operating costs, \$8,760,389 for interest retirements and \$19,873,000 for capital outlay for the fiscal year ended April 30, 2006. An appropriation ordinance is adopted annually to supplement the Commission's management budget. Total Commission expenditures did not exceed the appropriation ordinance, which is the legal spending authority for the Commission.

Note 3. Deposits and Investments

The following is a summary of the Commission's cash and investments (including restricted cash and investments):

(a) Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's policy is to fully collateralize all deposits above FDIC insurance limits, with the collateral held in safekeeping by an independent third party. Collateral may not be released without the permission of Commission management. As of April 30, 2006, none of the Commission's deposits were exposed to custodial credit risk.

Certificates of deposit totaling \$26,500,000 are reported as investments in the Statement of Net Assets.

DuPage Water Commission

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

(b) Investments

As of April 30, 2006, the Commission had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
U.S. treasury notes	\$ 24,504,568	\$ 24,504,568	\$ -
U.S. agencies - FHLMC	19,925,000	19,925,000	-
U.S. agencies - FHLB	24,831,000	24,831,000	-
Illinois Funds investment pool	56,278,101	56,278,101	-
Money market funds	2,869	2,869	-
Total	\$ 125,541,538	\$ 125,541,538	\$ -

The Illinois Funds Investment Pool is not registered with the SEC. The Pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest Rate Risk – The Commission’s investment policy does not limit the Commission’s investment portfolio to specific maturities. All investments carry a fixed rate of interest.

Credit Risk - The Commission's investment policy limits investments of the Commission's funds to the following: (a) direct or fully guaranteed obligations of the U.S. government; (b) fully guaranteed obligations of certain U.S. federally chartered agencies; (c) interest-bearing demand or time deposits in banks and savings and loan associations; (d) short-term obligations of U.S. corporations with assets exceeding \$500,000,000 and with a rating of AAA1, 2 or 3; (e) money market mutual funds whose portfolio consists solely of U.S. Government obligations; (f) the Illinois Funds Investment Pool of the State of Illinois; (g) repurchase agreements; and (h) state or local government obligations rated AAA or AA. The Revenue Bond Ordinance restricts funds held in the Interest and Principal accounts of the Water Fund to only investments in (a) as described above. The Revenue Bond Ordinance also restricts funds held in the Debt Service Reserve Account in the Water Fund to only investments in (a) and (b), as described above. The FHLMC, FHLB and the money market funds are not rated. The Illinois Funds Investment Pool has been rated AAAM by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury notes and U.S. agency securities are held by the Commission’s agent in the Commission’s name. The Illinois Funds Investment Pool and the Money Market funds are not subject to custodial credit risk. The Commission’s investment policy does not address custodial credit risk for investments.

DuPage Water Commission

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

(b) Investments

Concentration of Credit Risk – The Commission places no limit on the amount the Commission may invest in any one issuer. More than five percent (5%) of the Commission's investments are in various U.S. Agency securities and the Illinois Funds Investment Pool. Investments, other than U.S. government securities, that exceed 5% of total investments are as follows:

<u>Investment</u>	<u>Percentage of Total</u>
FHLMC	13%
FHLB	16%

Note 4. Loans Receivable

On April 25, 2002, the Commission approved a motion for a proposed agreement to make long-term, low-interest loans available to Charter Customer municipalities for the purpose of providing financing under certain circumstances to future customers who presently live in areas of DuPage County not presently served by the Commission. Two intergovernmental agreements with charter customers were made during fiscal year 2004. Loans are to be repaid in 13 installments, commencing in 2010 and continuing through 2023. Each of the principal installments shall be determined as of the last day of the month preceding the annual payment date in any given year by dividing the unpaid principal balance by the number of annual installments of principal remaining to be paid during the term of the loan. Interest at a rate of 2% per annum shall be paid annually until the principal balance of the loan has been paid in full. As of April 30, 2006, notes totaling \$211,623 and \$4,788,000 are due from members.

DuPage Water Commission

Notes to Financial Statements

Note 5. Capital Assets

A summary of changes in capital assets is as follows:

	Balance May 1	Increases	Decreases	Balance April 30
Capital assets not being depreciated				
Land and permanent easements	\$ 11,158,482	\$ -	\$ -	\$ 11,158,482
Construction in progress	15,820,456	5,594,320	-	21,414,776
Total capital assets not being depreciated	<u>26,978,938</u>	<u>5,594,320</u>	<u>-</u>	<u>32,573,258</u>
Other capital assets				
Water mains	343,923,670	117,258	-	344,040,928
Buildings and other structures	81,381,182	-	-	81,381,182
Pumping equipment	5,225,286	-	-	5,225,286
Office furniture and equipment	5,134,931	104,289	-	5,239,220
Vehicles and other equipment	529,825	64,256	-	594,081
Total other capital assets at historical cost	<u>436,194,894</u>	<u>285,803</u>	<u>-</u>	<u>436,480,697</u>
Less accumulated depreciation for				
Water mains	(46,620,995)	(4,298,880)	-	(50,919,875)
Buildings and other structures	(25,091,850)	(2,041,693)	-	(27,133,543)
Pumping equipment	(2,312,289)	(179,492)	-	(2,491,781)
Office furniture and equipment	(4,884,747)	(117,597)	-	(5,002,344)
Vehicles and other equipment	(283,331)	(65,180)	-	(348,511)
Total accumulated depreciation	<u>(79,193,212)</u>	<u>(6,702,842)</u>	<u>-</u>	<u>(85,896,054)</u>
Other capital assets, net	<u>357,001,682</u>	<u>(6,417,039)</u>	<u>-</u>	<u>350,584,643</u>
Capital assets, net	<u>\$ 383,980,620</u>	<u>\$ (822,719)</u>	<u>\$ -</u>	<u>\$ 383,157,901</u>

DuPage Water Commission

Notes to Financial Statements

Note 6. Water Contract with the City of Chicago

The Commission has entered into a 40-year contract (from March 19, 1984) with the City of Chicago, Illinois (the "Chicago Contract"), under which Chicago has agreed to supply all of the Commission's water requirements, up to 1.7 times the year's annual average day amount (which is a quantity adequate to meet the customers' projected needs), with water of such quality as will meet or exceed applicable standards of the state and federal governments. The Chicago Contract provides that the cost of water to the Commission shall be equal to the rate fixed for large quantities of water furnished through meters to consumers inside Chicago furnished by Chicago through meters.

The Commission is obligated to purchase a minimum amount of water; such minimum is 50% of the aggregate Illinois Department of Natural Resources allocations. In fiscal 2006, the Commission purchased 34 billion gallons of water from the City of Chicago; such purchases equaling 93.9% of the aggregate Illinois Department of Natural Resources allocations.

As a part of the Chicago Contract, the Commission agreed to construct and then sell to Chicago certain interconnection facilities, including the Chicago (Lexington) Pumping Station. The interconnection facilities connect Chicago's water system with the Commission's transmission system. Chicago is paying for the interconnection facilities through a credit of 20% of the net charges for water furnished to the Commission. The cost of the interconnection facilities is shown on the balance sheet as Deferred Water Supply Contract Costs and is being amortized over the life of the contract. The unamortized balance as of April 30, 2006 is \$868,166.

Note 7. Long-Term Obligations Payable

A schedule of changes in long-term obligations payable is as follows:

	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
Compensated absences	\$ 123,391	\$ 45,802	\$ 18,723	\$ 150,470	\$ 150,470
General obligation bonds*	66,205,000	-	9,725,000	56,480,000	10,205,000
Revenue bonds**	125,640,000	-	7,880,000	117,760,000	8,275,000
Total	\$ 191,968,391	\$ 45,802	\$ 17,623,723	\$ 174,390,470	\$ 18,630,470
* General obligation bonds					
				\$ 56,480,000	\$ 10,205,000
				1,271,767	439,112
				(831,980)	(171,938)
				<u>\$ 56,919,787</u>	<u>\$ 10,472,174</u>
** Revenue bonds					
				\$ 117,760,000	\$ 8,275,000
				4,858,891	1,079,183
				(8,795,663)	(1,099,582)
				<u>\$ 113,823,228</u>	<u>\$ 8,254,601</u>

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(a) General Obligation Bonds:

The Commission issues bonds to purchase and construct capital assets. The Commission has issued \$93,970,000 general obligation refunding bonds, series 2001. Principal is due in annual installments of \$1,295,000 to \$12,465,000; interest at 5.0% to 5.25% through maturity on March 1, 2011. As of April 30, 2006, \$56,480,000 principal was outstanding on these bonds. The Commission intends to retire these bonds with annual sales tax proceeds. The series 2001 bonds are general obligations of the Commission secured by the full faith and credit of the Commission and payable, as to both principal and interest, from ad valorem taxes levied against all taxable property within the territory of the Commission. The Commission issued ordinance No. O-2-05, abating the ad valorem taxes on this debt and has set aside, with a trustee, \$13,182,828 of sales tax proceeds to be used to service the debt as it becomes due during fiscal year 2007. The \$13,182,828 is reported as restricted investments on the Statement of Net Assets.

Payments due on the general obligation bonds through maturity are as follows:

Fiscal Year Ending April 30	Interest	Principal	Total
2007	\$ 2,912,900	\$ 10,205,000	\$ 13,117,900
2008	2,402,650	10,715,000	13,117,650
2009	1,866,900	11,250,000	13,116,900
2010	1,276,275	11,845,000	13,121,275
2011	654,413	12,465,000	13,119,413
Total	<u>\$ 9,113,138</u>	<u>\$ 56,480,000</u>	<u>\$ 65,593,138</u>

(b) Revenue Bonds

In August 2003, the Commission issued \$135,995,000 Revenue Refunding Bonds, Series 2003. Principal is due in annual installments of \$7,880,000 to \$13,575,000; interest at 3.0% to 5.25% through maturity on May 1, 2016. The Series 2003 revenue bonds have an average interest rate of 3.98% and were issued to refund \$145,655,000 of outstanding Revenue Bonds, Series 1993 with an average interest rate of 5.3%. As a result, the Series 1993 bonds were retired and the liability for the debt has been removed from the Commission's books.

As of April 30, 2006, \$117,760,000 principal remained outstanding on the Series 2003 bonds. In addition, the bonds are subject to certain terms and conditions contained in the "Master Revenue Bond Ordinance" (the Ordinance), which was created when the Commission initially issued Revenue Bonds, Series 1987. See Note 7 (c). Substantially all revenue generated from Commission operations are pledged to retire these bonds.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(b) Revenue Bonds (Continued)

Payments due on the revenue bonds through maturity are as follows:

Fiscal Year Ending April 30	Interest	Principal	Total
2007	\$ 5,807,062	\$ 8,275,000	\$ 14,082,062
2008	5,382,937	8,690,000	14,072,937
2009	4,937,563	9,125,000	14,062,563
2010	4,469,938	9,580,000	14,049,938
2011	3,978,938	10,060,000	14,038,938
2012-2016	11,487,200	58,455,000	69,942,200
2017	356,344	13,575,000	13,931,344
Total	\$ 36,419,982	\$ 117,760,000	\$ 154,179,982

(c) Revenue Bond Ordinance

On January 15, 1987, the Commission adopted a master revenue bond ordinance (the "Ordinance") authorizing the issuance of Water Revenue Bonds, Series 1987, for the purpose of financing a portion of the construction of the water supply system.

The Ordinance required the establishment of funds designated as "Water Fund," "Revenue Bond Construction Fund," "Special Redemption Fund" and "Rebate Fund" (the "Arbitrage Rebate Fund") and various accounts within the Water Enterprise Fund designated as "Operation and Maintenance Account," "Interest Account," "Principal Account," "Debt Service Reserve Account," "Operation and Maintenance Reserve Account," "Depreciation Account" and "General Account."

Revenues held or collected from ownership and operation of the system are deposited in the Water Fund. Monies deposited in the Water Fund are required to be transferred to the extent available within the following accounts of the Water Fund in the indicated order:

Operation and Maintenance Account – An amount sufficient to make the amount then on deposit sufficient to pay operation and maintenance costs for the month of deposit and the next succeeding month.

Interest Account – Monthly one-sixth of the amount sufficient to cover interest becoming due on the bonds on the next succeeding semiannual interest payment date.

Principal Account – Monthly one-twelfth of the amount sufficient to cover principal of the bonds coming due on the next succeeding principal maturity date.

Debt Service Reserve Account – An amount equal to the maximum annual debt service requirement less the amount of any applicable surety bond coverage.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(c) Revenue Bond Ordinance (Continued)

Operation and Maintenance Reserve Account – An amount equal to one-sixth of an amount equal to two months of the budgeted annual operation and maintenance costs until such reserve equals two months of the annual operation and maintenance costs.

Depreciation Account – Monthly amounts of at least \$175,000. Any amounts in excess of the required minimum balance of \$5,000,000 may be transferred to the general account of the Water Fund by resolution of the Commission Board.

General Account – All revenues remaining in the Water Fund after all required transfers are made to the respective accounts will be transferred to this account.

The Ordinance requires that the Interest Account, the Principal Account and the Debt Service Reserve Account be held by the Trustee. All other accounts are held by the Commission.

The Ordinance provides for the creation of the Special Redemption Fund to be held by the Trustee to account for issuance proceeds and condemnation awards to the extent not used to repair or replace the system and any other Commission-designated transfer. These monies may be used for debt service purposes. This fund was not active in fiscal 2006.

The Ordinance created the Arbitrage Rebate Fund to be held by the Trustee to maintain the tax-exempt status of the interest paid on the bonds. Beginning in fiscal 1988, an account was established and funds were transferred to segregate funds deemed necessary to maintain the tax-exempt status of the revenue bonds. Investment earnings of the Interest, Principal and Debt Service Reserve Account is used for the purpose of funding amounts set aside in the Arbitrage Rebate Fund.

During fiscal 2006, all required transfers were made and account balances were sufficient to meet Ordinance requirements. In accordance with the Commission's revenue bond ordinance, the Commission maintains accounts for the Revenue Bond Construction Fund, the Special Redemption Fund and the Arbitrage Rebate Fund, but these funds are presently inactive.

The Commission also issued a resolution restricting certain surplus funds for the payment of the revenue bonds. Resolution R-14-04 restricts \$7,144,469 in surplus funds within the sales tax sub-account to permit the reduction of the fixed cost revenue requirements adopted by Ordinance O-7-02 pursuant to Ordinances O-1-87, O-8-93 and O-9-03.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(c) Revenue Bond Ordinance (Continued)

Restricted investments related to the various revenue bond ordinances at April 30, 2006 are as follows:

Sales tax restricted for fixed cost payments	\$ 7,144,469
Amount held by trustee for payment of general obligation bonds and interest	13,182,828
Operation and maintenance account	11,112,075
Interest account	3,081,127
Principal account	8,443,888
Operation and maintenance reserve account	11,532,818
Depreciation reserve account	5,000,000
Total restricted investments	<u>\$ 59,497,205</u>
Reported as	
Current	\$ 42,964,387
Noncurrent	16,532,818
	<u>\$ 59,497,205</u>

Note 8. Restricted Net Assets

The Commission has the following restricted net assets:

Restricted Net Assets:

Restricted assets:

Investments - per various bond ordinances (Note 7(c))	<u>\$ 59,497,205</u>
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Less current liabilities payable from restricted assets:

Revenue bonds:

 Operations and maintenance account:

Accounts payable	3,508,484
Accrued liabilities	693,745
Compensated absences	150,470
Contract retentions	994,621

 Principal account:

Principal payable (due May 1, 2006)	8,275,000
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 Interest account:

Interest payable (due May 1, 2006)	3,006,969
Unamortized premium and loss on refunding	(20,399)

General obligation bonds:

Principal payable (due March 1, 2007)	10,205,000
Interest payable (due March 1, 2007)	485,483
Unamortized premium and loss on refunding	267,174

Total liabilities payable from restricted assets	<u>27,566,547</u>
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Restricted net assets	<u>\$ 31,930,658</u>
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DuPage Water Commission

Notes to Financial Statements

Note 9. Unrestricted Net Assets

The Commission adopted Resolution R-14-04 on April 7, 2004. This resolution made the following "designations and assignments" of the Commission's unrestricted net assets balance:

Designated for Operations:

Designated and assigned to the Construction Reserve within the Sales Tax subaccount of the General Account of the Water Fund	\$ 26,479,768
Designated and assigned a water rate stabilization reserve in the General Account of the Water Fund to reduce fluctuations in rates charged to customers in future years	26,087,369
Designated and assigned for emergency repairs and other contingencies	<u>10,365,448</u>
Total designated for operations	<u>62,932,585</u>

Designated Non-Operating:

Designated for areas affected by contaminated well water pursuant the intergovernmental agreement, R-32-02	<u>9,937,000</u>
Total non-operating designation	<u>9,937,000</u>

Total unrestricted net assets - designated	<u><u>\$ 72,869,585</u></u>
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DuPage Water Commission

Notes to Financial Statements

Note 10. Payment to DuPage County

The Governor of the State of Illinois has signed into law Public Act 93-0226 which amends the Water Commission Act of 1985. Public Act 93-0226 enacted changes concerning the appointment of the chairman of the Commission as well as required the Commission to transfer \$75,000,000 to the DuPage County Board. The transfer of funds is to occur on or before July 1 of each year beginning in July 2003, \$15,000,000 per year, for a period of five years. As of April 30, 2006, a liability of \$30,000,000 remains in the Statement of Net Assets.

Note 11. Commitments and Contingent Liabilities

As of April 30, 2006, the Commission's remaining commitment on contracts for future construction total approximately \$2.6 million. No future financing is required. The Commission has certain other contingent liabilities resulting from litigation, claims and commitments incident to the ordinary course of business. It is the Commission's opinion that final resolution of such contingencies will not materially affect the financial position of the Commission.

Note 12. Major Customer

During fiscal year 2006, approximately \$9.9 million, or 20.79% of water sales revenue in the Water Fund was realized from the City of Naperville, the Commission's largest customer.

Note 13. Employee Retirement Plan

(a) Plan Description

The Commission contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois State Statute.

The Commission does not issue stand-alone financial reports for its participation in IMRF. However, IMRF issues a publicly available report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

(b) Funding Policy

Participating employees are required to contribute 4.5% of their annual salary to IMRF. The Commission is required to contribute the remaining amounts necessary to fund the benefits of its own employees in the System, using the actuarial basis specified by state statute (entry age normal); for calendar 2005 the rate was 16.21%. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

DuPage Water Commission

Notes to Financial Statements

Note 13. Employee Retirement Plan (Continued)

(b) Funding Policy

For calendar year 2005, the Commission's annual pension cost of \$336,441 was equal to the Commission's required and actual contributions. The required contributions were determined as part of the December 31, 2003 actuarial valuation.

(c) Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated December 31, 2005. Additional information as of the latest actuarial valuation follows:

Actuarial Cost Method	Entry Age Normal
Method Used to Determine Actuarial Value of Assets	Five-Year Smoothed Market Value
Amortization Method and period	Level Percentage of Projected Payroll-Closed Basis -31 Years
Significant Actuarial Assumptions	
(a) Rate of Return on Investment of Present and Future Assets	7.50% compounded annually
(b) Projected Salary Increases - Attributable to Inflation	4.00% compounded annually
(c) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 11.6%
(d) Postretirement Benefit Increases	3.00%

(d) Trend Information

For calendar year 2005, the Commission's annual pension cost, required contribution and amount contributed were \$336,441. For calendar year 2004, the Commission's annual pension cost, required contribution and amount contributed were \$199,607. For calendar year 2003, the Commission's annual pension cost, required contribution and amount contributed were \$302,762. There was no pension benefit obligation for any year. This was the third year the Commission participated in IMRF.

Note 14. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Commission's employees. These risks, along with medical claims for employees and retirees, are provided for through insurance purchased from private insurance companies.

There have been no reductions in the Commission's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage during the current year or prior three fiscal years.

DuPage Water Commission

Notes to Financial Statements

Note 15. Post-Employment Benefits

In addition to providing pension benefits, the Commission provides certain health care insurance benefits for retired employees. In accordance with Commission policy, substantially all of the Commission's employees may become eligible for those benefits if they reach normal retirement age while working for the Commission. The entire costs of retiree health care premiums are paid by participating retirees. The Commission has no obligation to finance this program.

Note 16. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. This Statement will become effective for year ending April 30, 2009.

Statement No. 46 - *Net Assets Restricted by Legislation, an Amendment of GASB Statement No. 34*, clarifies the definition of "legally enforceable enabling legislation" as established in GASB Statement No. 34, and requires the government to separately disclose the portion of net assets that is restricted by enabling legislation. This Statement will become effective for year ending April 30, 2007.

Statement No. 47 - *Accounting for Termination Benefits*, establishes accounting standards for voluntary and involuntary termination benefits, including termination benefits provided through a defined benefit other post employment benefit plan (OPEB). For those termination benefits provided through a defined benefit OPEB plan, this Statement must be implemented concurrently with Statement No. 45. For all other termination benefits, this Statement will become effective for year ending April 30, 2007.

Management has not yet completed its assessment of these Statements.

DuPage Water Commission

Illinois Municipal Retirement Fund

Required Supplementary Information

Analysis of Funding Progress

April 30, 2006

Calendar Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll ((b - a) / c)
2003	\$ 1,697,497	\$ 4,302,689	\$ 2,605,192	39.45 %	\$ 1,763,159	147.76 %
2004	1,470,339	3,045,051	1,574,712	48.29	1,919,298	82.05
2005	2,010,845	3,497,300	1,486,455	57.50	2,075,517	71.62

The DuPage Water Commission began participating in the Illinois Municipal Retirement Fund during fiscal year 2004.

DuPage Water Commission

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

April 30, 2006

Calendar Year	Annual Required Contribution	Percentage Contributed
2003	\$ 302,762	100.00 %
2004	199,607	100.00
2005	336,441	100.00

The DuPage Water Commission began participating in the Illinois Municipal Retirement Fund during fiscal year 2004.

Dupage Water Commission

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2006

	Actual	Budget	Variance Positive (Negative)
Operating revenues			
Water sales			
Operations and maintenance costs	\$ 40,848,001	\$ 40,885,773	\$ (37,772)
Fixed costs	7,144,469	7,144,469	-
Customer differential	582,645	710,586	(127,941)
Other income	1,236	300	936
Total operating revenues	<u>48,576,351</u>	<u>48,741,128</u>	<u>(164,777)</u>
Operating expenses			
Water supply costs	50,637,086	54,099,115	3,462,029
Depreciation	6,702,842	7,235,230	532,388
Personal services	3,122,625	3,384,809	262,184
Insurance	834,839	971,497	136,658
Professional and contractual services	518,112	915,137	397,025
Administrative costs	497,924	211,888	(286,036)
Land and right of way	4,133	9,995	5,862
Total operating expenses	<u>62,317,561</u>	<u>66,827,671</u>	<u>4,510,110</u>
Operating loss	<u>(13,741,210)</u>	<u>(18,086,543)</u>	<u>4,345,333</u>
Nonoperating revenues (expenses)			
Sales tax	35,394,007	33,834,395	1,559,612
Investment income	5,429,134	3,625,000	1,804,134
Interest and other charges	(8,760,388)	(8,760,389)	1
Net nonoperating revenues	<u>32,062,753</u>	<u>28,699,006</u>	<u>3,363,747</u>
Change in net assets	18,321,543	10,612,463	7,709,080
Net assets, May 1, 2005	<u>326,064,668</u>	<u>326,064,668</u>	<u>-</u>
Net assets, April 30, 2006	<u>\$ 344,386,211</u>	<u>\$ 336,677,131</u>	<u>\$ 7,709,080</u>

DuPage Water Commission

Supplementary Information for State Compliance Purposes

Summary

Supplementary information for State compliance purposes presented in this section of the report includes the following:

Analysis of Operations:

- Commission Functions and Planning Program
- Average Number of Employees
- Cost Statistics, Service Efforts and Accomplishments (Unaudited)

The auditor's report that covers the Supplementary Information for State Compliance Purposes presented in this section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DuPage Water Commission

Commission Functions and Planning Program Year Ended April 30, 2006

Commission Functions Description

The DuPage Water Commission (Commission) is a county water commission, body politic and corporate, political subdivision and unit of local government, in DuPage County, Illinois, existing and operating under the Water Commission Act of 1985 (70 ILCS 3720), effective July 30, 1985, as amended (the "1985 Commission Act"). The Commission declared the official start of operations on May 1, 1992.

The DuPage Water Commission Board consists of 13 Board members. Seven of the Board members are appointed by the DuPage County Board Chairman with the advice and consent of the County Board. One of these appointees is designated as chairman of the Commission. The other six Board members are appointed by vote of the mayors of municipalities within the DuPage County districts.

The purpose and objectives of the Commission are:

- a. To provide water to municipalities and other customers within DuPage County.
- b. To plan, construct, acquire, develop, operate, maintain and/or contract for facilities for receiving, storing and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and other customers.
- c. To provide adequate supplies of such water on an economical and efficient basis for the municipalities and other customers.
- d. To provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding water distribution and supply facilities within DuPage County.

The primary authority to designate management, influence operations, formulate budgets and set water rates rests with the Commission Board. Significant matters that require Board action include setting water rates, borrowing funds, amending the Chicago Water Supply contract or Commission bylaws and employing the general manager and professional contractors. These significant matters must carry a majority vote of all commissioners, which majority must contain at least one-third of the DuPage County appointed Board members and 40% of the municipality appointed Board members. Neither DuPage County nor the municipalities within DuPage County have the ability to significantly influence operations; therefore, the Commission is not included in any other governmental reporting entity. In addition, the Commission does not have any component units.

DuPage Water Commission

Commission Functions and Planning Program Year Ended April 30, 2006

Budget Preparation

An appropriation ordinance is adopted annually to supplement the Commission's management budget. Total Commission expenditures did not exceed the appropriation ordinance, which is the legal spending authority for the Commission.

Capital Improvement Plan

In accordance with Commission policy, the Commission adopted a Capital Improvement Plan, which is reviewed annually and evaluated by the Commission with each new budget cycle. This annual document is based on the Commission's anticipated needs for normal operations, emergency operations and improvements to the system. Included in the plan is a 15-year projection of revenues, expenses and net assets. The proposed capital plan is included in the projection summary. The plan is divided into several sections – distribution system improvements, Lexington pump station improvements, and standpipe improvements. Capital outlay is funded by sales tax revenues, and major non-recurring maintenance is funded by water rates on a fiscal year basis.

Auditors' Assessment

The Commission's planning process has been found to be adequate to satisfy statutory responsibilities.

General Manager:

Robert L. Martin
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

DuPage Water Commission

Average Number of Employees
Years Ended April 30, 2006 and 2005

The following analyses were developed through analysis of headcount schedules.

	<u>2006</u>	<u>2005</u>
Administrative	6	6
Operations	19	19
Pipeline	<u>9</u>	<u>9</u>
Total	<u>34</u>	<u>34</u>

DuPage Water Commission

Cost Statistics, Service Efforts and Accomplishments (Unaudited)
Year Ended April 30, 2006

CUSTOMER	CUSTOMER USAGE					
	FY2006 TOTAL (1,000 GAL)(1)	% OF TOTAL	ALLOCATION (1000 GAL)	% OF ALLOCATION	2006 ALLOCATION (MGD)	2005 ALLOCATION (MGD)
ADDISON	1,421,990	4.28%	1,673,711	84.96%	4.603	4.561
ARGONNE NAT'L LAB	181,187	0.55%	276,670	65.49%	0.758	0.758
BENSENVILLE	901,914	2.72%	989,090	91.19%	2.714	2.704
BLOOMINGDALE	980,286	2.95%	1,032,467	94.95%	2.847	2.803
CAROL STREAM	1,470,847	4.43%	1,668,299	88.16%	4.599	4.531
CLARENDON HILLS	312,917	0.94%	262,405	119.25%	0.721	0.716
DARIEN	891,409	2.68%	1,021,668	87.25%	2.812	2.781
DOWNERS GROVE	2,402,223	7.23%	2,503,388	95.96%	6.884	6.823
ELMHURST	1,691,398	5.09%	1,712,490	98.77%	4.698	4.683
GLEN ELLYN	1,065,551	3.21%	1,078,241	98.82%	2.957	2.950
GLENDALE HEIGHTS	982,406	2.96%	1,119,701	87.74%	3.081	3.049
HINSDALE	1,051,202	3.17%	970,353	108.33%	2.661	2.655
IAWC-ARROWHEAD	67,517	0.20%	71,540	94.38%	0.196	0.196
IAWC-COUNTRY CLUB	36,842	0.11%	42,705	86.27%	0.117	0.117
IAWC-DU PAGE/LISLE	172,380	0.52%	219,365	78.58%	0.601	0.601
IAWC-LIBERTY RIDGE						
EAST	12,115	0.04%	18,828	64.35%	0.052	0.051
WEST	113,784	0.34%	128,663	88.44%	0.355	0.349
IAWC-LOMBARD HEIGHTS	23,079	0.07%	26,280	87.82%	0.072	0.072
IAWC-VALLEY VIEW	273,226	0.82%	255,500	106.94%	0.700	0.700
ITASCA	588,351	1.77%	648,759	90.69%	1.787	1.764
LISLE	1,130,590	3.40%	1,185,645	95.36%	3.265	3.225
LOMBARD	1,632,558	4.92%	1,799,027	90.75%	4.943	4.909
NAPERVILLE	6,905,031	20.79%	7,521,961	91.80%	20.661	20.534
OAK BROOK	1,511,436	4.55%	1,514,935	99.77%	4.163	4.133
OAKBROOK TERRACE	55,578	0.17%	88,972	62.47%	0.260	0.221
ROSELLE	779,947	2.35%	823,534	94.71%	2.270	2.237
VILLA PARK	737,827	2.22%	773,253	95.42%	2.121	2.115
WESTMONT	1,003,725	3.02%	1,055,216	95.12%	2.896	2.884
WHEATON	2,131,691	6.42%	2,152,804	99.02%	5.916	5.873
WILLOWBROOK	432,926	1.30%	492,173	87.96%	1.353	1.342
WINFIELD	346,277	1.04%	414,337	83.57%	1.141	1.127
WOOD DALE	609,512	1.84%	607,118	100.39%	1.670	1.654
WOODRIDGE	1,292,035	3.89%	1,186,682	108.88%	3.282	3.208
TOTAL	33,209,757	100%	35,335,780	93.98%	97.156	96.326

(1) Includes meter adjustment billings.

DuPage Water Commission

Cost Statistics, Service Efforts and Accomplishments (Unaudited)
Year Ended April 30, 2006

WATER SALES ACCOUNTABILITY

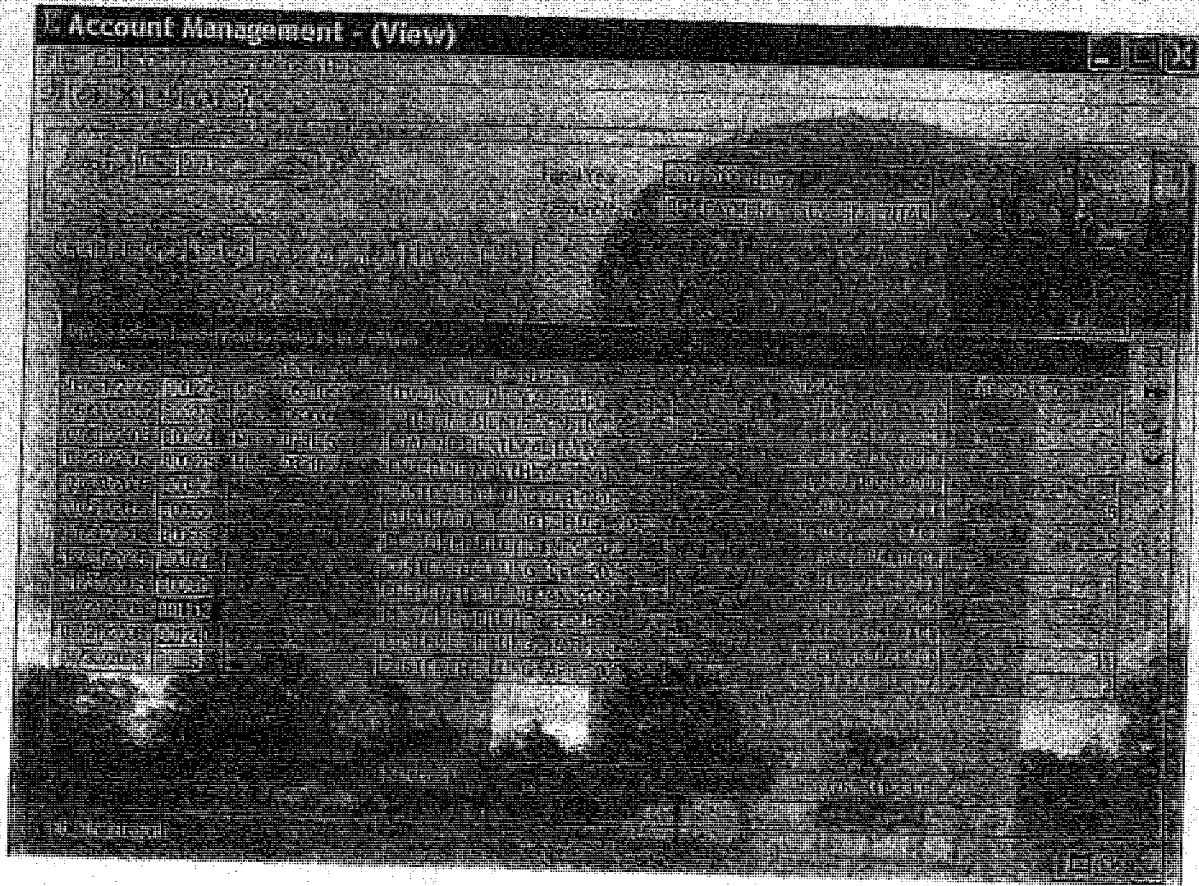
AVERAGE GALLONS SOLD TO CUSTOMERS PER DAY 90,972,266

MONTH	SALES TO CUSTOMERS (GALLONS) (1)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS	BILLINGS FROM CHICAGO	(Per 100 Gallons)	
						AVERAGE RATE SOLD	AVERAGE RATE PURCHASED
May-05	2,751,156,000	2,826,791,957	97.32%	\$ 3,383,922	\$ 3,669,176	\$ 0.12300	\$ 0.12980
Jun-05	3,775,195,000	3,884,927,612	97.18%	4,645,553	5,042,636	0.12305	0.12980
Jul-05	4,078,909,000	4,145,332,157	98.40%	5,017,058	5,380,641	0.12300	0.12980
Aug-05	3,498,090,000	3,609,900,000	96.90%	4,302,651	4,685,677	0.12300	0.12980
Sep-05	3,202,484,000	3,289,206,394	97.36%	3,939,055	4,269,390	0.12300	0.12980
Oct-05	2,545,686,000	2,647,388,860	96.16%	3,131,194	3,436,311	0.12300	0.12980
Nov-05	2,238,636,000	2,261,375,216	98.99%	2,753,522	2,935,265	0.12300	0.12980
Dec-04	2,362,455,000	2,422,577,673	97.52%	2,905,820	3,144,506	0.12300	0.12980
Jan-06	2,241,162,000	2,303,320,263	97.30%	2,756,629	3,063,416	0.12300	0.13300
Feb-06	2,033,220,000	2,083,799,323	97.57%	2,500,916	2,771,453	0.12300	0.13300
Mar-06	2,189,124,000	2,245,513,008	97.49%	2,693,252	2,986,532	0.12303	0.13300
Apr-06	2,288,760,000	2,342,619,023	97.70%	2,815,175	3,115,683	0.12300	0.13300
TOTALS	33,204,877,000	34,062,751,486	97.48%	\$ 40,844,747	\$ 44,500,686	\$ 0.12301	\$ 0.13064

(1) Includes emergency contract customer Schaumburg. Does not include meter adjustments billings.

EXHIBIT 45

DuPAGE WATER COMMISSION 2005-2006 ANNUAL REPORT



FISCAL YEAR 2005 – 2006
ANNUAL REPORT
OF THE
DuPAGE WATER COMMISSION
COOK, DuPAGE AND WILL COUNTIES, ILLINOIS
BOARD OF COMMISSIONERS

S. Louis Rathje, Chairman

Richard P. Thorn, Treasurer

DISTRICT 1

Larry Hartwig, Municipal

William J. Maio, Jr., County

DISTRICT 3

William F. Murphy, Jr., Municipal

John K. Vrdolyak, County

DISTRICT 5

Allan L. Poole, Municipal

Donald G. Zeilenga, County

DISTRICT 2

William J. Mueller, Municipal
Vice Chairman

Elizabeth M. Chaplin, County

DISTRICT 4

Gregory S. Mathews, Municipal

Timothy J. Feltes, County

DISTRICT 6

Ross Ferraro, Municipal

Gregory W. Wilcox, County

Robert L. Martin, P.E.	-	General Manager
Maureen A. Crowley, Esq.	-	Staff Attorney, Clerk
R. Max Richter	-	Financial Administrator
R. Christopher Bostick	-	Facilities Construction Supervisor
Frank J. Frelka	-	Geographic Information Systems Coordinator
Edward J. Kazmierczak	-	Pipeline Supervisor
Terrance McGhee	-	Operations Supervisor
John W. Schori	-	Instrumentation/Remote Facilities Supervisor

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Cover picture depicts the Commission's Accounting Software System and personnel.



DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 12, 2006

Chairman Rathje and Commissioners
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

Dear Chairman Rathje and Commissioners:

Fiscal year 2005-2006 saw the implementation of the Commission's new accounting software and asset management system. The need for an accounting software system was identified in the audit. The implementation of the accounting software was a major effort by the Financial Administrator and the Commission's accountant.

The Commission's Staff Attorney was instrumental in the completion of the lengthy negotiations concerning the DuPage County Subsequent Customer Contract, including the verification of the Charter Customer Section 12(c) waivers. The Staff Attorney is also responsible for the preparation of the resolutions and ordinances considered by the Commissioners at their monthly board meetings.

The Operations Department is coordinating the upgrade of the Computerized Maintenance Management System. The Commission has been selected to participate in two American Water Works Association Research Foundation projects. These projects include Asset Management Strategies and Impact of Phosphate Corrosion Inhibitors on Cement-Based Pipes and Linings. The Phosphate Corrosion Inhibitor project will incorporate information obtained from the pipe loop pilot plant the Commission is using to evaluate the aluminum phosphate deposits in its pipelines.

The Instrumentation and Remote Facilities Department continued with improving the maintenance and regular calibration of all instrumentation within the DuPage Pump Station and remote facilities, and the maintenance of the electrical, mechanical and structural systems at the remote facilities. In addition to improved maintenance of the remote facilities, the Commission also installed direct inward dial (DID) phone lines as part of the enhanced 911 system.

The implementation of the Geographical Information System (GIS) continues. The GIS system is being developed to work in parallel with the Asset Management System so the Commission can continue its effort of improved maintenance.

The Facilities Construction Supervisor has taken on the additional responsibilities as the Commission's Safety Coordinator. The Commission has become a member of the National Safety Council. The Commission has agreed to move forward with the emergency generation plan at both the DuPage and Lexington Pumping Stations after many months of evaluation.

The Pipeline Department completing the construction of Contract TIB-1, a 72" transmission main between two major transmission lines. This project is designed to provide system-wide redundancy in the event of a break in any of the Commission's major transmission mains. The rehabilitation of the blow off valves on the 90" Transmission Main was begun and should be completed in this fiscal year.

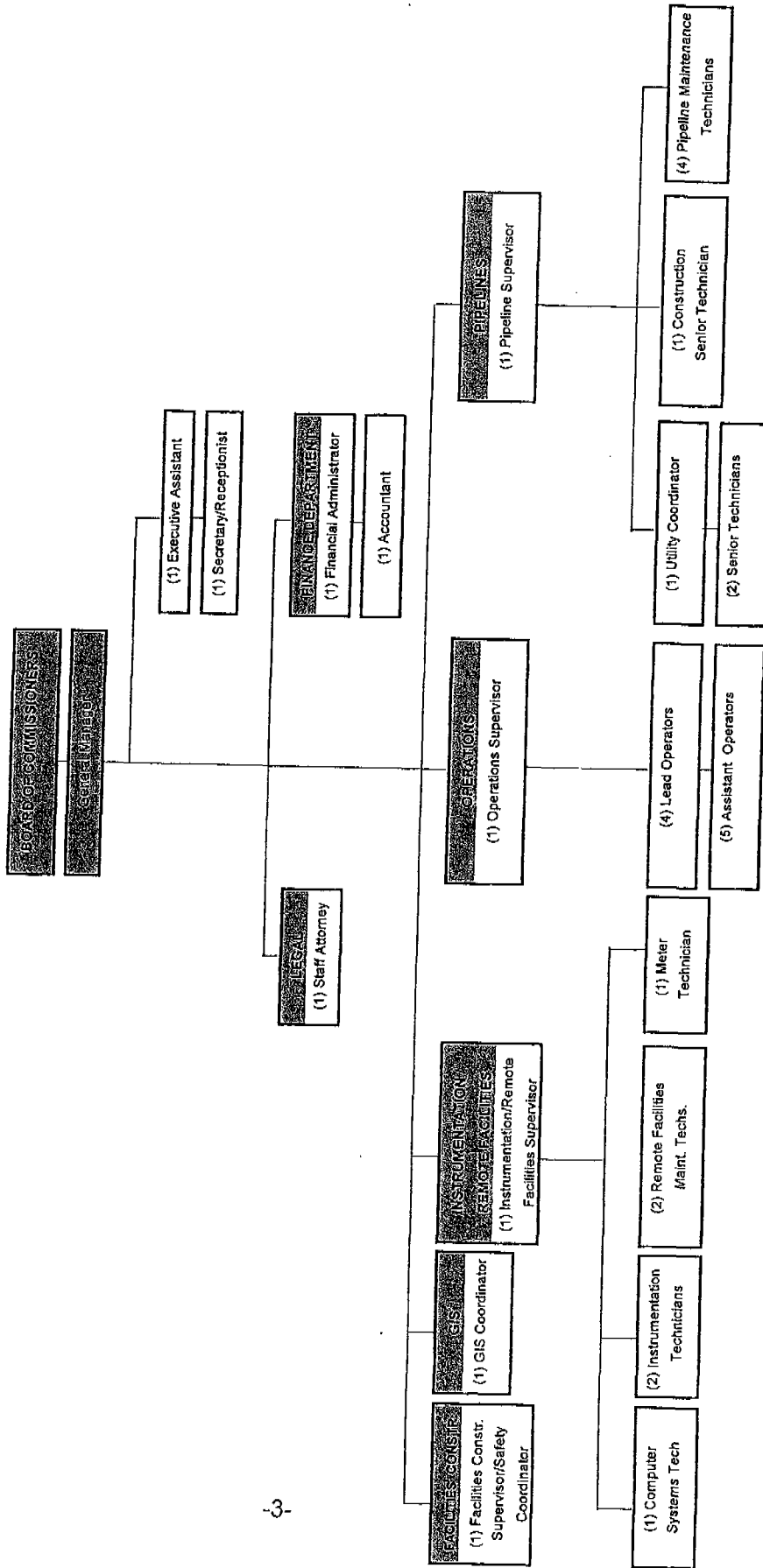
For fiscal year 2005-2006, total revenues were 3.7% more than budget and total operating expenditures were 6.8% below budget. The Commission implemented a Charter Customer water rate of \$1.45 per 1,000 gallons for the fiscal year.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert L. Martin". The signature is fluid and cursive, with a large loop at the end.

Robert L. Martin, P.E.
General Manager

DUPAGE WATER COMMISSION
 ORGANIZATIONAL CHART
 FISCAL YEAR 2005-2006





DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 12, 2006

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

Dear Mr. Martin:

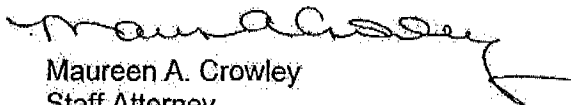
For the period May 1, 2005, through April 30, 2006, the Commission incurred \$13,898.50 in General Counsel fees, which fees related almost solely to labor and employment work, and \$0.00 in Special Counsel fees. This represents a significant reduction from prior periods.

	<u>General Counsel Fees</u>	<u>Special Counsel Fees</u>
FY 03/04	\$267,208.50	\$125,296.00
FY 04/05	\$64,018.50	\$21,300.00
FY 05/06	\$13,898.50	\$0.00

With respect to specific projects, the Legal Department completed the lengthy negotiations concerning the DuPage County Subsequent Customer Contract, including promoting and verifying the Charter Customer Section 12(c) waivers. In addition, the Legal Department prepared the initial draft of a supplemental agreement with the City of Chicago covering back-up generation and enhanced maintenance at the Lexington Pumping Station.

On the more mundane side, besides addressing refund claims from a variety of sources, the Legal Department was responsible for the almost 70 ordinances and resolutions considered by the Board, including negotiating and drafting more than 16 engineering agreements and amendments, 5 intergovernmental and miscellaneous agreements and amendments, and bidding and contract documents for 6 separate projects.

Very truly yours,


Maureen A. Crowley
Staff Attorney



DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 12, 2006

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

Dear Mr. Martin:

The Operations Department continues to maintain and operate the DuPage Pump Station at the required level to provide the highest level of service to our customers.

During the past year, all the equipment at the Pump Station was inspected, cleaned, and maintained on a weekly, monthly, quarterly, and annual basis. The annual pump and motor rehabilitation program continued this year with the replacement of seals for three pumps. The hydraulic discharge control valves were inspected and all the control valve cabinets were rebuilt. One pump suction valve had the seat replaced.

The Operations Department implemented monthly joint maintenance inspections of the Lexington Pump Station with the Chicago Department of Water Management.

While working with the Pipeline Department, additional C-Factor testing was completed, and Inner Belt Transmission Main was placed into service.

As required by the Illinois Environmental Protection Agency, the Commission collected monthly and quarterly samples for water quality and filed all required paperwork with no violations. The Commission has received a waiver from the Stage 2 Disinfection By-Products Regulation.

The Commission is currently involved in upgrading the Computerized Maintenance Management System to incorporate information from the Commission's Geographical Information System (GIS). This project is scheduled for completion during the first quarter of 2007. The Commission has partnered with Westin Engineering Inc. on an American Water Works Association Research Foundation (AWWARF) project that will study Asset Management Strategies.

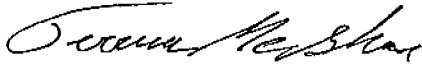
Mr. Robert L. Martin, P.E.

October 12, 2006

The hydraulic model of the distribution system has been calibrated and all node elevations have been verified. The model may now be used to estimate approximate water age, water quality, and simulate the results of valve operations.

Finally, the Operations Department is continuing to monitor the Pipe Loop Pilot Plant to evaluate the aluminum phosphate deposits in Commission pipelines. The Commission has partnered with Camp Dresser McKee on an AWWARF Phosphate Corrosion Inhibitor Research Project in conjunction with the Commission's pilot plant.

Very truly yours,



Terrance McGhee
Operations Supervisor

CUSTOMER USAGE

	FY 2006 TOTAL (1,000 GAL) (1)	% OF TOTAL	ALLOCATION (1,000 GAL)	% OF ALLOCATION	2006 ALLOCATION (MGD)	2005 ALLOCATION (MGD)
ADDISON	1,421,990	4.28%	1,673,711	84.96%	4.603	4.561
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WINFIELD	346,277	1.04%	414,337	83.57%	1.141	1.127
WOOD DALE	609,512	1.84%	607,118	100.39%	1.670	1.654
WOODRIDGE	1,292,035	3.89%	1,186,682	108.88%	3.282	3.208
TOTAL	33,209,757	100.00%	35,335,324	93.98%	97.156	96.323

(1) Includes meter adjustment billings.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

CUSTOMER WATER STORAGE

CUSTOMER	EXISTING STORAGE (MG)	2006 ALLOCATION (IN MGD)	% OF SYSTEM	REQUIRED STORAGE	SHALLOW WELL ALLOWANCE	% OF DWC STORAGE (MG)	STORAGE ABOVE OR (BELOW) REQ
ADDISON	6.75	4.603	4.74%	9.21	0.92	2.96	1.43
ARGONNE NAT'L LAB	1.02	0.758	0.78%	1.52	0.15	0.49	0.14
BENSENVILLE	3.55	2.714	2.79%	5.43	0.00	1.75	(0.13)
BLOOMINGDALE	4.80	2.847	2.93%	5.69	0.57	1.83	1.51
CAROL STREAM	6.50	4.599	4.73%	9.20	0.92	2.96	1.18
CLARENDON HILLS	1.25	0.721	0.74%	1.44	0.14	0.46	0.42
DARIEN	2.50	2.812	2.89%	5.62	0.56	1.81	(0.75)
DOWNERS GROVE	8.00	6.884	7.09%	13.77	1.38	4.43	0.04
ELMHURST	15.00	4.698	4.84%	9.40	0.94	3.02	9.57
GLENDALE HEIGHTS	4.70	3.081	3.17%	6.16	0.62	1.98	1.14
GLEN ELLYN (4)	3.17	2.957	3.04%	5.91	0.59	1.90	(0.25)
HINSDALE	4.50	2.661	2.74%	5.32	0.53	1.71	1.42
IAWC-ARROWHEAD	0.40	0.196	0.20%	0.39	0.04	0.13	0.17
IAWC-COUNTRY CLUB	0.20	0.117	0.12%	0.23	0.02	0.08	0.06
IAWC-DUPAGE/LISLE (1)	0.91	0.601	0.62%	1.20	0.12	0.39	0.21
IAWC-LOMBARD HEIGHTS (2)	0.08	0.072	0.07%	0.14	0.01	0.05	0.00
IAWC-LIBERTY RIDGE EAST (4)	0.07	0.052	0.05%	0.10	0.01	0.03	0.01
IAWC-LIBERTY RIDGE WEST (3)	0.40	0.355	0.37%	0.71	0.07	0.23	(0.01)
IAWC-VALLEY VIEW	0.88	0.700	0.72%	1.40	0.14	0.45	0.07
ITASCA	3.50	1.787	1.84%	3.57	0.36	1.15	1.43
LISLE (1)	4.79	3.265	3.36%	6.53	0.65	2.10	1.01
LOMBARD (2)	6.14	4.943	5.09%	9.89	0.99	3.18	0.42
NAPERVILLE	43.90	20.661	21.27%	41.32	4.13	13.29	20.00
OAK BROOK	8.00	4.163	4.28%	8.33	0.83	2.68	3.18
OAKBROOK TERRACE	0.50	0.260	0.27%	0.52	0.00	0.17	0.15
ROSELLE	1.75	2.270	2.34%	4.54	0.00	1.46	(1.33)
VILLA PARK	3.80	2.121	2.18%	4.24	0.42	1.36	1.35
WESTMONT	4.50	2.896	2.98%	5.79	0.58	1.86	1.15
WHEATON	7.26	5.916	6.09%	11.83	1.18	3.81	0.42
WILLOWBROOK	4.00	1.353	1.39%	2.71	0.00	0.87	2.16
WINFIELD (3)	1.60	1.141	1.17%	2.28	0.23	0.73	0.28
WOOD DALE	3.35	1.670	1.72%	3.34	0.33	1.07	1.42
WOODRIDGE	6.15	3.282	3.38%	6.56	0.66	2.11	2.35
CUSTOMER TOTAL	163.92	97.156	100.00%	194.31	18.11	62.50	50.22
COMMISSION TOTAL	62.50						
TOTAL	<u>226.42</u>						

- (1) LISLE CONTRACTED STORAGE TO IAWC DUPAGE/LISLE
- (2) LOMBARD CONTRACTED STORAGE TO IAWC LOMBARD
- (3) WINFIELD CONTRACTED STORAGE TO IAWC LIBERTY RIDGE WEST
- (4) GLEN ELLYN CONTRACTED STORAGE TO IAWC LIBERTY RIDGE EAST

MONTHLY WATER PUMPAGE

MONTH	AVERAGE DAILY FLOW	MAXIMUM DAILY FLOW MGD	MINIMUM DAILY FLOW MGD	AVERAGE AIR TEMPERATURE °F
MAY, 2005	90.6	109.9	78.8	72
JUNE, 2005	129.2	157.8	102.0	90
JULY, 2005	133.1	159.1	94.5	91
AUGUST, 2005	115.8	144.6	92.7	89
SEPTEMBER, 2005	108.7	144.1	65.1	85
OCTOBER, 2005	85.7	94.3	78.9	68
NOVEMBER, 2005	76.2	82.7	70.0	55
DECEMBER, 2005	78.2	84.5	69.6	34
JANUARY, 2006	73.9	78.6	69.1	46
FEBRUARY, 2006	74.2	78.6	70.4	40
MARCH, 2006	72.4	80.3	65.8	51
APRIL, 2006	77.8	90.2	68.7	68
AVERAGE	93.0	108.7	77.1	66
MAXIMUM	133.1	159.1	102.0	91
MINIMUM	72.4	78.6	65.1	34

AVERAGE DAILY PUMPAGE 93.0 MGD
 HIGHEST DAILY PUMPAGE 159.1 MGD
 LOWEST DAILY PUMPAGE 65.1 MGD

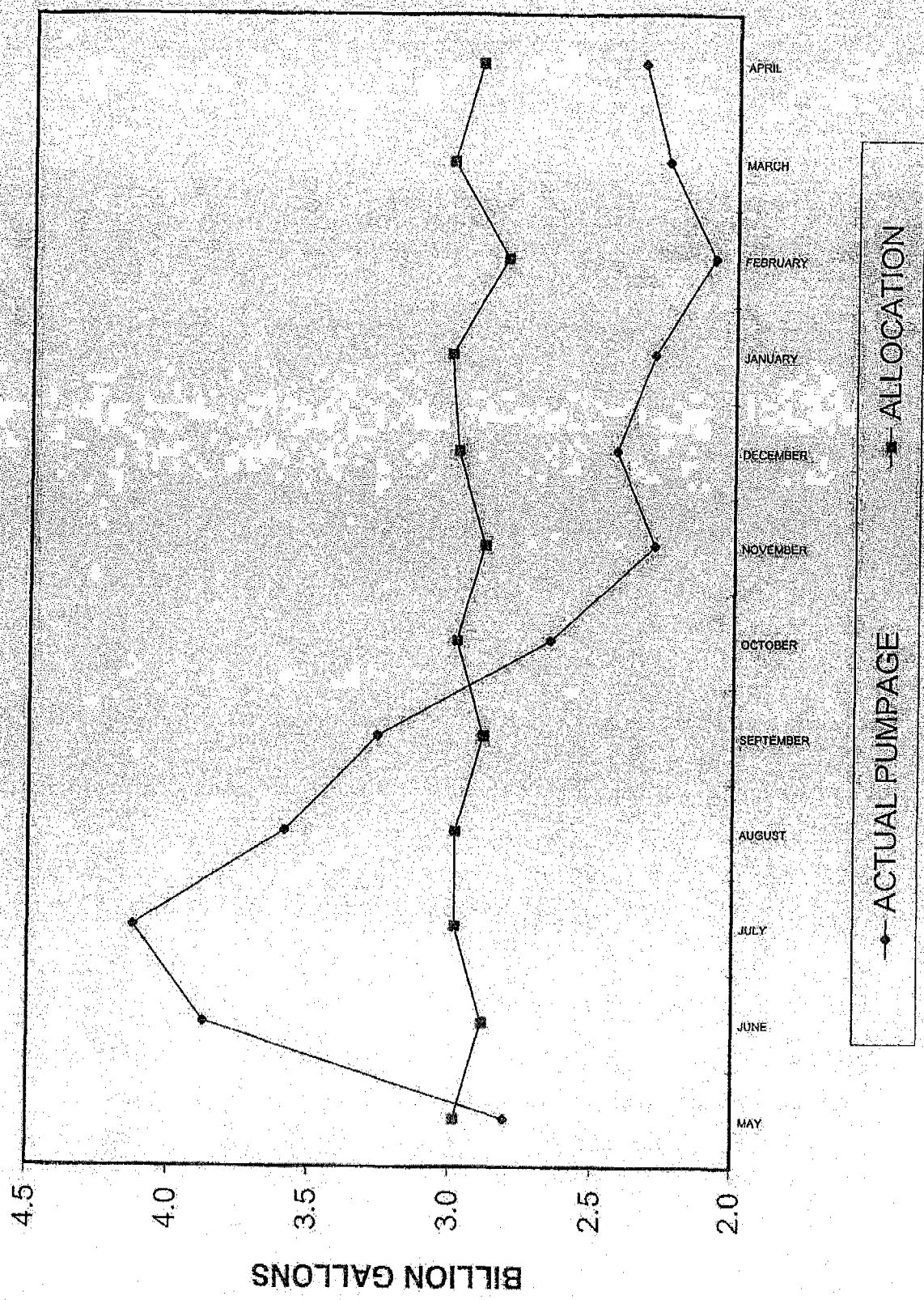
**ILLINOIS DEPARTMENT OF NATURAL RESOURCES
LAKE MICHIGAN WATER ALLOCATIONS
(Million Gallons Per Day) (1)**

	2000	2010	2020
ADDISON	4.225	4.769	5.009
ARGONNE NAT'L LAB (2)	0.758	0.758	0.758
BENSENVILLE	2.654	2.754	2.858
BLOOMINGDALE	2.581	3.024	3.488
CAROL STREAM	4.191	4.871	5.565
CLARENDON HILLS	0.691	0.740	0.792
DARIEN	2.627	2.934	3.254
DOWNERS GROVE	6.516	7.129	7.751
ELMHURST	4.610	4.756	4.906
GLENDALE HEIGHTS	2.850	2.985	3.164
GLEN ELLYN	2.887	3.211	3.540
HINSDALE	2.626	2.684	2.739
IAWC-ARROWHEAD	0.196	0.196	0.196
IAWC-COUNTRY CLUB	0.117	0.117	0.117
IAWC-DUPAGE/LISLE	0.598	0.613	0.644
IAWC-LOMBARD HEIGHTS	0.046	0.055	0.063
IAWC-LIBERTY RIDGE EAST	0.320	0.386	0.440
IAWC-LIBERTY RIDGE WEST	0.072	0.072	0.072
IAWC-VALLEY VIEW	0.700	0.700	0.700
ITASCA	1.650	1.879	1.907
LISLE	3.023	3.426	3.841
LOMBARD	4.738	5.081	5.430
NAPERVILLE	16.234	21.167	22.432
OAK BROOK	3.984	4.282	4.585
OAKBROOK TERRACE	0.102	0.293	0.293
ROSELLE	2.072	2.401	2.739
VILLA PARK	2.085	2.146	2.206
WESTMONT	2.823	2.945	3.069
WHEATON	5.656	6.090	6.530
WILLOWBROOK	1.235	1.397	1.508
WINFIELD	1.058	1.197	1.341
WOOD DALE	1.576	1.733	1.894
WOODRIDGE	2.840	3.576	4.331
TOTALS	88.341	100.367	108.162

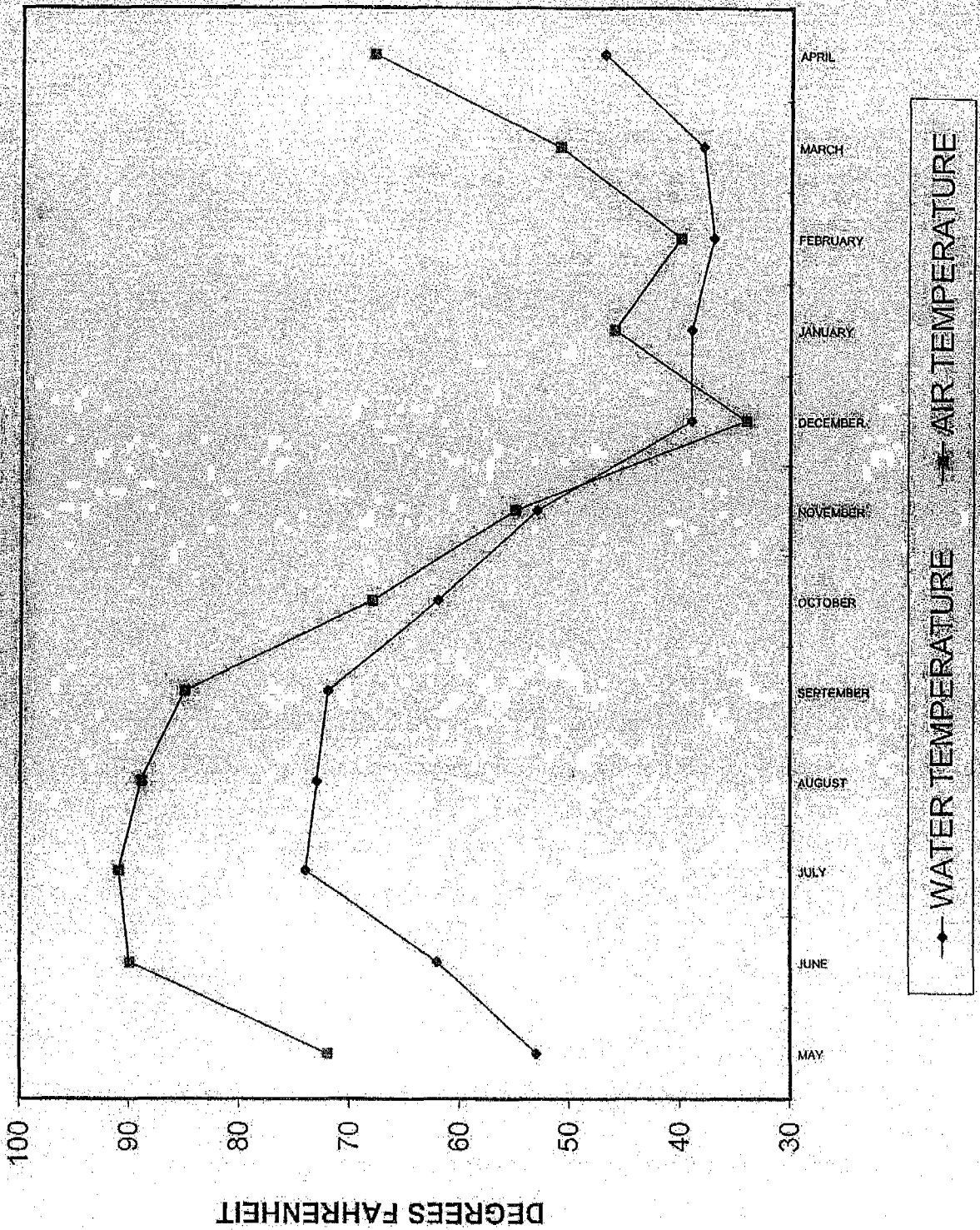
(1) State Water allocations are expressed in terms of average quantity per day. Actual use in a day may exceed average daily use.

(2) The State of Illinois has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table for Argonne National Laboratory represent the maximum amount of water the Commission is obligated to sell to it.

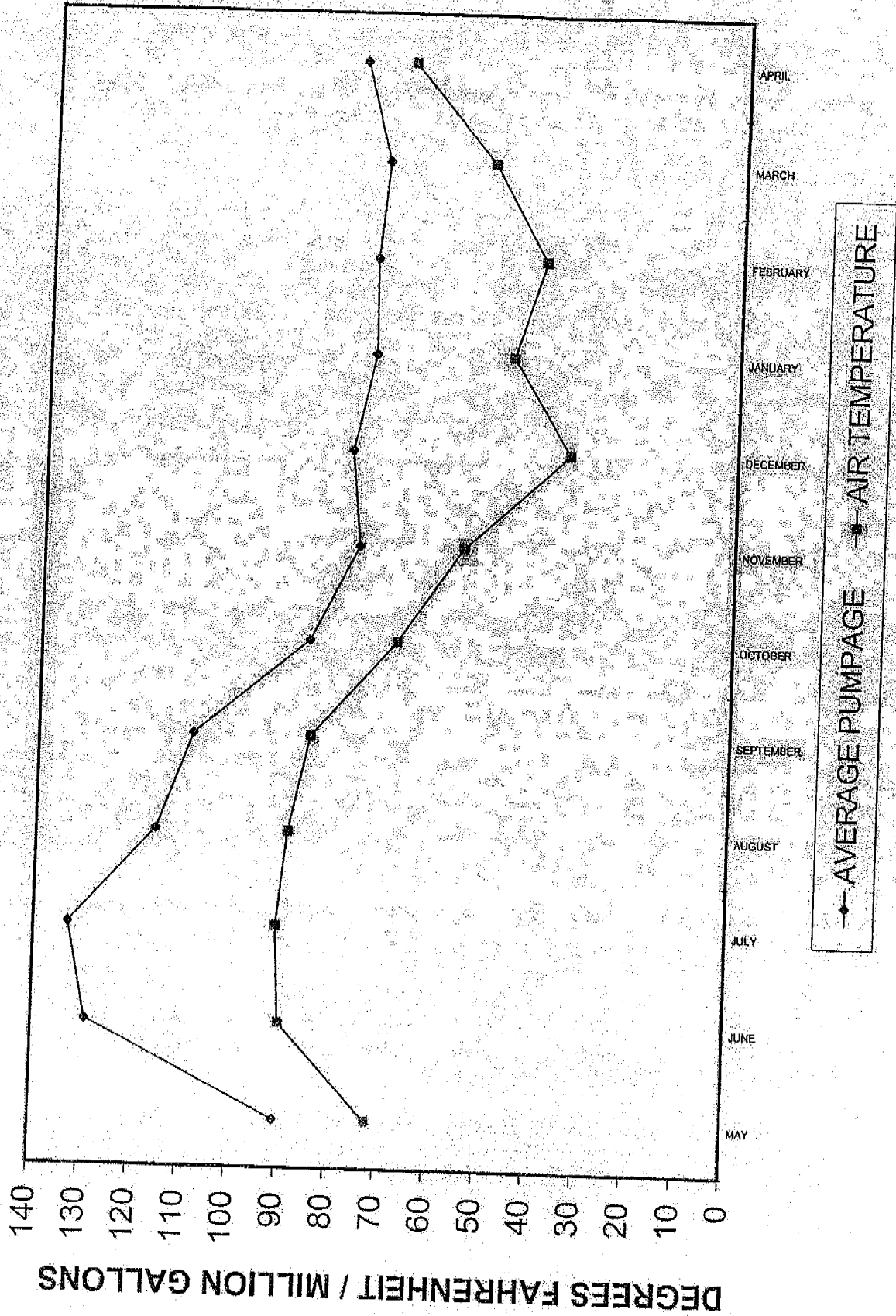
WATER PUMPAGE VS. ALLOCATION



WATER TEMPERATURE VS. AVERAGE AIR TEMPERATURE



WATER PUMPAGE VS. AVERAGE AIR TEMPERATURE





DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

October 12, 2006

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

Dear Mr. Martin:

The Instrumentation and Remote Facilities Department completed semi-annual and annual inspections of the 78 meter station buildings, 33 remotely operated valve vaults and cabinets, and five tank site facilities. All monthly inspections of the 90" and 72" transmission main ROV's, tank site facilities and the cathodic protection sites on the 72" transmission main were completed. The operation and regular calibration was maintained on all instrumentation within the pump station facilities and remote facilities listed above.

The department also repairs, maintains, and tests quarterly; the pump station security system, which includes perimeter doors with proximity card access, monitored doors, hatches, skylights & windows, perimeter fence alarm and surveillance video cameras.

The annual customer meter calibration program was completed on schedule and only one meter was found under-registering causing a debit of \$6,827.85. No meters were found that were over-registering.

The Information Technology area of the department manages and maintains the operation of the Supervisory Control and Data Acquisition (SCADA) network host and workstation computers used for the monitoring and control of the water system. The department also manages and maintains the administrative local area network server computers, firewalls, routers, switches and backup devices. In addition, the department provides user support for Internet, E-mail, workstation, and program application issues.

The Lexington Pump Station discharge flow meters used by Chicago Water Department to measure the amount of water purchased by the Commission were calibrated monthly by the instrumentation technicians and witnessed by representatives of the Chicago Water Department Maintenance and Operational Methodology (MOM) group.

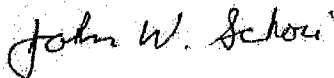
Mr. Robert L. Martin, P.E.

October 12, 2006

In addition, the following list briefly describes special projects that the department was involved in during this fiscal year to improve reliability or to stay current with technology.

- Installation of a perimeter security fence around Tank Site #1; May, 2005
- Acquired elevations of center of pipe and pressure transmitters at all ROV's for hydraulic modeling; June, 2005
- Replacement of barbed wire at all tank sites; July, 2005
- Main Uninterruptible Power Supply (UPS) system replaced with a redundant system; July, 2005
- Security assessment of the administrative network; August, 2005
- Quick Response Electrical contractor for repairs of electric meter sockets at many meter stations; September, 2005
- Cleaning of all ROV vaults with a rented vacuum excavation machine; September, 2005
- Installation of new cathodic protection rectifiers at the standpipes; November, 2005
- Implemented direct inward dialing phone numbers; November, 2005
- Implemented enhanced 911 service for pump station; January, 2006
- Upgraded network server operating systems, tape backup, exchange e-mail and redundant firewall added; March, 2006
- Acquired elevations of center of pipe and pressure transmitters at all meter stations for hydraulic modeling; March, 2006
- Waterproofing water leaks in foundations at many meter stations; April, 2006

Very truly yours,



John W. Schori
Instrumentation and Remote Facilities Supervisor

**INSTRUMENTATION AND REMOTE FACILITIES
INFORMATION**

REMOTE FACILITIES:

Location	Meter Stations	Remotely Operated Valves	Standpipes	Cathodic Protection Rectifiers	Pump Station
Addison	5	1			
Argonne	1				
Bensenville	1	1			
Bloomington	2				
Carol Stream	2				
Clarendon Hills	2				
Darien	2	1			
Downers Grove	6	3			
Elmhurst	3	3			
Glen Ellyn	2	1			
Glendale Heights	3	1	1	1	
Hinsdale	1				
Illinois American Water	7				
Itasca	3	1			
Lisle	3		2	2	
Lombard	4	2			
Naperville	8	4	1	1	
Oak Brook	3	1			
Oakbrook Terrace	2	1			
Roselle	3	1	1	1	1
Villa Park	3	1			
Westmont	2				
Wheaton	3	2			
Willowbrook	1	1			
Winfield	1				
Wood Dale	2				
Woodridge	3	1			
Cicero				1	
Bellwood		1			
Broadview		1		1	
Forest Park		1		2	
Hillside				1	
Lexington Pump Station		3			
Maywood				1	
Warrenville		1			
Totals	78	33	5	11	1

TURBINE WATER METERS:

Size	Quantity	Location	Calibration Schedule
6"	40	Meter Stations	Annual
6"	15	Spares	Annual
8"	103	Meter Stations	Annual
8"	13	Spares	Annual
10"	60	Meter Stations	Annual
10"	18	Spares	Annual

PRESSURE TRANSMITTERS:

Location	Quantity	Calibration Schedule
Meter Stations	151	Annual
ROV's	29	Annual
Pump Station	2	Quarterly

LEVEL TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station	2	Quarterly
Standpipes	5	Quarterly
NaOCL Tanks	4	Annual

FLOW TRANSMITTERS:

Location	Quantity	Calibration Schedule
Pump Station 90" Supply	2	Quarterly
Pump Station 72" Supply	2	Quarterly
Pump Station East Discharge	2	Quarterly
Pump Station West Discharge	2	Quarterly
Lexington Discharge	2	Monthly

ON-LINE WATER QUALITY INSTRUMENTATION:

Device	Location	Calibration Schedule
CL2 Analyzer	90" Supply	Quarterly *
CL2 Analyzer	72" Supply	Quarterly *
CL2 Analyzer	Discharge	Quarterly *
CL2 Analyzers	5-Standpipes	Quarterly **
Turbidity	90" Supply	Quarterly
Turbidity	72" Supply	Quarterly
Turbidity	Discharge	Quarterly
PH Analyzer	90" Supply	Quarterly
Temperature	90" Supply	Quarterly
Temperature	Discharge	Quarterly

* Checked Weekly ** Checked Monthly

WORK ORDERS:

Type	Quantity
Scheduled PM or Cal. Completed	2,528
Scheduled PM or Cal. Not Completed	255
Corrective Completed	448
Corrective Not Completed	79

METER STATION INFORMATION

<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>	<u>CUSTOMER</u>	<u>METER STATION</u>	<u>NUMBER OF METERS</u>	<u>METER SIZE (INCHES)</u>
Village of Addison	1a	2	10	Village of Itasca	25a	2	6
	1b	2	10		25b	2	6
	1c	2	6		25c	2	8
	1d	2	10	Village of Lisle	13a	3	8
	1e	2	6		13b	3	8
			13c		2	10	
Argonne Nat'l Laboratory	28a	2	8	Village of Lombard	14a	3	8
Village of Bensenville	2a	5	8		14b	2	8
					14c	2	6
Village of Bloomingdale	3a	3	8		14d	3	10
	3b	3	6	City of Naperville	15a	3	10
Village of Carol Stream	4a	3	8		15b	5	10
	4b	3	8		15c	5	8
Village of Clarendon Hills	6a	2	6		15d	3	6
	6b	2	6		15e	3	10
City of Darien	7a	3	8		15f	5	8
	7b	2	8		15g	3	10
Village of Downers Grove	8a	3	8		15h	5	10
	8b	2	8	Village of Oak Brook	16a	3	10
	8c	2	10		16b	2	8
	8d	3	10		16c	3	10
	8e	3	8	City of Oakbrook Terrace	17a	2	6
	8f	2	8		17b	2	8
City of Elmhurst	10a	3	8	Village of Roselle	18a	2	8
	10b	3	8		18b	2	8
	10c	3	8		18c	2	8
Village of Glen Ellyn	26a	2	10	Village of Villa Park	19a	2	8
	26b	5	8		19b	2	6
Village of Glendale Heights	11a	2	8		19c	2	8
	11b	3	6	Village of Westmont	20a	3	8
	11c	2	6		20b	3	8
Village of Hinsdale	12a	5	8	City of Wheaton	21a	3	10
Illinois American Water Co	5a	2	6		21b	3	10
	5b	2	6		21c	3	8
	5c	2	6	Village of Willowbrook	22a	3	10
	5d	2	6		Village of Winfield	27a	2
	5e	2	6	City of Wood Dale		23a	2
	5f	1	8		23b	2	10
	5g	1	6	Village of Woodridge	24a	2	10
			24b		2	10	
			24c		2	10	
Total Meter Stations					78		
Total Meters In Service					203		



DU PAGE WATER COMMISSION

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October 12, 2006

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

Dear Mr. Martin:

Progress on implementing the Commission's Geographic Information System (GIS) continues at a steady pace. We began work on or completed over 70% of the projects, tasks and datasets identified in the 2004 Patrick Engineering GIS needs assessment and implementation plan. This includes development of several significant GIS data layers and projects along with selection of new maintenance and document management software packages that will be integrated with GIS.

GIS data layers and projects completed or begun in the past year include:

- System valve data layer
- SCADA data layer
- GIS database design
- Engineering drawing viewer
- System Mapbook
- Easement data layer and mapbook
- GIS metadata project
- Pipeline map verification
- Pipeline material and size maps
- Pipeline calibration
- As-built drawing data conversion
- Work order and document management system selection
- 3 dimensional data model
- MapDirector web site software installation

The Commission's robust GIS system architecture includes a dual processor data server running Microsoft SQL Server database management software and a separate web server for the internal GIS web site. As the sole full time GIS employee I've been

Mr. Robert L. Martin, P.E.

October 12, 2006

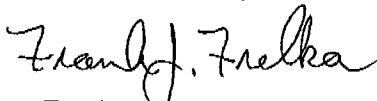
able to leverage my efforts with two summer interns and reliance on the significant GIS experience of the consultants at Patrick Engineering. The GIS staffing level remains adequate for now but future consideration needs to be given to extending the depth of the Commission's GIS expertise.

Linear referencing stores geographic data such as valve locations by using relative station value positions along linear GIS features without x, y coordinates. GIS practitioners consider it the method ideally suited for building a database of locations and assets along a pipeline system. The major part of my efforts to-date used the linear referencing tool to connect information from sources such as as-built drawing and engineering reports to the GIS system map.

A current GIS project uses linear referencing to calibrate the GIS pipeline map. This pipeline calibration will improve map accuracy and reliability by creating a direct correspondence between GIS map features, stationing values used for each pipeline project and State Plane Coordinates. The result will be an accurate and precise linear referencing system useful well into the future for basic mapping, field work, work order processing, hydraulic modeling, engineering and other activities. The benefits to the Commission may not be immediately apparent, but will accrue as we progress with plans to integrate GIS with other applications.

I remain excited about the challenge of working on projects that will expand our use of GIS technology into the areas of maintenance management, mobile applications for field personnel and document management.

Very truly yours,



Frank J. Frelka
GIS Coordinator



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October 12, 2006

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

Dear Mr. Martin:

In continuation of requirements of the Public Health Security and Bioterrorism Act, the Emergency Response Plan was reviewed twice annually and updated with current information.

Since becoming a member of the National Safety Council, Commission Staff has used this opportunity and resource to re-invigorate the Safety Program and begin the metamorphosis into a Safety Management System. The Safety Management System encompasses: management leadership and commitment, organization and documentation, use of assessments/audits & improvement, hazard recognition/evaluation & control, workplace design & engineering, occupational safety programs, employee involvement, motivation and behavior and health & safety training. While the Commission has a very lean staff, the job functions of the majority of workers can be considered hazardous. The goal of the ongoing effort is to reduce the worker injury level to zero. In FY-05/06, the Commission had three (3) OSHA recordable injuries, one of which involved loss time.

The design for the Cadwell Avenue Relocation project commenced as Division B of the DPPS reservoir addition project. This project re-aligns what was once a York Township street to the City of Elmhurst roadway and will be constructed to meet the City's construction standards. This project also allows for relocation of existing utilities and abandonment of easements for future construction. Bidding is expected FY-06/07 and construction in FY-07/08.

Commission Staff worked with the property owner adjacent to Tank Site #1 in Roselle to design and reimburse for construction of a new access driveway on a previously acquired easement located on the adjacent property. This provided an un-encumbered access to the site and reduced the costs to the Commission by combining projects with the adjacent property owner. Driveway construction was completed and accepted by the Commission.

Mr. Robert L. Martin, P.E.

October 12, 2006

Commission Staff and consultants developed plans, specifications and bidding documents for a riser modification at tank Site #4E. This system is designed to improve the mixing of water within the standpipe. This item was let for bids in FY-06/07.

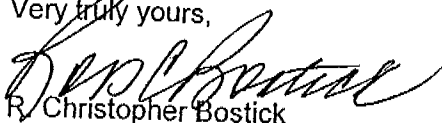
While the design of the DPPS remained on hold at 30% completion, numerous surveys, analyses and presentations were performed for the Commissioners and Customers regarding provision of emergency generation facilities at existing Commission Customer well sites, reimbursement of Commission Customers for existing generation facilities at Commission Customer existing well sites or to provide new wells and generation facilities for Commission Customers without existing facilities. Also at the direction of the Commission, Commission staff began the process of developing a request for proposals for firms to provide Value Engineering on the DPPS electrical generation facility 30% design documents.

After approval of the agreement between the Commission and Greeley and Hansen, Commission and City of Chicago Staff kicked-off the Feasibility Study for Electrical Generation Facilities at the Lexington Pumping Station in March 2006.

Commission Staff developed construction cost estimates, construction cost per person estimates, construction scheduling estimates and exhibits for the Subsequent Customer Contract for the County of DuPage.

After development and execution of an intergovernmental agreement between Commission and the Village of Lombard in the previous fiscal year, several design discussions were held with the Village and their consulting Engineers regarding a fifth connection point including feeder main and a metering station to be constructed by the Village. This project is on hold by the Village.

Very truly yours,



R Christopher Bostick
Facilities Construction Supervisor/
Safety Coordinator



DU PAGE WATER COMMISSION

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October 12, 2006

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

Dear Mr. Martin,

As Contract TIB-1 nears completion, the Department's emphasis has shifted even further towards one of preventative maintenance. In addition to the Department's routine preventative maintenance work, evidence of our preventative maintenance focus can be found in the contracts that are currently in design.

Contract TW-4, AC Current Mitigation, is currently out for review and comment. This contract is for the installation of approximately 200 sacrificial anodes constructed in 4 separate groundbeds, and is intended to mitigate AC electrical current discovered on certain sections of 48" diameter water main located on Butterfield and Winfield Roads. Construction supervision of the project will be performed under the direction of Pipeline staff.

In addition to the Contract TW-4, over the course of the last fiscal year, the Pipeline Department has been responsible for:

- o The award, construction supervision, and close out of Contract TS-6 (South Transmission Main relocation within Plainfield Road).
- o The award and construction supervision of Contract BOV-2. This contract is for the rehabilitation of blow off valves located on the 90" Transmission Main. This project is expected to be completed in January 2007.
- o The award and construction supervision of Contract QR-7. This work includes the supervision and documentation of routine maintenance work, in addition to emergency response type work.
- o The implementation of IRTHNET, a web based computer program which allows for the remote real time editing and assigning of J.U.L.I.E. locate requests. When fully implemented, laptop computers installed in the

Mr. Robert L. Martin, P.E.

October 12, 2006

Department's locating vehicles will allow the locators in the field to remotely receive and view the entire text of the locate request, and will provide the locators with a view of the approximate location of pipelines.

- o Performing monthly bacteriological samples as required by IEPA.
- o Receiving and screening 56,312 J.U.L.I.E. locate requests. Of these, 4,707 requests required field locating of Commission facilities.
- o Reviewing and responding to 69 sets of plans submitted by outside agencies for the purpose of determining potential conflicts between the proposed improvements and existing Commission facilities.

Very truly yours,



Edward Kazmierczak
Pipeline Supervisor

TYPE AND SIZE OF VALVES IN SERVICE

TYPE OF VALVE	SIZE OF VALVE	NUMBER
BUTTERFLY	90"	1
BUTTERFLY	84"	17
BUTTERFLY	72"	20
BUTTERFLY	60"	4
BUTTERFLY	54"	11
BUTTERFLY	48"	10
BUTTERFLY	42"	6
BUTTERFLY	36"	31
BUTTERFLY	30"	30
BUTTERFLY	24"	32
BUTTERFLY	20"	32
BUTTERFLY	16"	38
BUTTERFLY	12"	20
OR GATE		
BLOW-OFF	6" TO 18"	<u>374</u>
	TOTAL	626

TYPE AND SIZE OF PIPES IN SERVICE

TYPE OF PIPE	SIZE OF PIPE	FEET OF PIPE
PRESTRESSED CONCRETE CYLINDER PIPE	16" THROUGH 90"	473,989
STEEL	16" THROUGH 84"	215,471
DUCTILE IRON	12" THROUGH 42"	166,249

MONTHLY J.U.L.I.E. REPORTS

JOINT UTILITY LOCATING INFORMATION FOR EXCAVATORS

MONTH	04/05 REQUESTS	05/06 REQUESTS	04/05 LOCATES	05/06 LOCATES	04/05 PLAN REVIEWS	05/06 PLAN REVIEWS
MAY	6501	6429	432	412	8	7
JUNE	6598	6439	410	469	7	8
JULY	6193	5222	433	412	7	6
AUGUST	5647	6124	495	472	5	6
SEPTEMBER	5877	5391	454	480	5	7
OCTOBER	5440	5353	465	495	5	5
NOVEMBER	4281	4409	390	365	6	5
DECEMBER	2845	2265	368	269	5	4
JANUARY	1972	2666	302	279	5	4
FEBRUARY	2160	2043	273	254	7	5
MARCH	4115	4114	481	408	7	6
APRIL	<u>6138</u>	<u>5857</u>	<u>481</u>	<u>392</u>	<u>7</u>	<u>6</u>
TOTAL	57,767	56,312	4,984	4,707	74	69



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October 12, 2006

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

Dear Mr. Martin:

In June 1999, the Governmental Accounting Standards Board (GASB) adopted Statement 34, which requires that a "Management Discussion and Analysis" (MD&A) be included in the annual audited financial statements. Items found in the MD&A include analyses of changes in net assets, revenues and expenditures, capital assets and debt administration. This report tries not to duplicate information found in the MD&A and should be read in conjunction with the MD&A to fully understand the financial operations of the Commission.

FINANCIAL OPERATIONS OVERVIEW

In Fiscal Year 2005-06, the Commission served 25 municipal utilities, 7 private utility service areas and Argonne National Laboratory. The current state statute requires the Commission's Fiscal Year 2002-03 Charter Customer water rate of \$1.65 per 1,000 gallons not to be increased until 2008.

With revenues of \$89.4 million and expenses of \$71.1 million, the Commission's net assets increased by \$18.3 million in fiscal year 2005-06 to \$344.3 million. Restricted net assets and net assets invested in property, plant and equipment were \$32.2 million and \$230.8 million, respectively.

BUDGETARY ANALYSIS

The table below compares actual fiscal year 2005-06 revenues and expenses to budget. Total revenues were 3.7% more than budget. Total operating expenditures were below budget by 6.8%. All significant dollar variances will be discussed.

Water operations and maintenance revenues were \$48.6 million, \$0.2 million (0.3%) less than budget. Last summer's warm and dry weather is the reason total water sales, 33.20 billion gallons, met the budgeted water sales.

Sales tax collections rose substantially over last year. Collections for the fiscal year were \$35.4 million, \$1.6 million (4.6%) over budget. The Commission's general obligation bond payment was fully funded by sales tax receipts. In addition, \$7.1 million of sales tax revenue was used to reduce the customers' water revenue bond fixed cost payment for fiscal year 2005-06 by 50%.

Market fluctuations caused a decrease in investment market values over the course of the fiscal year resulting in investment income below budget. The budgeted average rate of return was 2.25% for fiscal year 2005-06. At the end of the fiscal year, the portfolio was earning 4.828% based on market yield and 4.110% based on original purchase price, up from 1.655% and 1.232% the previous fiscal year.

Overall direct water supply costs were \$46.0 million, \$0.3 million (0.6%) under budget. The overall water supply costs are directly related to total water sales. Therefore, because last summer's warm and dry wet weather increased sales, it also impacted costs.

Depreciation expense was below budget because not as many capital assets were constructed as anticipated.

All Other Expenses, specifically insurance costs, were significantly less than the current fiscal year budget. The Commission has a self-insurance reserve of \$1.0 million, which had no charges incurred.

BUDGET ANALYSIS OF REVENUES AND EXPENSES
For Fiscal Year Ending April 30, 2006

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
REVENUES				
Water Sales - All Categories	\$ 48,740,828	\$ 48,575,114	\$ (165,714)	99.7%
Sales Tax	33,834,395	35,394,007	1,559,612	104.6%
Investment Income	3,625,000	5,429,134	1,804,134	149.8%
All Other Revenues	300	1,236	936	412.0%
Total Revenue	86,200,523	89,399,491	3,198,968	103.7%
EXPENSES				
Water Supply Costs	54,099,115	50,637,086	3,462,029	93.6%
Depreciation	7,235,230	6,702,842	532,388	92.6%
Personnel Services	3,384,809	3,122,625	262,184	92.3%
Bond Interest	8,760,389	8,760,388	1	100.0%
All Other Expenses	2,108,517	1,855,007	253,510	88.0%
Total Expense	75,588,060	71,077,948	4,510,112	94.0%
NET FUND TRANSACTIONS	\$ 10,612,463	\$ 18,321,543	(7,709,080)	N/A

CONTINUING BOND DISCLOSURE

The Commission is in full compliance with all requirements of its general obligation and revenue bond ordinances. By issuing the 2001 general obligation bonds, the Commission is obligated to provide continuing disclosure of updated information provided in the bond prospectus. This resulted in the addition of charts showing the Commission's sales tax revenue and equalized assessed valuation history as well as state water allocations for its customers. Certain updated statistics from DuPage County's financial reports, used in the bond prospectus, also appear in this report. Other required disclosures have been reported in the annual audited financial statements.

The Commission is required to levy property taxes on real property within its territory without limitation as to rate or amount, in amounts sufficient to pay, when due, the principal of and interest on the Commission's general obligation bonds, including the Series 2001 Bonds. However, since sales tax revenues have been sufficient to date, all such levies have been abated through the 2005 levy year.

FUND BALANCE MONITORING

In April 1992, the Commission established a policy regarding what portion of its fund balance should be kept available for emergency repairs and other contingencies. A balance of 5% of the original construction costs (\$413,500,000 including facilities to be owned by the City of Chicago) adjusted annually by the Engineering News Record (ENR) construction index was established to handle system emergencies. In July 2003, the Commission adopted a resolution reducing the Emergency Repairs and Contingencies Reserve from 5% to 2% of the construction values as adjusted annually by the construction index. Based on these criteria, the targeted balance available for emergency repairs was \$28.1 million as of April 30, 2004. The balance for the Emergency Repairs and Contingencies Reserve was \$12.9 million at April 30, 2006.

ANALYSIS OF EQUITY

GASB Statement 34 requires the delineation of net assets (fund balances) as follows:

- Capital Investments;
- Restricted Funds;
- Unrestricted Funds.

"Capital Investments" represent funds that have been used to acquire the pipelines, pump station, storage facilities and meter stations constructed and operated by the DuPage Water Commission. Also included in this category are a pump station and water tunnel constructed by the Commission for the City of Chicago. Netted against

these assets are the long-term general obligation and revenue bond liabilities that will be funded from future revenues of the Commission.

The category "Restricted Funds" includes all of the restricted cash, investments and other assets in accounts required by the revenue bond ordinance as well as amounts held for paying the debt service on the Commission's general obligation bonds. Netted against these assets are items that are appropriately payable under the bond ordinances from these funds. Balances held in revenue bond trust and reserve accounts in excess of revenue bond ordinance requirements are treated as "unrestricted". Though presently being held in restricted accounts, such assets may be immediately transferred by Commission directive to non-restricted accounts.

Within "Unrestricted Funds," the Commission expands the GASB Statement 34 reporting requirements to better explain its financial position. Unrestricted funds are reported in several subcategories to identify the purpose of these holdings. These subcategories are:

Operating Designations

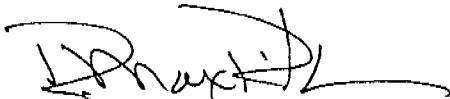
- for emergency repairs and other contingencies;
- for water rate stabilization;
- for the acquisition of capital assets.

Non-operating Designations

- for water quality loans;
- for prior pension costs.

These subcategories include unrestricted Commission assets, other than infrastructure, less both current and long-term liabilities payable from those balances. The amount to be held for emergency repairs and other contingencies is determined using the methodology explained in the *Fund Balance Monitoring* section above. The remaining amounts have been reserved by resolution of the Board of Commissioners as follows: Amounts generated by water rates not needed for emergency repairs and other contingencies are reserved for water rate stabilization. Sales tax proceeds not required for emergency repairs and other contingencies are reserved for the acquisition of capital assets: new additions or retirement of debt on existing facilities including full general obligation bond funding and partial funding of the annual revenue bond requirements.

Very truly yours,



R. Max Richter
Financial Administrator

**DUPAGE WATER COMMISSION
NET ASSET ANALYSIS (1)
Last Ten Fiscal Years Ended April 30,**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
UNRESTRICTED FUNDS										
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES (2)	\$ 12,900,000	\$ 12,300,000	\$ 11,700,000	\$ 28,100,000	\$ 27,300,000	\$ 26,600,000	\$ 25,800,000	\$ 25,100,000	\$ 25,000,000	\$ 24,200,000
DESIGNATED FOR WATER RATE STABILIZATION (3, 5)	31,128,958	42,862,895	44,223,356	45,005,162	46,471,406	38,960,224	28,833,359	20,670,215	9,159,725	16,068,495
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS (4, 5)	26,479,768	15,879,131	14,282,480	49,512,314	53,471,628	47,687,798	38,768,625	37,408,184	36,500,625	-
UNDESIGNATED	-	-	-	-	-	-	290,397	-	388,117	12,198,948
TOTAL UNRESTRICTED OPERATING FUNDS	70,508,726	71,042,026	70,205,836	122,617,476	127,243,034	113,148,022	93,692,381	83,178,399	71,048,467	52,467,443
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	9,937,000	9,937,000	9,937,000	10,000,000	-	-	-	-	-	-
DESIGNATED TO FUND ILLINOIS MUNICIPAL RETIREMENT FUND PRIOR SERVICE PENSION COSTS	-	-	2,805,192	3,805,524	-	-	-	-	-	-
TOTAL UNRESTRICTED NON-OPERATING FUNDS	9,937,000	9,937,000	12,542,192	13,805,524	-	-	-	-	-	-
TOTAL UNRESTRICTED FUNDS	80,445,726	80,979,026	82,748,028	136,423,000	127,243,034	113,148,022	93,692,381	83,178,399	71,048,467	52,467,443
RESTRICTED FUNDS	31,930,658	31,551,651	40,940,010	51,202,190	46,906,283	46,893,951	42,361,844	42,329,739	42,531,917	49,036,266
CAPITAL INVESTMENTS	232,009,827	213,534,114	182,164,171	181,152,491	171,558,854	155,797,266	144,049,731	125,529,944	109,135,921	102,154,443
TOTAL NET ASSETS	\$344,386,211	\$325,064,791	\$ 305,852,209	\$ 368,777,581	\$ 347,708,171	\$ 315,839,239	\$ 280,103,956	\$ 251,038,082	\$ 222,716,305	\$ 203,658,152

(1) FY 1995 through FY 2001 restated for implementation of GASB Statement #34 during FY 2002.

(2) Established in FY 1994 at 5% of original construction costs as of May 1, 1992; increased annually by Engineering New Record Construction Index. Changed to 2% of original construction costs as of July 31, 2003.

(3) Established in FY 1996 with sales tax revenues not required for emergency repairs.

(4) In FY 1994, committed \$32 million of sales tax funds to construct a second supply main from the City of Chicago.

(5) In FY 1996, committed sales tax revenues not required for emergency repairs to facilities construction. Rate Stabilization Reserve re-established using water revenues only.

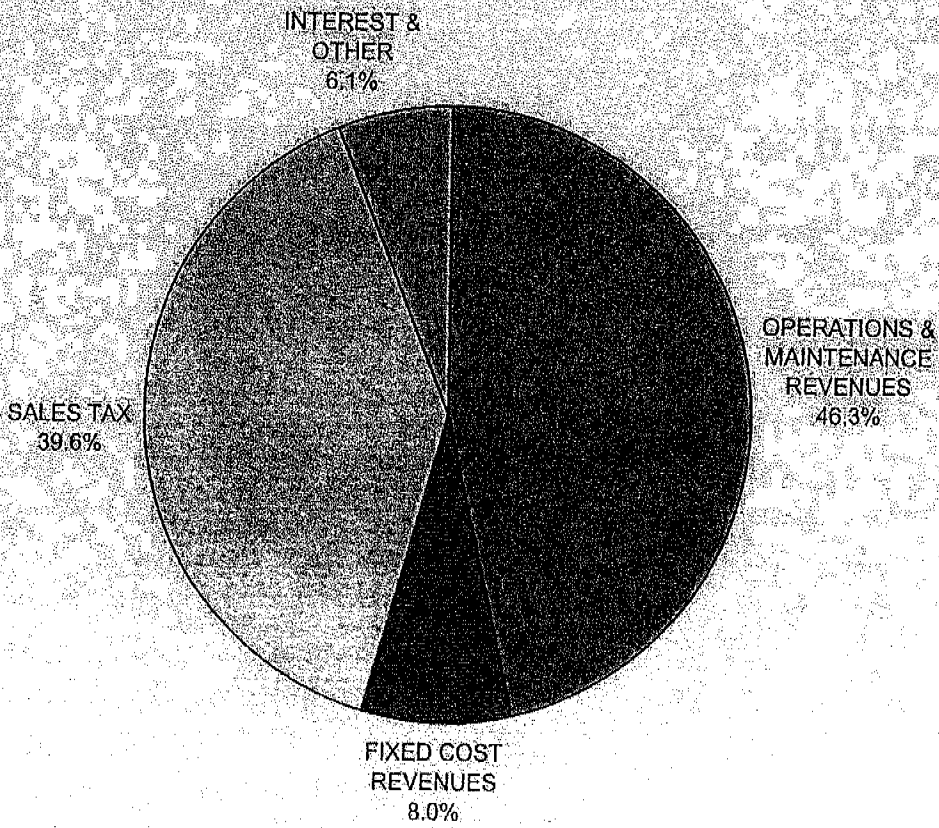
DUPAGE WATER COMMISSION
INCOME STATEMENT BUDGET COMPARISON
For Fiscal Year Ending April 30, 2006

	Y-T-D ACTUAL	Y-T-D BUDGET	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)	% BUDGET VARIANCE
REVENUE				
OPERATIONS & MAINTENANCE REVENUES	\$ 40,848,001	\$ 40,885,773	\$ (37,772)	-0.1%
FIXED COST REVENUES	7,144,469	7,144,469	-	0.0%
SUBSEQUENT CUSTOMER DIFFERENTIALS	582,645	710,586	(127,941)	-18.0%
SALES TAXES	35,394,007	33,834,395	1,559,612	4.6%
INVESTMENT INCOME	5,429,134	3,625,000	1,804,134	49.8%
OTHER INCOME	1,236	300	936	312.0%
TOTAL REVENUE	\$ 89,399,492	\$ 86,200,523	\$ 3,198,969	3.7%
EXPENSES				
DIRECT WATER DISTRIBUTION COSTS	\$ 50,637,086	\$ 54,099,115	\$ 3,462,029	-6.4%
BOND INTEREST	8,760,388	8,760,389	1	0.0%
DEPRECIATION	6,702,842	7,235,230	532,388	-7.4%
PERSONAL SERVICES	3,122,625	3,384,809	262,184	-7.7%
INSURANCE	834,839	971,497	136,658	-14.1%
PROFESSIONAL & CONTRACTUAL SERVICES	518,112	915,137	397,025	-43.4%
ADMINISTRATIVE COSTS	497,924	211,888	(286,036)	135.0%
LAND AND RIGHT OF WAY	4,133	9,995	5,862	-58.6%
TOTAL OPERATING EXPENSES	71,077,949	75,588,060	4,510,111	-6.0%
NET OPERATING INCOME	\$ 18,321,543	\$ 10,612,463	\$ 7,709,080	72.6%
BEGINNING NET ASSETS	\$ 326,064,668			
ENDING NET ASSETS	\$ 344,386,211			

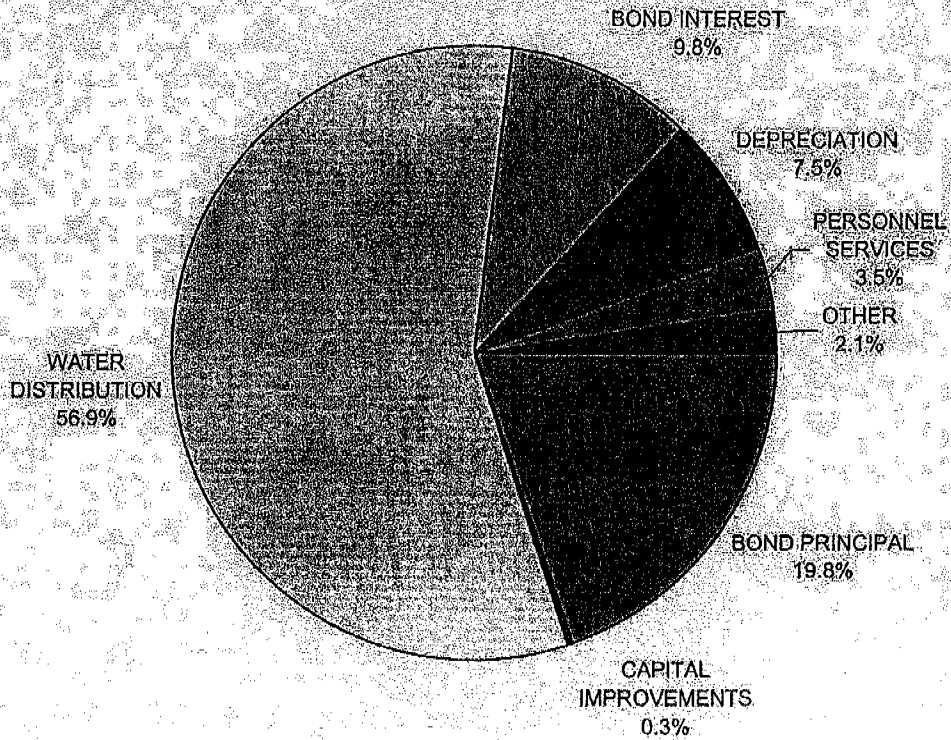
**DUPAGE WATER COMMISSION
COMPARATIVE USES OF NET INCOME
For Fiscal Years Ended April 30,**

	2006	2005	INCREASE (DECREASE)	% CHANGE
DESIGNATED FOR EMERGENCY REPAIRS AND CONTINGENCIES	\$ 600,000	\$ 600,000	\$ -	0.0%
DESIGNATED FOR WATER RATE STABILIZATION	(10,867,427)	(453,416)	(10,414,011)	2296.8%
DESIGNATED FOR THE ACQUISITION OF CAPITAL ASSETS	10,600,637	689,483	9,911,154	1437.5%
DESIGNATED FOR WHOLESALE CUSTOMER WATER QUALITY LOANS	-	-	-	0.0%
DESIGNATED TO FUND ILLINOIS MUNICIPAL RETIREMENT FUND PRIOR SERVICE PENSION COSTS	-	(2,605,192)	2,605,192	-100.0%
RESTRICTED FUNDS	627,560	(9,388,359)	10,015,919	-106.7%
CAPITAL INVESTMENTS	17,306,735	31,369,943	(14,063,208)	-44.8%
TOTAL USES	\$ 18,267,505	\$ 20,212,459	\$ (1,944,954)	-9.6%

DUPAGE WATER COMMISSION
FY 2005-2006 REVENUES
\$89,399,492



DUPAGE WATER COMMISSION
FY 2005-2006 EXPENDITURES*
\$102,965,880



* Expenditures include bond principal and capital improvements, which are not considered as expenses on the combining income statement analysis.

CUSTOMER ADDITIONS

	<u>NEW CUSTOMER CONTRACT DATE</u>	<u>FIRST SERVED</u>
ARGONNE NAT'L LAB	July-95	January-97
DuPAGE COUNTY	July-06	
IAWC-ARROWHEAD	October-92	April-95
IAWC-COUNTRY CLUB	October-92	April-95
IAWC-DuPAGE/LISLE	January-96	May-96
IAWC-LIBERTY RIDGE EAST	April-01	December-01
IAWC-LIBERTY RIDGE WEST	December-98	December-99
IAWC-LOMBARD HEIGHTS	October-92	May-95
IAWC-VALLEY VIEW	October-92	April-95
OAKBROOK TERRACE	December-97	October-99
WINFIELD	July-95	October-96

WATER SALES BY CUSTOMER
Fiscal Year Ended April 30, 2006

	TOTAL O&M COSTS	PERCENTAGE OF TOTAL O & M COSTS	TOTAL FIXED COSTS	PERCENTAGE OF TOTAL FIXED COSTS	TOTAL SUBSEQUENT CUSTOMER FEES	PERCENTAGE OF TOTAL SUBSEQUENT CUSTOMER FEES	TOTAL WATER REVENUE	PERCENTAGE OF TOTAL WATER REVENUE
ADDISON	\$ 1,749,048	4.28%	\$ 311,370	4.36%	\$ -	0.00%	\$ 2,060,418	4.24%
ARGONNE NAT'L LABORATORY	222,860	0.55%	41,793	0.56%	123,733	21.60%	388,386.14	0.80%
BENSENVILLE	1,109,354	2.72%	203,370	2.85%	-	0.00%	1,312,723.74	2.70%
BLOOMINGDALE	1,205,752	2.95%	211,932	2.97%	-	0.00%	1,417,683.42	2.92%
CAROL STREAM	1,809,142	4.43%	328,240	4.59%	-	0.00%	2,137,381.53	4.40%
CLARENDON HILLS	384,888	0.94%	65,868	0.92%	-	0.00%	450,756.27	0.93%
DARIEN	1,096,433	2.68%	174,801	2.45%	-	0.00%	1,271,234.31	2.62%
DOWNERS GROVE	2,954,734	7.23%	515,757	7.22%	-	0.00%	3,470,491.05	7.15%
ELMHURST	2,080,420	5.09%	372,915	5.22%	-	0.00%	2,453,334.42	5.05%
GLEN ELLYN	1,310,628	3.21%	239,313	3.35%	-	0.00%	1,549,940.85	3.19%
GLENDALE HTS	1,208,359	2.96%	220,494	3.09%	-	0.00%	1,428,853.02	2.94%
HINSDALE	1,292,978	3.17%	220,917	3.09%	-	0.00%	1,513,895.94	3.12%
CUCI-ARROWHEAD	83,046	0.20%	14,411	0.20%	35,349	6.17%	132,806.39	0.27%
CUCI-COUNTRY CLUB	45,316	0.11%	8,562	0.12%	28,389	4.96%	82,266.18	0.17%
CUCI-DP/USLE	212,027	0.52%	41,793	0.58%	82,812	14.46%	336,632.58	0.69%
CUCI-LIBERTY RIDGE EAST	14,901	0.04%	2,713	0.04%	34,474	6.02%	52,087.84	0.11%
CUCI-LIBERTY RIDGE WEST	139,954	0.34%	24,669	0.35%	63,646	11.11%	228,268.73	0.47%
CUCI-LMBRD HGH'TS	28,387	0.07%	5,341	0.07%	27,098	4.73%	60,825.77	0.13%
CUCI-VALLEY VIEW	336,068	0.82%	54,594	0.76%	81,719	14.27%	472,380.15	0.97%
ITASCA	723,672	1.77%	126,650	1.77%	-	0.00%	850,322.01	1.75%
LISLE	1,390,626	3.40%	231,599	3.24%	-	0.00%	1,622,224.62	3.34%
LOMBARD	2,008,046	4.92%	357,910	5.01%	-	0.00%	2,365,956.42	4.87%
NAPERVILLE	8,493,188	20.79%	1,425,028	19.95%	-	0.00%	9,918,216.33	20.42%
OAK BROOK	1,859,066	4.55%	337,395	4.72%	-	0.00%	2,196,461.40	4.52%
OAKBROOK TERRACE	66,361	0.17%	11,529	0.16%	30,211	5.27%	110,101.25	0.23%
ROSELLE	959,335	2.35%	191,078	2.87%	-	0.00%	1,150,412.37	2.37%
VILLA PARK	907,527	2.22%	165,307	2.31%	-	0.00%	1,072,833.81	2.21%
WESTMONT	1,234,582	3.02%	227,699	3.19%	-	0.00%	1,462,281.01	3.01%
WHEATON	2,621,980	6.42%	450,143	6.30%	-	0.00%	3,072,122.73	6.33%
WILLOWBROOK	532,499	1.30%	94,606	1.32%	-	0.00%	627,105.42	1.29%
WINFIELD	749,700	1.84%	75,448	1.06%	65,361	11.41%	890,508.31	1.83%
WOOD DALE	1,589,203	3.89%	123,429	1.73%	-	0.00%	1,712,632.00	3.53%
WOODRIDGE	425,921	1.04%	267,797	3.75%	-	0.00%	693,717.51	1.43%
TOTALS	\$ 40,849,001	100.00%	\$ 7,144,469	100.00%	\$ 572,791	100.00%	\$ 48,565,261	100.00%

WATER SALES ACCOUNTABILITY

AVERAGE GALLONS SOLD TO CUSTOMERS PER DAY

90,972,266

MONTH	SALES TO CUSTOMERS (1) (GALLONS)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS (1)	BILLINGS FROM CHICAGO
May-05	2,751,156,000	2,826,791,957	97.32%	\$3,383,922	\$3,669,176
Jun-05	3,775,195,000	3,884,927,612	97.18%	4,645,553	5,042,636
Jul-05	4,078,909,000	4,145,332,157	98.40%	5,017,058	5,380,641
Aug-05	3,498,090,000	3,609,900,000	96.90%	4,302,651	4,685,677
Sep-05	3,202,484,000	3,289,206,394	97.36%	3,939,055	4,269,390
Oct-05	2,545,686,000	2,647,388,860	96.16%	3,131,194	3,436,311
Nov-05	2,238,636,000	2,261,375,216	98.99%	2,753,522	2,935,265
Dec-05	2,362,455,000	2,422,577,673	97.52%	2,905,820	3,144,506
Jan-06	2,241,162,000	2,303,320,263	97.30%	2,756,629	3,063,416
Feb-06	2,033,220,000	2,083,799,323	97.57%	2,500,916	2,771,453
Mar-06	2,189,124,000	2,245,513,008	97.49%	2,693,252	2,986,532
Apr-06	2,288,760,000	2,342,619,023	97.70%	2,815,175	3,115,683
TOTALS	33,204,877,000	34,062,751,486	97.48%	\$ 40,844,746	\$ 44,500,686

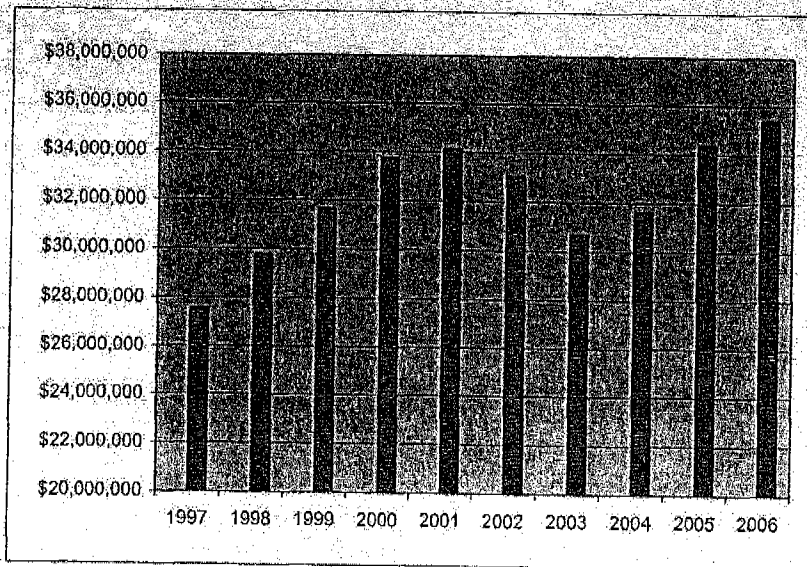
(1) Includes emergency contract customer Village of Schaumburg. Does not include meter adjustments billings.

**DuPAGE WATER COMMISSION
CUSTOMER REBATES**

<u>FISCAL YEAR</u>	<u>REBATE AMOUNT</u>
1994	\$13,596,336
1995	21,377,267
1996	13,557,917
1997	10,168,438
1998	7,626,329
TOTAL	<u>\$66,326,287</u>

**DUPAGE WATER COMMISSION
SALES TAX REVENUE
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1997	27,546,843
1998	29,782,379
1999	31,645,779
2000	33,751,634
2001	34,147,121
2002	33,062,484
2003	30,704,457
2004	31,620,982
2005	34,384,906
2006	35,394,007

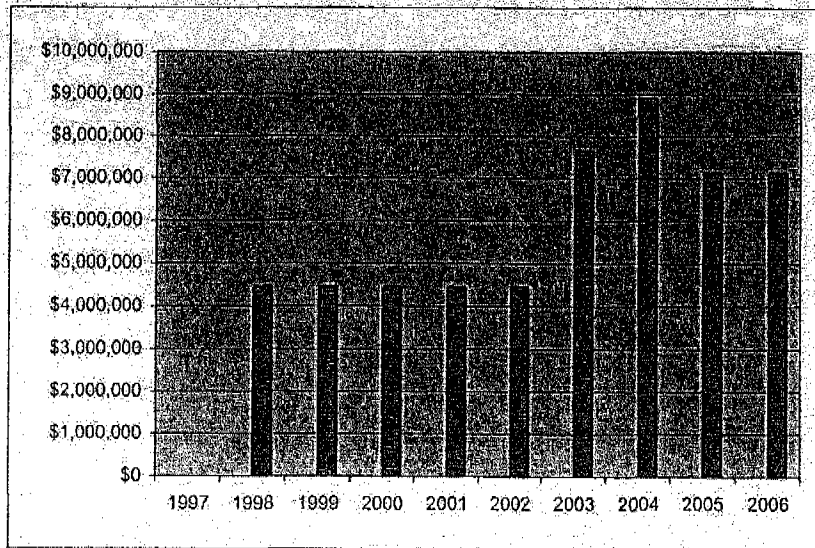


DuPAGE WATER COMMISSION
GENERAL OBLIGATION BOND
PROPERTY TAX ABATEMENTS
Last Ten Levy Years

<u>LEVY YEAR</u>	<u>AMOUNT</u>
1996	14,252,850
1997	14,258,600
1998	14,256,415
1999	14,256,943
2000	14,255,693
2001	13,122,650
2002	13,112,650
2003	13,122,150
2004	13,124,150
2005	13,117,900

**DUPAGE WATER COMMISSION
REVENUE BONDS PAID BY SALES TAX FUNDS
Last Ten Fiscal Years**

FISCAL YEAR	AMOUNT
1997	0
1998	4,458,183
1999	4,458,858
2000	4,457,582
2001	4,458,172
2002	4,458,852
2003	7,668,150
2004	8,916,329
2005	7,144,469
2006	7,145,094



**DUPAGE WATER COMMISSION
EQUALIZED ASSESSED PROPERTY VALUATION
WITHIN DUPAGE COUNTY ONLY
Last Ten Fiscal Years**

LEVY YEAR	COLLECTION YEAR	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	FARM	RAILROAD PROPERTY	TOTAL EQUALIZED ASSESSED VALUATION
1996	1997	12,711,249,532	3,578,516,349	1,377,726,716	3,847,361	7,687,916	17,679,027,874
1997	1998	13,310,018,948	3,718,368,112	1,440,152,291	3,786,077	8,192,572	18,480,518,000
1998	1999	13,817,522,384	3,941,972,806	1,524,499,538	3,653,065	9,081,750	19,296,729,543
1999	2000	14,443,828,356	4,182,356,885	1,636,212,570	3,364,221	10,100,806	20,275,862,838
2000	2001	15,148,944,040	4,474,070,124	1,725,892,667	3,059,154	10,283,397	21,362,249,382
2001	2002	16,287,936,204	4,706,568,197	1,939,135,604	2,761,597	10,783,566	22,947,185,168
2002	2003	17,861,614,734	5,073,598,476	2,096,061,645	2,637,103	11,689,521	25,045,601,479
2003	2004	19,772,461,244	5,111,733,784	2,110,768,835	2,228,102	10,291,853	27,007,483,818
2004	2005	21,473,516,492	5,401,426,072	2,255,578,223	2,159,513	10,439,685	29,143,119,985
2005	2006	23,354,466,689	5,595,335,071	2,360,095,217	2,059,397	9,740,790	31,321,697,164

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2005

DUPAGE COUNTY, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
November 30, 2005

District	Total Debt Outstanding (2)	Percentage Applicable To County (3)	Amount Applicable To County (2)
County	\$ 198,920,000	100.00%	\$ 198,920,000
Subtotal, County	<u>198,920,000</u>		<u>198,920,000</u>
Forest Preserve	178,586,835	100.00%	178,586,835
Water Commission	85,225,000	98.41%	83,869,923
Cities & Villages	6,685,536,764 (2)	9.61%	642,412,245
Townships	465,000	100.00%	465,000
Parks	837,068,428 (2)	26.86%	224,816,483
Fire Protection	18,700,000	90.84%	16,986,761
Airport	12,320,000	93.57%	11,527,824
Library	25,255,000	52.63%	13,290,712
Special Service	4,383,025	100.00%	4,383,025
Grade Schools	398,205,470	92.78%	369,435,357
High Schools	257,079,508	98.91%	254,274,785
Unit Schools	1,370,521,507	50.40%	690,778,547
Community Colleges	<u>131,008,678 (2)</u>	5.21%	<u>6,827,551</u>
Subtotal, Overlapping	<u>10,004,355,215</u>		<u>2,497,655,048</u>
Totals	<u>\$10,203,275,215</u>		<u>\$ 2,696,575,048</u>

(1) Information abstracted from County Clerk's records.

(2) Includes City of Chicago for which a minor portion overlaps into DuPage County.

(3) Debt Percentage Applicable to County is calculated by applying the ratio of assessed value of the specific district to that portion which is in DuPage. Percentages have been rounded to the nearest hundredth.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2005.

**DUPAGE COUNTY, ILLINOIS
VALUATION AND SELECTED DEBT RATIOS
November 30, 2005**

Assessed Value of All Taxable Property in 2005	\$ 34,791,533,054
Estimated 2005 Full Value	\$ 104,374,599,162
2005 Population (1)	929,113

	Direct Only	Direct and Underlying
Ratio of Bonded Debt to Assessed Value	0.572%	7.751%
Ratio of Bonded Debt to Estimated Full Value	0.191%	2.584%
Per Capita Bonded Debt	\$ 214.10	\$ 2,902.31

(1) Estimated by the DuPage County Development Department.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2005.

**DuPAGE COUNTY, ILLINOIS
PRINCIPAL TAXPAYERS
November 30, 2005**

Taxpayer	Type of Business	2005 Assessed Valuation (1)	Percentage of Total Assessed Valuation
Hamilton Partners, Inc.	Commercial Development	\$ 146,273,000	0.42%
Oakbrook Shopping Center	Shopping Center Property	\$ 109,028,000	0.31%
AIMCO	Property Development	\$ 83,709,000	0.24%
NS-MPG INC (Lucent	Communications Research and Development	82,520,000	0.24%
Duke Realty Ltd	Commercial Development	63,683,000	0.18%
AMB Prop RE Tax CO	Commercial Property	60,547,000	0.17%
Commonwealth Edison	Utility	54,465,000	0.16%
Centerpoint Properties	Industrial Property Development	51,531,000	0.15%
National Tax Search	Property Tax Consulting	44,037,000	0.13%
McDonald's Corporation	Food Service	41,549,000	0.12%
Inland Real Estate	Commercial Property	38,578,000	0.11%
Crane & Norcross	Commercial Property	37,961,000	0.11%
Property Tax Advisors	Property Tax Consulting	36,153,000	0.10%
ZML Oakbrook Terrace	Commercial Property	35,288,000	0.10%
Total		\$ 885,322,000	2.54%

(1) The assessed valuation is an approximation based on the records maintained by the County. Since most large taxpayers have numerous parcels of real property, it is possible to miss some valuations as well as some of the largest

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2005.

DUPAGE COUNTY, ILLINOIS
PROPERTY TAX RATES PER \$100 ASSESSED AS EXTENDED
ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
DuPage County	\$ 0.1797	\$ 0.1850	\$ 0.1999	\$ 0.2154	\$ 0.2353	\$ 0.2536	\$ 0.2682	\$ 0.2831	\$ 0.2970	\$ 0.3183
Cities & Villages	0.5607	0.1358	0.5862	0.6046	0.6081	0.6081	0.6152	0.6194	0.6182	0.6318
High School Districts	0.9395	0.9662	1.0086	1.0537	1.0933	1.1137	1.1320	1.1490	1.1443	1.1384
Unit School Districts	1.6083	1.6305	1.6758	1.6688	1.7113	1.6610	1.6070	1.6292	1.6575	1.6526
Grade School Districts	1.4703	1.4977	1.5017	1.4996	1.5212	1.5304	1.5386	1.5481	1.5561	1.5240
Junior Colleges	0.1960	0.2055	0.2154	0.2229	0.1996	0.2028	0.2065	0.2097	0.2112	0.2126
Townships	0.0995	0.1017	0.1068	0.1088	0.1188	0.1224	0.1233	0.1268	0.1311	0.1384
Sanitary Districts	0.0025	0.0025	0.0027	0.0028	0.0029	0.0030	0.0030	0.0030	0.0031	0.0031
Park Districts	0.2933	0.2982	0.3057	0.2962	0.3073	0.3163	0.3154	0.3248	0.3238	0.3219
Library Districts	0.0569	0.5830	0.0583	0.0613	0.0636	0.0640	0.0632	0.0605	0.0613	0.0618
Forest Preserve District	0.1271	0.1358	0.1419	0.1534	0.1654	0.1742	0.1797	0.1849	0.1871	0.1648
Fire Protection Districts	0.2235	0.2288	0.2363	0.2429	0.2416	0.2429	0.2501	0.2510	0.2544	0.2507
DuPage Water Commission	-	-	-	-	-	-	-	-	-	-
Special Service Areas	0.0145	0.0140	0.0150	0.0200	0.0211	0.0236	0.0231	0.0222	0.0220	0.0225
Other Special Districts	0.0222	0.0239	0.0254	0.0267	0.0290	0.0311	0.0326	0.0343	0.0345	0.0361
Total	\$ 5.7940	\$ 6.0086	\$ 6.0797	\$ 6.1771	\$ 6.3185	\$ 6.3471	\$ 6.3579	\$ 6.4460	\$ 6.5016	\$ 6.4770

SOURCE: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2005

**DUPAGE COUNTY, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years**

<u>Levy Year</u>	<u>Levies (1)</u>	<u>Collections (2)(4)</u>	<u>Percent</u>
1996	61,643,533	60,805,119	98.64%
1997	60,305,028	59,902,749	99.33%
1998	60,201,488	59,816,218	99.36%
1999	60,089,130	59,895,854	99.68%
2000	59,999,404	59,821,035	99.70%
2001	59,904,729	59,768,922	99.77%
2002	59,890,523	59,724,648	99.72%
2003	60,035,691	59,868,006	99.72%
2004	59,925,342	59,800,186	99.79%
2005	65,520,385	(3)	N/A

(1) Property taxes levied in a given year become liabilities and are actually collected in the subsequent year. Levies do not include Special Service Areas.

(2) Tax collection amounts are obtained from the Collector's Annual report.

(3) Tax collections for the 2005 levy will not be made until 2006.

(4) Tax collections are shown net of Court ordered abatements.

Source: DuPage County Comprehensive Annual Financial Report for the fiscal year ended November 30, 2005.

**DuPAGE WATER COMMISSION
TRANSFER TO DuPAGE COUNTY**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
2004	\$15,000,000
2005	15,000,000
2006	15,000,000
 TOTAL	 <u><u>\$45,000,000</u></u>

Note: Public Act 93-0226 was amended requiring the Commission to transfer \$75,000,000 to the DuPage Board beginning July 2003, \$15,000,000 per year for a period of five years.

EXHIBIT 46

McGladrey & Pullen
Certified Public Accountants

DuPage Water Commission

Financial Audit and Compliance Examination
April 30, 2007

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

DuPage Water Commission

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DuPage Water Commission

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DuPage Water Commission

Commission Officials
Year Ended April 30, 2007

General Manager	Mr. Robert L. Martin
Financial Administrator	Mr. R. Max Richter
Staff Attorney	Ms. Maureen Crowley

Commission administrative offices are located at:

600 East Butterfield Road
Elmhurst, IL 60126



DU PAGE WATER COMMISSION

600 E. BUTTERFIELD ROAD • ELMHURST, IL • 60126-4642
(630) 834-0100 • FAX: (630) 834-0120

MANAGEMENT ASSERTION LETTER

October 4, 2007

McGladrey & Pullen, LLP
20 North Martingale Road, Suite 500
Schaumburg, IL 60173-2420

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the DuPage Water Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following assertions during the year ended April 30, 2007. Based on this evaluation, we assert that during the year ended April 30, 2007, the Commission has materially complied with the assertions below.

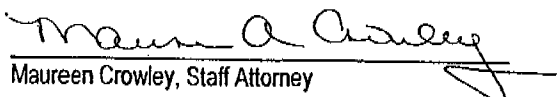
- A. The Commission has received and used fees in accordance with the purpose for which such fees have been collected or otherwise authorized by law.
- B. The Commission has obligated, expended, received and used revenues, grants and similar awards in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law or regulation upon obligation, expenditure, receipt or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, in its financial and fiscal operations.
- D. The revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the Commission or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping thereto is proper, accurate and in accordance with law.

Yours very truly,

DuPage Water Commission


Robert Martin, General Manager


Max Richter, Financial Administrator


Maureen Crowley, Staff Attorney

DuPage Water Commission

Compliance Report Summary Year Ended April 30, 2007

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

Accountants' Reports

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

Summary of Findings

<u>Number of</u>	<u><i>This Report</i></u>	<u><i>Prior Report</i></u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	2

Exit Conference

Commission management waived having an exit conference in a letter dated August 22, 2007.

McGladrey & Pullen

Certified Public Accountants

Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information For State Compliance Purposes

Honorable William G. Holland
Auditor General, State of Illinois
and
Honorable Chairman and
Members of the Board of Commissioners
DuPage Water Commission

Compliance

As Special Assistant Auditors for the Auditor General, we have examined DuPage Water Commission's (Commission) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended April 30, 2007. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

- A. The Commission has received and used fees in accordance with the purpose for which such fees have been collected or otherwise authorized by law.
- B. The Commission has obligated, expended, received and used revenues, grants and similar awards in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law or regulation upon obligation, expenditure, receipt or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, in its financial and fiscal operations.
- D. The revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the Commission or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping thereto is proper, accurate and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Commission's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the requirements listed in the first paragraph of this report during the year ended April 30, 2007. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Commission's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance with the requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the accompanying basic financial statements of the Commission as of and for the year ended April 30, 2007, and have issued our report thereon dated (date of report). The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Commission. The 2007 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the

basic financial statements for the year ended April 30, 2007, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Commission's basic financial statements for the year ended April 30, 2006. In our report dated July 27, 2006, we expressed an unqualified opinion on the respective basic financial statements. In our opinion, the 2006 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 2006, taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the DuPage Water Commission's Board of Commissioners and Commission management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Schaumburg, Illinois
October 4, 2007

McGladrey & Pullen

Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable William G. Holland
Auditor General, State of Illinois
and
Honorable Chairman and
Members of the Board of Commissioners
DuPage Water Commission

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the DuPage Water Commission (Commission), as of and for the year ended April 30, 2007, and have issued our report thereon October 4, 2007. During the year ended April 30, 2007, the Commission implemented Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement required the Commission to accrue certain expenses and liabilities and disclose certain information related to postemployment benefits other than pension benefits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters which we have reported to management of the Commission in a separate letter dated October 4, 2007.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the DuPage Water Commission's Board of Commissioners and the Commission management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Schaumburg, Illinois
October 4, 2007

DuPage Water Commission

Financial Statement Report
Summary
Year Ended April 30, 2007

The audit of the accompanying basic financial statements of the DuPage Water Commission (Commission) was performed by McGladrey & Pullen, LLP, as special assistant auditors for the Auditor General, State of Illinois.

Based on their audit, the auditors expressed an unqualified opinion on the Commission's basic financial statements.

McGladrey & Pullen

Certified Public Accountants

Independent Auditors' Report

Honorable William G. Holland
Auditor General, State of Illinois
and
Honorable Chairman and
Members of the Board of Commissioners
DuPage Water Commission

As Special Assistant Auditors for the Auditor General, we have audited the accompanying basic financial statements of the DuPage Water Commission (Commission) as of April 30, 2007, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of April 30, 2007, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2007, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The required supplementary information, which includes Management's Discussion and Analysis, Illinois Municipal Retirement Fund information and Other Post-Employment Benefits information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

During the year ended April 30, 2007, the Commission implemented Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement required the Commission to accrue certain expenses and liabilities and disclose certain information related to postemployment benefits other than pension benefits.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on budget comparison listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, provisions or conditions of Article X of the Revenue Bond Ordinance of 1987, Article II of the Water Refunding Bond Ordinance of 1993, and Article II of the Water Refunding Bond Ordinance of 2003, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

McGladrey & Pullen, LLP

Schaumburg, Illinois
October 4, 2007

DuPage Water Commission

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the DuPage Water Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year ending April 30, 2007.

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of the following components: Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Assets presents information on all the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the Commission's net assets changed during the most recent fiscal year. Both the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets include all the assets and liabilities of the Commission. The statements are presented using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies.

The Statement of Cash Flows provides information on the Commission's gross sources and uses of cash during the fiscal year.

The Notes to the Financial Statements generally provide more detailed information about the Commission's assets, liabilities, net assets and operations, as well as summarize the Commission's significant accounting policies.

FINANCIAL OPERATIONS SUMMARY

With revenues of \$88.9 million and expenses totaling \$70.3 million, the Commission's net assets increased by \$18.6 million in fiscal year 2006-07 to \$363 million. Restricted net assets and net assets invested in property, plant and equipment were \$33.2 million and \$244 million respectively.

FINANCIAL ANALYSIS

Changes in Net Assets. The table below presents information on the Commission's assets and liabilities, with the difference between the two reported as net assets. All significant dollar changes have been explained.

The decrease in total cash and investments can be attributed to the \$15 million payment to DuPage County. State of Illinois Public Act 93-0226 adopted July 22, 2003 requires a \$75 million transfer of Commission Funds to DuPage County over a five-year period.

DuPage Water Commission

Management's Discussion and Analysis

Net capital assets represent the total of assets capitalized less accumulated depreciation. The decrease in capital assets of \$6.7 million is due to depreciation expense of \$6.6 million, a write off of construction in progress feasibility costs of \$2.1 million offset by investment in new construction of \$2 million.

The Commission originally financed and constructed the Lexington Pump Station and the tunnel that connects Lexington to the Central Park Pumping Station for the City of Chicago. The City of Chicago agreed to pay the Commission back through a 20 percent reduction in water costs (Deferred Water Supply Contract Costs) paid by the Commission. The deferred water supply contract costs decreased by \$868,166, as this was the last fiscal year the Commission received a reduction in water costs.

Amounts payable to DuPage County decreased by \$15 million due to the payment to DuPage County in accordance with State of Illinois Public Act 93-0226. Bonds payable declined because of bond payments made during the fiscal year. This also reduced accrued interest payable.

Net assets invested in capital assets, net of related debt increased \$12 million from the prior year due primarily to a decrease in noncurrent bonds payable of \$19.4 million used to finance capital assets.

Restricted net assets increased by \$1.3 million over the prior year due mainly to increases in restricted investments held by a trustee for payment of the current portion of the general obligation bonds, revenue bonds and other liabilities associated with the bonds and the decrease in current restricted liabilities. For more information see Note 7 (c) and Note 8, in the notes to the financial statements.

A comparative summary of the changes in net assets is presented on the following page.

DuPage Water Commission

Management's Discussion and Analysis

COMPARATIVE SUMMARY OF NET ASSETS
For Fiscal Years Ending April 30

	2007	2006	INCREASE (DECREASE)	% CHANGE
Assets				
Current:				
Unrestricted cash and investments	\$ 84,075,900	\$ 93,324,553	\$ (9,248,653)	-9.9%
Restricted investments	42,748,630	42,964,387	(215,757)	-0.5%
Receivables	13,598,557	14,191,133	(592,576)	-4.2%
Other assets	658,875	644,936	13,939	2.2%
Noncurrent:				
Restricted investments	17,169,760	16,532,818	636,942	3.9%
Long term loan receivable	4,999,623	4,999,623	-	0.0%
Land and construction in progress	32,712,041	32,573,258	138,783	0.4%
Capital assets, net of accumulated depreciation	343,930,865	350,584,643	(6,653,778)	-1.9%
Deferred water supply contract cost	-	868,166	(868,166)	-100.0%
Total assets	539,894,251	556,683,517	(16,789,266)	-3.0%
Liabilities				
Current:				
Payables and accrued liabilities	4,097,550	5,347,320	(1,249,770)	-23.4%
Due to DuPage County	15,000,000	15,000,000	-	0.0%
Bonds payable	19,372,287	18,726,775	645,512	3.4%
Accrued interest	3,200,535	3,492,452	(291,917)	-8.4%
Deferred revenue	140,607	107,439	33,168	30.9%
Noncurrent:				
Deferred revenue	2,466,473	2,607,080	(140,607)	-5.4%
Due to DuPage County	-	15,000,000	(15,000,000)	-100.0%
Bonds payable	132,643,189	152,016,240	(19,373,051)	-12.7%
Total liabilities	176,920,641	212,297,306	(35,376,665)	-16.7%
Net Assets				
Invested in capital assets, net	243,999,717	232,009,827	11,989,890	5.2%
Restricted	33,248,018	31,930,658	1,317,360	4.1%
Unrestricted	85,725,875	80,445,726	5,280,149	6.6%
Total net assets	\$ 362,973,610	\$ 344,386,211	\$ 18,587,399	5.4%

DuPage Water Commission

Management's Discussion and Analysis

Revenues and Expenses. The table which follows presents a comparative summary of revenues and expenses. The most significant source of revenues for the Commission continues to be from water sales. Water sales for fiscal year 2007 were 30.0 billion gallons versus 33.2 billion gallons last fiscal year. There were no major new customers and the average charter customer water rate was unchanged for fiscal year 2007 and 2006, respectively. Due to cooler weather, water revenue decreased by \$3.5 million or 7.3%.

The national economic slow down has eased and sales tax receipts rose substantially in fiscal year 2007. Sales tax revenues have been sufficient to fund all system capital improvements and the statutory payment to the county as well as providing an alternative funding source for debt service. Sales taxes were used to make all general obligation bond payments in fiscal year 2007. In addition, \$7.1 million of sales tax funds were used to reduce the customers' fixed cost payments for fiscal year 2007 by 50%. This practice started in fiscal year 1998 and has continued through fiscal year 2007.

Statement 31 of the Governmental Accounting Standards Board requires investments be reported at fair market value. Investment income increased \$1.9 million from the prior year due to an increase in interest income and the fair value of investments at April 30, 2007.

Water distribution costs remain the highest expense in the Commission's operations. Water distribution costs decreased \$2 million mainly due to the reduction of water usage.

Personnel Services increased due mainly to a payment to the Illinois Municipal Retirement Fund of \$1.5 million for the 2005 unfunded pension liability.

DuPage Water Commission

Management's Discussion and Analysis

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES
For Fiscal Years Ending April 30

	2007	2006	INCREASE (DECREASE)	% CHANGE
Revenues				
Operating:				
Water sales - all categories	\$ 45,036,990	\$ 48,575,115	\$ (3,538,125)	-7.3%
Other	63,690	1,236	62,454	5052.9%
Nonoperating:				
Sales tax	36,422,562	35,394,007	1,028,555	2.9%
Investment income	7,350,036	5,429,134	1,920,902	35.4%
Total revenues	88,873,278	89,399,492	(526,214)	-0.6%
Expenses				
Operating:				
Water supply costs	48,591,776	50,637,086	(2,045,310)	-4.0%
Depreciation	6,695,222	6,702,842	(7,620)	-0.1%
Personnel services	4,879,217	3,122,625	1,756,592	56.3%
All other expenses	1,939,158	1,855,008	84,150	4.5%
Nonoperating:				
Bond interest	8,180,506	8,760,388	(579,882)	-6.6%
Total expenses	70,285,879	71,077,949	(792,070)	-1.1%
Change in net assets	18,587,399	18,321,543	265,856	1.5%
Net assets May 1	344,386,211	326,064,668	18,321,543	5.6%
Net assets April 30	\$ 362,973,610	\$ 344,386,211	\$ 18,587,399	5.4%

DuPage Water Commission

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Commission's capital assets before depreciation totaled \$469.2 million in fiscal year 2007.

**COMPARATIVE SUMMARY OF CHANGES IN CAPITAL ASSETS, NET
For Fiscal Years Ending April 30**

	2007	2006	INCREASE (DECREASE)	% CHANGE
Land and permanent easements	\$ 11,158,482	\$ 11,158,482	\$ -	0.0%
Construction in progress	21,553,558	21,414,776	138,782	0.6%
Water mains	288,810,376	293,121,053	(4,310,677)	-1.5%
Buildings and other structures	52,206,213	54,247,639	(2,041,426)	-3.8%
Pumping equipment	2,554,038	2,733,505	(179,467)	-6.6%
Office furniture and equipment	179,475	236,876	(57,401)	-24.2%
Vehicles and other equipment	180,763	245,570	(64,807)	-26.4%
Total capital assets, net	\$ 376,642,905	\$ 383,157,901	\$ (6,514,996)	-1.7%

Detailed information about the Commission's capital assets is presented in the Notes to the Financial Statements.

Debt Administration. All scheduled bond payments through May 1, 2007 were made on time. Requirements of the revenue bond ordinance have also been met, in full, as of fiscal year-end. Principal reductions of \$10.2 million in general obligation debt and \$8.3 million in revenue bond debt were achieved through annual payments. On April 30, 2007, remaining general obligation bond and revenue bond principal outstanding was \$46.3 million and \$109.5 million, respectively. General obligation bond principal and interest payments continue to be 100% funded through the Commission's sales tax proceeds. Property taxes for the bond payments have been abated annually since 1986.

**COMPARATIVE SUMMARY OF CHANGES IN OUTSTANDING BONDED DEBT
For Fiscal Years Ending April 30**

	2007	2006	INCREASE (DECREASE)	% CHANGE
General obligation bonds	\$ 46,275,000	\$ 56,480,000	\$ (10,205,000)	-18.1%
Water revenue bonds	109,485,000	117,760,000	(8,275,000)	-7.0%
Total outstanding bonded debt	\$ 155,760,000	\$ 174,240,000	\$ (18,480,000)	-10.6%

Detailed information about the Commission's debt is presented in the Notes to the Financial Statements.

DuPage Water Commission

Management's Discussion and Analysis

INVESTMENT PORTFOLIO

The Commission's investment portfolio totaled \$143.7 million. At the end of the fiscal year, the portfolio was earning 4.778% based on market yield and 4.786% based on original purchase price. The benchmark yield adopted by the Commission was 4.90%.

Commission funds were invested as follows at April 30, 2007: United States treasury obligations (9.1%), the Illinois Funds investment pool (63.5%), money market funds (9%) and certificates of deposit (18.4%).

OTHER FINANCIAL INFORMATION

On July 22, 2003, the Illinois Governor signed into law Public Act (PA) 93-0226. This Act impacts certain DuPage Water Commission procedures and contracts as well as provides a one-time \$75 million grant from the Commission to DuPage County payable over a five-year period. The Act also limits the Commission's average charter customer water rate to be no greater than \$1.65 per 1,000 gallons until April 30, 2008. This rate is expected to be sufficient to meet all Commission obligations and complete all currently planned capital projects.

The Commission joined with the County of DuPage and the municipalities within the county to solve a water quality issue involving unincorporated areas not presently receiving a Lake Michigan water supply. As a wholesale distributor of Lake Michigan water, the Commission is not able to directly address this issue. However, the Commission agreed to make long-term, low-interest loans available to customer municipalities, retailers of Lake Michigan water, to extend their systems to serve county areas having water quality issues.

The full extent of this contamination is unknown at this time. However, the Commission has committed to provide loans totaling not more than \$10 million toward mitigating the problem. While these long-term low-interest loans may reduce the Commission's investment income, the Commission's long-term rate stabilization and five-year capital improvement programs will not be adversely affected because funds were segregated for this purpose at the time the resolution was passed.

On April 12, 2007, the Board of Commissioners of the Commission passed Resolution R-28-07 which declared, effective as of May 1, 2007, for the fiscal year ending April 30, 2008 a rebate to Contract Customers in an aggregate amount of \$40.0 million. This resolution will increase the expense and decrease the fund balance for the 2008 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the DuPage Water Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to R. Max Richter, Financial Administrator, DuPage Water Commission, 600 E. Butterfield Road, Elmhurst, IL 60126-4642, (630) 834-0100. E-mail requests should be sent to richter@dpwc.org.

DuPage Water Commission

Statement of Net Assets
April 30, 2007

Assets

Current:

Cash	\$	283,609
Investments (Note 3)		83,792,291
Restricted investments (Notes 3 and 7)		42,748,630
Receivables		
Water sales		4,043,376
Accrued interest		1,012,548
Sales tax		8,529,260
Other		13,373
Inventory		167,080
Prepaid expenses and deposits		491,795
Total current assets		<u>141,081,962</u>

Noncurrent:

Restricted investments (Notes 3 and 7)		17,169,760
Long-term loans receivable (Note 4)		4,999,623
Land and construction in progress (Note 5)		32,712,041
Other capital assets, net of accumulation depreciation of \$92,591,277 (Note 5)		<u>343,930,865</u>
Total noncurrent assets		<u>398,812,289</u>

Total assets \$ 539,894,251

See Notes to Financial Statements.

(Continued)

DuPage Water Commission

Statement of Net Assets (Continued)

April 30, 2007

Liabilities

Current:

Due to DuPage County (Note 10)	\$ 15,000,000
Deferred revenue	140,607
Total current liabilities	<u>15,140,607</u>

Current liabilities payable from restricted assets:

Accounts payable	3,059,103
Accrued liabilities	788,319
Compensated absences	178,750
Contract retentions	71,378
Revenue bonds payable - current (Note 7)	8,484,693
General obligation bonds payable - current (Note 7)	10,887,594
Accrued interest payable	3,200,535
Total current liabilities payable from restricted assets	<u>26,670,372</u>

Noncurrent:

Deferred revenue	2,466,473
General obligation bonds payable - noncurrent, net (Note 7)	35,560,132
Revenue bonds payable - noncurrent, net (Note 7)	97,083,057
Total noncurrent liabilities	<u>135,109,662</u>

Total liabilities

176,920,641

Net Assets

Invested in capital assets, net of related debt	243,999,717
Restricted for bond ordinances and sales tax resolution (Note 8)	33,248,018
Unrestricted	85,725,875
Total net assets	<u>\$ 362,973,610</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Revenues, Expenses and
Changes in Net Assets
Year Ended April 30, 2007

Operating revenues	
Water sales	
Operations and maintenance costs	\$ 37,173,710
Fixed costs	7,145,094
Customer differential	718,186
Other income	63,690
Total operating revenues	<u>45,100,680</u>
 Operating expenses	
Water supply costs	48,591,776
Depreciation	6,695,222
Personal services	4,879,217
Insurance	782,076
Professional and contractual services	552,087
Administrative costs	602,000
Land and right of way	2,995
Total operating expenses	<u>62,105,373</u>
 Operating loss	<u>(17,004,693)</u>
 Nonoperating revenues (expenses)	
Sales tax	36,422,562
Investment income	7,350,036
Interest and other charges	(8,180,506)
Net nonoperating revenues	<u>35,592,092</u>
 Change in net assets	18,587,399
 Net assets, May 1, 2006	<u>344,386,211</u>
 Net assets, April 30, 2007	<u>\$ 362,973,610</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Cash Flows
Year Ended April 30, 2007

<hr/>	
Cash flows from operating activities	
Cash received from customers	\$ 46,201,865
Cash payments to suppliers	(49,270,857)
Cash payments to employees	(4,850,936)
Other cash payments	(796,015)
Net cash used in operating activities	<u>(8,715,943)</u>
Cash flows from non capital financing activities	
Cash paid to DuPage County	(15,000,000)
Cash received from sales taxes	36,555,470
Net cash provided by non capital financing activities	<u>21,555,470</u>
Cash flows from capital and related financing activities	
Interest paid on revenue bonds	(5,619,709)
Interest paid on general obligation bonds	(2,560,798)
Principal paid on revenue bonds	(8,254,601)
Principal paid on general obligation bonds	(10,472,174)
Construction and purchases of capital assets	(2,250,168)
Net cash used in capital and related financing activities	<u>(29,157,450)</u>
Cash flows from investing activities	
Interest on investments	7,490,455
Proceeds from investments maturing	146,041,537
Payments for investments purchased	(137,710,681)
Net cash provided by investing activities	<u>15,821,311</u>
Net decrease in cash	(496,612)
Cash, May 1, 2006	<u>780,221</u>
Cash, April 30, 2007	<u>\$ 283,609</u>

See Notes to Financial Statements.

DuPage Water Commission

Statement of Cash Flows - Continued
Year Ended April 30, 2007

Reconciliation of operating loss to net cash used in
operating activities:

Operating loss	<u>\$ (17,004,693)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	6,695,222
Write off of previously capitalized cost of unfeasible projects, net of cash refunds	1,757,261
Decrease in water sales accounts receivable	339,249
Increase in prepaid expenses and deposits	(13,939)
Decrease in deferred water supply contracts	868,166
Decrease in deferred revenue	(107,439)
Decrease in accounts payable	(449,381)
Increase in accrued liabilities and compensated absences	122,854
Decrease in contract retentions	(923,243)
Total adjustments	<u>8,288,750</u>
Net cash used in operating activities	<u><u>\$ (8,715,943)</u></u>

See Notes to Financial Statements.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies:

(a) Reporting Entity

The DuPage Water Commission (Commission) is a county water commission, body politic and corporate, political subdivision and unit of local government, in DuPage County, Illinois, existing and operating under the Water Commission Act of 1985 (70 ILCS 3720), effective July 30, 1985, as amended (the "1985 Commission Act"). The Commission declared the official start of operations on May 1, 1992.

The DuPage Water Commission Board consists of 13 Board members. Seven of the Board members are appointed by the DuPage County Board Chairman with the advice and consent of the County Board. One of these appointees is designated as chairman of the Commission. The other six Board members are appointed by vote of the mayors of municipalities within the DuPage County districts.

The purpose and objectives of the Commission are:

- a. To provide water to municipalities and other customers within DuPage County.
- b. To plan, construct, acquire, develop, operate, maintain and/or contract for facilities for receiving, storing and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and other customers.
- c. To provide adequate supplies of such water on an economical and efficient basis for the municipalities and other customers.
- d. To provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding water distribution and supply facilities within DuPage County.

The primary authority to designate management, influence operations, formulate budgets and set water rates rests with the Commission Board. Significant matters that require Board action include setting water rates, borrowing funds, amending the Chicago Water Supply contract or Commission bylaws and employing the general manager and professional contractors. These significant matters must carry a majority vote of all commissioners, which majority must contain at least one-third of the DuPage County appointed Board members and 40% of the municipality appointed Board members. Neither DuPage County nor the municipalities within DuPage County have the ability to significantly influence operations; therefore, the Commission is not included in any other governmental reporting entity. All activities of the Commission are reported in a single enterprise fund. The Commission does not have any component units.

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Commission is accounted for as a proprietary fund type (enterprise fund) using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with water system operations are included on the statement of net assets.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or prepaid amounts have been utilized. Water revenue is recognized when the water is delivered. Sales tax revenue is recognized at the time of the related sale.

Deferred revenues represent payments from non-charter customers for Customer Differential revenues. These deferred revenues will be amortized on a straight-line basis through April 30, 2024. Customer differentials represent payments for connecting to the Commission's System as well as fixed costs charged to subsequent customers to cover costs which would have been paid by subsequent customers if they had been Charter Customers.

The change in deferred revenue for the year ended April 30, 2007 was as follows:

Balance, May 1	\$ 2,714,519
Retirements	<u>(107,439)</u>
Balance, April 30	<u>\$ 2,607,080</u>

The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Commission's principal ongoing operations.

The Commission applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict Governmental Accounting Standards Board ("GASB") pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs").

(c) Cash

Cash consists principally of deposits held in banks. For purposes of the cash flow statement, the Commission reports all certificates of deposit (CD's), investments in investment pools, money market funds and securities as investments.

(d) Investments

The Commission reports investments at their fair value as of year-end. The net appreciation or depreciation in the fair value of investments is included as interest on investments in the statement of revenues, expenses and changes in net assets.

(e) Accounts Receivable

Customer receivables are recorded as receivables and revenues at their original invoice amount. Management regularly reviews the customer receivable accounts and has deemed no allowance for uncollectible accounts necessary as of April 30, 2007. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 40 days.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(f) Restricted Investments

Restricted investments represent those assets which are required to be held separately from other Commission investments as mandated by the revenue bond indentures. Current portions relate to funds held for revenue bond operating and maintenance costs as well as funds that will be liquidated during the subsequent fiscal year (generally for principal and interest then due), and assets held by trustees for retirement of general obligation bond principal and interest maturing in the next fiscal year. All other investments are considered noncurrent and are generally held until the bonds mature.

(g) Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(h) Capital Assets

Capital assets, which include the Commission's waterworks system, land, buildings, furniture, equipment and vehicles are reported at cost. The Commission capitalizes all capital assets with an initial individual cost or value greater than or equal to \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is included as part of the capitalized value of the asset constructed or improved. There was no interest cost capitalized by the Commission during the current fiscal year.

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset	Life
Water mains	80 years
Buildings and other structures	40 years
Pumping equipment	30 years
Office furniture and equipment	3-10 years
Vehicles and other equipment	5-25 years

(i) Bond Discount / Premium, Issuance Expense and Losses on Defeasance

Bond discounts, premiums and issuance costs have been deferred and are being amortized as an element of interest expense over the lives of the related bonds. Bonds payable are reported net of the applicable premium or discount. Losses on defeasance related to the outstanding General Obligation Bonds and Water Refunding Revenue Bonds have been deferred and are being amortized as an element of interest expense over the shorter of the lives of the old or new bonds.

DuPage Water Commission

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(j) Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused vacation pay benefits and unused current calendar-year personal days. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service with the Commission. All vacation and personal day pay is accrued when incurred and is considered current. The change in compensated absences for the year ended April 30, 2007 was as follows:

Balance, May 1	\$	150,740
Issuances		48,148
Retirements		(20,138)
Balance, April 30	\$	<u>178,750</u>

(k) Net Assets

The Statement of Net Assets presents the Commission's assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

It is the Commission's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

(l) Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

(m) Reclassifications

Certain amounts reported in the prior year financial statements have been reclassified to conform to the current year presentation.

DuPage Water Commission

Notes to Financial Statements

Note 2. Budgets

In April 2006, the Commission adopted the annual management budget in the amount of \$69,196,904 for operating costs, \$8,208,650 for interest retirements and \$19,873,000 for capital outlay for the fiscal year ended April 30, 2007. An appropriation ordinance is adopted annually to supplement the Commission's management budget. Total Commission expenditures did not exceed the appropriation ordinance, which is the legal spending authority for the Commission.

Note 3. Deposits and Investments

The following is a summary of the Commission's cash and investments (including restricted cash and investments):

(a) Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's policy is to fully collateralize all deposits above FDIC insurance limits, with the collateral held in safekeeping by an independent third party in the Commission's name. Collateral may not be released without the permission of Commission management. As of April 30, 2007, none of the Commission's deposits were exposed to custodial credit risk.

Certificates of deposit totaling \$26,500,000 are reported as investments in the Statement of Net Assets.

(b) Investments

As of April 30, 2007, the Commission had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
U.S. treasury notes	\$ 13,042,711	\$ 13,042,711	\$ -
Illinois Funds investment pool	91,254,708	91,254,708	-
Money market funds	12,913,262	12,913,262	-
Total	\$ 117,210,681	\$ 117,210,681	\$ -

The Illinois Funds Investment Pool is not registered with the SEC. The Pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Commission's investment policy does not limit the Commission's investment portfolio to specific maturities.

DuPage Water Commission

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

(b) Investments (Continued)

Credit Risk - The Commission's investment policy limits investments of the Commission's funds to the following: (a) direct or fully guaranteed obligations of the U.S. government; (b) fully guaranteed obligations of certain U.S. federally chartered agencies; (c) interest-bearing demand or time deposits in banks and savings and loan associations; (d) short-term obligations of U.S. corporations with assets exceeding \$500,000,000 and with a rating of AAA1, 2 or 3; (e) money market mutual funds whose portfolio consists solely of U.S. Government obligations; (f) the Illinois Funds Investment Pool of the State of Illinois; (g) repurchase agreements; and (h) state or local government obligations rated AAA or AA. The Revenue Bond Ordinance restricts funds held in the Interest and Principal accounts of the Water Fund to only investments in (a) as described above. The Revenue Bond Ordinance also restricts funds held in the Debt Service Reserve Account in the Water Fund to only investments in (a) and (b), as described above. The money market funds are not rated. The Illinois Funds Investment Pool has been rated AAAM by Standard & Poor's.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury notes are held by the Commission's agent in the Commission's name. The Illinois Funds Investment Pool and the Money Market funds are not subject to custodial credit risk. The Commission's investment policy does not address custodial credit risk for investments.

Concentration of Credit Risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer. The Commission places no limit on the amount the Commission may invest in any one issuer. More than five percent (5%) of the Commission's investments are in the Illinois Funds Investment Pool and Money Market Funds.

Note 4. Loans Receivable

On April 25, 2002, the Commission approved a motion for a proposed agreement to make long-term, low-interest loans available to Charter Customer municipalities for the purpose of providing financing under certain circumstances to future customers who presently live in areas of DuPage County not presently served by the Commission. Two intergovernmental agreements with charter customers were made during fiscal year 2004. Loans are to be repaid in 13 installments, commencing in 2010 and continuing through 2023. Each of the principal installments shall be determined as of the last day of the month preceding the annual payment date in any given year by dividing the unpaid principal balance by the number of annual installments of principal remaining to be paid during the term of the loan. Interest at a rate of 2% per annum shall be paid annually until the principal balance of the loan has been paid in full. As of April 30, 2007, notes totaling \$211,623 and \$4,788,000 are due from members.

DuPage Water Commission

Notes to Financial Statements

Note 5. Capital Assets

A summary of changes in capital assets is as follows:

	Balance May 1	Increases	Decreases	Balance April 30
Capital assets not being depreciated				
Land and permanent easements	\$ 11,158,482	\$ -	\$ -	\$ 11,158,482
Construction in progress	21,414,776	2,196,927	(2,058,145)	21,553,558
Total capital assets not being depreciated	32,573,258	2,196,927	(2,058,145)	32,712,040
Other capital assets				
Water mains	344,040,928	-	(11,797)	344,029,131
Buildings and other structures	81,381,182	-	-	81,381,182
Pumping equipment	5,225,286	-	-	5,225,286
Office furniture and equipment	5,239,220	53,241	-	5,292,461
Vehicles and other equipment	594,081	-	-	594,081
Total other capital assets at historical cost	436,480,697	53,241	(11,797)	436,522,141
Less accumulated depreciation for				
Water mains	(50,919,875)	(4,298,880)	-	(55,218,755)
Buildings and other structures	(27,133,543)	(2,041,426)	-	(29,174,969)
Pumping equipment	(2,491,781)	(179,467)	-	(2,671,248)
Office furniture and equipment	(5,002,344)	(110,642)	-	(5,112,986)
Vehicles and other equipment	(348,511)	(64,807)	-	(413,318)
Total accumulated depreciation	(85,896,054)	(6,695,222)	-	(92,591,276)
Other capital assets, net	350,584,643	(6,641,981)	(11,797)	343,930,865
Capital assets, net	\$ 383,157,901	\$ (4,445,054)	\$ (2,069,942)	\$ 376,642,905

DuPage Water Commission

Notes to Financial Statements

Note 6. Water Contract with the City of Chicago

The Commission has entered into a 40-year contract (from March 19, 1984) with the City of Chicago, Illinois (the "Chicago Contract"), under which Chicago has agreed to supply all of the Commission's water requirements, up to 1.7 times the year's annual average day amount (which is a quantity adequate to meet the customers' projected needs), with water of such quality as will meet or exceed applicable standards of the state and federal governments. The Chicago Contract provides that the cost of water to the Commission shall be equal to the rate fixed for large quantities of water furnished through meters to consumers inside Chicago furnished by Chicago through meters.

The Commission is obligated to purchase a minimum amount of water; such minimum is 50% of the aggregate Illinois Department of Natural Resources allocations. In fiscal 2007, the Commission purchased 31 billion gallons of water from the City of Chicago; such purchases equaling 83.3% of the aggregate Illinois Department of Natural Resources allocations.

As a part of the Chicago Contract, the Commission agreed to construct and then sell to Chicago certain interconnection facilities, including the Chicago (Lexington) Pumping Station. The interconnection facilities connect Chicago's water system with the Commission's transmission system. Chicago is paying for the interconnection facilities through a credit of 20% of the net charges for water furnished to the Commission. The cost of the interconnection facilities was amortized over the life of the contract. The balance was fully amortized as of April 30, 2007.

Note 7. Long-Term Obligations Payable

A schedule of changes in long-term obligations payable is as follows:

	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
Deferred revenue	\$ 2,714,519	\$ -	\$ 107,439	\$ 2,607,080	\$ 140,607
General obligation bonds*	56,480,000	-	10,205,000	46,275,000	10,715,000
Revenue bonds**	117,760,000	-	8,275,000	109,485,000	8,690,000
Total	\$ 176,954,519	\$ -	\$ 18,587,439	\$ 158,367,080	\$ 19,545,607

* General obligation bonds

Principal	\$ 46,275,000	\$ 10,715,000
Unamortized premium	832,654	344,532
Unamortized loss on refunding	(659,928)	(171,938)
Total general obligation bonds	\$ 46,447,726	\$ 10,887,594

** Revenue bonds

Principal	\$ 109,485,000	\$ 8,690,000
Unamortized premium	3,779,708	894,275
Unamortized loss on refunding	(7,696,958)	(1,099,582)
Total revenue bonds	\$ 105,567,750	\$ 8,484,693

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(a) General Obligation Bonds:

The Commission issues bonds to purchase and construct capital assets. The Commission has issued \$93,970,000 general obligation refunding bonds, series 2001. Principal is due in annual installments of \$1,295,000 to \$12,465,000; interest at 5.0% to 5.25% through maturity on March 1, 2011. As of April 30, 2007, \$46,275,000 principal was outstanding on these bonds. The Commission intends to retire these bonds with annual sales tax proceeds. The series 2001 bonds are general obligations of the Commission secured by the full faith and credit of the Commission and payable, as to both principal and interest, from ad valorem taxes levied against all taxable property within the territory of the Commission. The Commission issued ordinance No. O-1-07, abating the ad valorem taxes on this debt and has set aside, with a trustee, \$13,117,650 of sales tax proceeds to be used to service the debt as it becomes due during fiscal year 2008. The \$13,117,650 is reported as restricted investments on the Statement of Net Assets.

Payments due on the general obligation bonds through maturity are as follows:

Fiscal Year Ending April 30	Interest	Principal	Total
2008	2,402,650	10,715,000	13,117,650
2009	1,866,900	11,250,000	13,116,900
2010	1,276,275	11,845,000	13,121,275
2011	654,413	12,465,000	13,119,413
Total	\$ 6,200,238	\$ 46,275,000	\$ 52,475,238

(b) Revenue Bonds

In August 2003, the Commission issued \$135,995,000 Revenue Refunding Bonds, Series 2003. Principal is due in annual installments of \$7,880,000 to \$13,575,000; interest at 3.0% to 5.25% through maturity on May 1, 2016. The Series 2003 revenue bonds have an average interest rate of 3.98% and were issued to refund \$145,655,000 of outstanding Revenue Bonds, Series 1993 with an average interest rate of 5.3%. As a result, the Series 1993 bonds were retired and the liability for the debt has been removed from the Commission's books.

As of April 30, 2007, \$109,485,000 principal remained outstanding on the Series 2003 bonds. In addition, the bonds are subject to certain terms and conditions contained in the "Master Revenue Bond Ordinance" (the Ordinance), which was created when the Commission initially issued Revenue Bonds, Series 1987. See Note 7 (c). Substantially all revenue generated from Commission operations are pledged to retire these bonds.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(b) Revenue Bonds (Continued)

Payments due on the revenue bonds through maturity are as follows:

Fiscal Year Ending April 30	Interest	Principal	Total
2008	5,600,187	8,690,000	14,290,187
2009	5,165,688	9,125,000	14,290,688
2010	4,709,437	9,580,000	14,289,437
2011	4,230,438	10,060,000	14,290,438
2012	3,727,437	10,565,000	14,292,437
2013-2017	9,979,825	61,465,000	71,444,825
Total	<u>\$ 33,413,012</u>	<u>\$ 109,485,000</u>	<u>\$ 142,898,012</u>

(c) Revenue Bond Ordinance

On January 15, 1987, the Commission adopted a master revenue bond ordinance (the "Ordinance") authorizing the issuance of Water Revenue Bonds, Series 1987, for the purpose of financing a portion of the construction of the water supply system.

The Ordinance required the establishment of funds designated as "Water Fund," "Revenue Bond Construction Fund," "Special Redemption Fund" and "Rebate Fund" (the "Arbitrage Rebate Fund") and various accounts within the Water Enterprise Fund designated as "Operation and Maintenance Account," "Interest Account," "Principal Account," "Debt Service Reserve Account," "Operation and Maintenance Reserve Account," "Depreciation Account" and "General Account."

Revenues held or collected from ownership and operation of the system are deposited in the Water Fund. Monies deposited in the Water Fund are required to be transferred to the extent available within the following accounts of the Water Fund in the indicated order:

Operation and Maintenance Account – An amount sufficient to make the amount then on deposit sufficient to pay operation and maintenance costs for the month of deposit and the next succeeding month.

Interest Account – Monthly one-sixth of the amount sufficient to cover interest becoming due on the bonds on the next succeeding semiannual interest payment date.

Principal Account – Monthly one-twelfth of the amount sufficient to cover principal of the bonds coming due on the next succeeding principal maturity date.

Debt Service Reserve Account – An amount equal to the maximum annual debt service requirement less the amount of any applicable surety bond coverage.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(c) Revenue Bond Ordinance (Continued)

Operation and Maintenance Reserve Account – An amount equal to one-sixth of an amount equal to two months of the budgeted annual operation and maintenance costs until such reserve equals two months of the annual operation and maintenance costs.

Depreciation Account – Monthly amounts of at least \$175,000. Any amounts in excess of the required minimum balance of \$5,000,000 may be transferred to the general account of the Water Fund by resolution of the Commission Board.

General Account – All revenues remaining in the Water Fund after all required transfers are made to the respective accounts will be transferred to this account.

The Ordinance requires that the Interest Account, the Principal Account and the Debt Service Reserve Account be held by the Trustee. All other accounts are held by the Commission.

The Ordinance provides for the creation of the Special Redemption Fund to be held by the Trustee to account for issuance proceeds and condemnation awards to the extent not used to repair or replace the system and any other Commission-designated transfer. These monies may be used for debt service purposes. This fund was not active in fiscal 2007.

The Ordinance created the Arbitrage Rebate Fund to be held by the Trustee to maintain the tax-exempt status of the interest paid on the bonds. Beginning in fiscal 1988, an account was established and funds were transferred to segregate funds deemed necessary to maintain the tax-exempt status of the revenue bonds. Investment earnings of the Interest, Principal and Debt Service Reserve Account is used for the purpose of funding amounts set aside in the Arbitrage Rebate Fund.

During fiscal 2007, all required transfers were made and account balances were sufficient to meet Ordinance requirements. In accordance with the Commission's revenue bond ordinance, the Commission maintains accounts for the Revenue Bond Construction Fund, the Special Redemption Fund and the Arbitrage Rebate Fund, but these funds are presently inactive.

The Commission also issued a resolution restricting certain surplus funds for the payment of the revenue bonds. Resolution R-14-04 restricts \$7,144,469 in surplus funds within the sales tax sub-account to permit the reduction of the fixed cost revenue requirements adopted by Ordinance O-7-02 pursuant to Ordinances O-1-87, O-8-93 and O-9-03.

DuPage Water Commission

Notes to Financial Statements

Note 7. Long-Term Obligations Payable (Continued)

(c) Revenue Bond Ordinance (Continued)

Restricted investments related to the various revenue bond ordinances at April 30, 2007 are as follows:

Sales tax restricted for fixed cost payments	\$ 7,145,093
Amount held by trustee for payment of general obligation bonds and interest	14,037,574
Operation and maintenance account	9,542,462
Interest account	2,943,199
Principal account	9,080,302
Operation and maintenance reserve account	12,169,760
Depreciation reserve account	5,000,000
Total restricted investments	<u>\$ 59,918,390</u>
Reported as	
Current	\$ 42,748,630
Noncurrent	17,169,760
	<u>\$ 59,918,390</u>

Note 8. Restricted Net Assets

The Commission has the following restricted net assets:

Restricted Net Assets:

Restricted assets:

Investments - per various bond ordinances (Note 7(c)) \$ 59,918,390

Less current liabilities payable from restricted assets:

Revenue bonds:

Operations and maintenance account:

Accounts payable	3,059,103
Accrued liabilities	788,319
Compensated absences	178,750
Contract retentions	71,378

Principal account:

Principal payable (due May 1, 2007)	8,690,000
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Interest account:

Interest payable (due May 1, 2007)	2,800,094
Unamortized premium and loss on refunding	(205,307)

General obligation bonds:

Principal payable (due March 1, 2008)	10,715,000
Interest payable (due March 1, 2008)	400,441
Unamortized premium and loss on refunding	172,594

Total liabilities payable from restricted assets	<u>26,670,372</u>
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Restricted net assets	<u>\$ 33,248,018</u>
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DuPage Water Commission

Notes to Financial Statements

Note 9. Unrestricted Net Assets

The Commission adopted Resolution R-14-04 on April 7, 2004. This resolution made the following "designations and assignments" of the Commission's unrestricted net assets balance:

Designated for Operations:

Designated and assigned to the Construction Reserve within the Sales Tax subaccount of the General Account of the Water Fund \$ 43,927,783

Designated and assigned a water rate stabilization reserve in the General Account of the Water Fund to reduce fluctuations in rates charged to customers in future years 13,712,912

Designated and assigned for emergency repairs and other contingencies 12,900,000

Total designated for operations 70,540,695

Designated Non-Operating:

Designated for areas affected by contaminated well water pursuant the intergovernmental agreement, R-32-02 9,937,000

Total non-operating designation 9,937,000

Total unrestricted net assets - designated \$ 80,477,695

DuPage Water Commission

Notes to Financial Statements

Note 10. Payment to DuPage County

The Governor of the State of Illinois has signed into law Public Act 93-0226 which amends the Water Commission Act of 1985. Public Act 93-0226 enacted changes concerning the appointment of the chairman of the Commission as well as required the Commission to transfer \$75,000,000 to the DuPage County Board. The transfer of funds is to occur on or before July 1 of each year beginning in July 2003, \$15,000,000 per year, for a period of five years. As of April 30, 2007, a liability of \$15,000,000 remains in the Statement of Net Assets.

Note 11. Commitments and Contingent Liabilities

As of April 30, 2007, the Commission's remaining commitment on contracts for future construction total approximately \$250 thousand. No future financing is required. The Commission has certain other contingent liabilities resulting from litigation, claims and commitments incident to the ordinary course of business. It is the Commission's opinion that final resolution of such contingencies will not materially affect the financial position of the Commission.

Note 12. Major Customer

During fiscal year 2007, approximately \$7.6 million, or 20.53% of water sales revenue in the Water Fund was realized from the City of Naperville, the Commission's largest customer.

Note 13. Employee Retirement Plan

(a) Plan Description

The Commission contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois State Statute.

The Commission does not issue stand-alone financial reports for its participation in IMRF. However, IMRF issues a publicly available report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

(b) Funding Policy

Participating employees are required to contribute 4.5% of their annual salary to IMRF. The Commission is required to contribute the remaining amounts necessary to fund the benefits of its own employees in the System, using the actuarial basis specified by state statute (entry age normal); for calendar 2006 the rate was 12.23%. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

DuPage Water Commission

Notes to Financial Statements

Note 13. Employee Retirement Plan (Continued)

(b) Funding Policy

For calendar year 2006, the Commission's annual pension cost of \$275,607 was equal to the Commission's required and actual contributions. The required contributions were determined as part of the December 31, 2004 actuarial valuation.

(c) Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated December 31, 2006. Additional information as of the latest actuarial valuation follows:

Actuarial Cost Method	Entry Age Normal
Method Used to Determine Actuarial Value of Assets	Five-Year Smoothed Market Value
Amortization Method and period	Level Percentage of Projected Payroll-Closed Basis -30 Years
Significant Actuarial Assumptions	
(a) Rate of Return on Investment of Present and Future Assets	7.50% compounded annually
(b) Projected Salary Increases - Attributable to Inflation	4.00% compounded annually
(c) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 11.6%
(d) Postretirement Benefit Increases	3.00%

(d) Trend Information

For calendar year 2006, the Commission's annual pension cost, required contribution and amount contributed were \$275,607. For calendar year 2005, the Commission's annual pension cost, required contribution and amount contributed were \$336,441. For calendar year 2004, the Commission's annual pension cost, required contribution and amount contributed were \$199,607. There was no pension benefit obligation for any year. This was the fourth year the Commission participated in IMRF.

Note 14. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Commission's employees. These risks, along with medical claims for employees and retirees, are provided for through insurance purchased from private insurance companies.

There have been no reductions in the Commission's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage during the current year or prior three fiscal years.

DuPage Water Commission

Notes to Financial Statements

Note 15. Other Post-Employment Benefits (OPEB)

The Commission adopted GASB Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as of April 30, 2007 on a prospective basis.

(a) Plan Description

The Commission provides certain health care insurance benefits for retired employees under a single employer plan. The Commission is the administrator of the plan. In accordance with Commission policy, substantially all of the Commission's employees may become eligible for those benefits if they reach normal retirement age while working for the Commission. The Commission contributes \$100 per month until age 65.

The Commission does not issue stand-alone financial reports for its other post-employment benefits.

(b) Funding Policy

The Commission funds other post-employment benefits on a pay-as-you-go basis. For fiscal year 2006, the Commission's annual other post-employment benefits cost of \$12,601 was equal to the Commission's required contributions. The required contributions were determined as part of the April 30, 2006 actuarial valuation.

(c) Significant Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated April 30, 2006. Additional information as of the latest actuarial valuation follows:

Actuarial Cost Method Method Used to Determine Actuarial Value of Assets Amortization Method and period	Entry Age Market Value Level Percentage of Pay-Closed Basis -30 Years
Significant Actuarial Assumptions	
(a) Rate of Return on Investment of Present and Future Assets	5.00% compounded annually
(b) Projected Salary Increases - Attributable to Inflation	N/A
(c) Healthcare Inflation Rate	8%
(d) Employer Provided Benefit	\$100/Month to Age 65

DuPage Water Commission

Notes to Financial Statements

Note 15. Other Post-Employment Benefits (OPEB)

(d) Annual OPEB Cost and Net OPEB Obligation

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations dated April 30, 2006. Additional information as of the latest actuarial valuation follows:

Annual required contribution	\$ 12,601
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	12,601
Contribution made	1,200
	<hr/>
Increase in net OPEB obligation	11,401
Net OPEB obligation beginning of year	-
	<hr/>
Net OPEB obligation end of year	<u>\$ 11,401</u>

(e) Funding Status

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Liability (b)	Unfunded Actuarial Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll
						((b - a) / c)
04/30/2006	-	\$ 98,996	\$ 98,996	-	%	N/A
						N/A %

DuPage Water Commission

Notes to Financial Statements

Note 15. Other Post-Employment Benefits (OPEB)

(f) Trend Information

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2006	\$ 12,601	9.50%	\$ 11,401

Note 16. Subsequent Event

On April 12, 2007, the Board of Commissioners of the Commission passed Resolution R-28-07 which declared, effective as of May 1, 2007, for the fiscal year ending April 30, 2008 a rebate to Contract Customers in an aggregate amount of \$40.0 million. This resolution will increase the expense and decrease the fund balance for the 2008 fiscal year.

DuPage Water Commission

Illinois Municipal Retirement Fund

Required Supplementary Information
 Analysis of Funding Progress
 April 30, 2007

Calendar Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll ((b - a) / c)
2004	\$ 1,470,339	\$ 3,045,051	\$ 1,574,712	48.29 %	\$ 1,919,298	82.05 %
2005	2,010,845	3,497,300	1,486,455	57.50	2,075,517	71.62
2006	3,949,591	4,271,581	321,990	92.46	2,253,534	14.29

The DuPage Water Commission began participating in the Illinois Municipal Retirement Fund during fiscal year 2004.

DuPage Water Commission

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

April 30, 2007

Calendar Year	Annual Required Contribution	Percentage Contributed
2004	\$ 199,607	100.00 %
2005	336,441	100.00
2006	275,607	100.00

The DuPage Water Commission began participating in the Illinois Municipal Retirement Fund during fiscal year 2004.

DuPage Water Commission

Other Post-Employment Benefits

Required Supplementary Information

Analysis of Funding Progress

April 30, 2007

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)		Covered Payroll (c)	Unfunded
							Actuarial Accrued Liability (b) - (a) / c
04/30/2004	N/A	N/A	N/A	N/A	%	N/A	N/A %
04/30/2005	N/A	N/A	N/A	N/A		N/A	N/A
04/30/2006	-	\$ 98,996	\$ 98,996	-		N/A	N/A

The DuPage Water Commission began recording other post-employment benefit costs during fiscal year 2007.

DuPage Water Commission

Other Post-Employment Benefits

Required Supplementary Information
Employer Contributions
April 30, 2007

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/2004	N/A	N/A	N/A
04/30/2005	N/A	N/A	N/A
04/30/2006	\$ 12,601	9.50%	\$ 11,401

DuPage Water Commission began recording other post-employment benefit costs during fiscal year 2007.

Dupage Water Commission

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2007

	Actual	Budget	Variance Positive (Negative)
Operating revenues			
Water sales			
Operations and maintenance costs	\$ 37,173,710	\$ 41,541,205	\$ (4,367,495)
Fixed costs	7,145,094	7,145,094	-
Customer differential	718,186	714,437	3,749
Other income	63,690	2,500	61,190
Total operating revenues	<u>45,100,680</u>	<u>49,403,236</u>	<u>(4,302,556)</u>
Operating expenses			
Water supply costs	48,591,776	54,910,943	6,319,167
Depreciation	6,695,222	6,833,725	138,503
Personal services	4,879,217	5,125,378	246,161
Insurance	782,076	864,484	82,408
Professional and contractual services	552,087	641,181	89,094
Administrative costs	602,000	815,193	213,193
Land and right of way	2,995	6,000	3,005
Total operating expenses	<u>62,105,373</u>	<u>69,196,904</u>	<u>7,091,531</u>
Operating loss	<u>(17,004,693)</u>	<u>(19,793,668)</u>	<u>2,788,975</u>
Nonoperating revenues (expenses)			
Sales tax	36,422,562	35,677,396	745,166
Investment income	7,350,036	4,537,780	2,812,256
Interest and other charges	(8,180,506)	(8,208,650)	28,144
Net nonoperating revenues	<u>35,592,092</u>	<u>32,006,526</u>	<u>3,585,566</u>
Change in net assets	<u>18,587,399</u>	<u>12,212,858</u>	<u>6,374,541</u>
Net assets, May 1, 2006	<u>344,386,211</u>	<u>344,386,211</u>	<u>-</u>
Net assets, April 30, 2007	<u>\$ 362,973,610</u>	<u>\$ 356,599,069</u>	<u>\$ 6,374,541</u>

DuPage Water Commission

Supplementary Information for State Compliance Purposes

Summary

Supplementary information for State compliance purposes presented in this section of the report includes the following:

Analysis of Operations:

- Commission Functions and Planning Program
- Average Number of Employees
- Cost Statistics, Service Efforts and Accomplishments (Unaudited)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the accountants' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DuPage Water Commission

Commission Functions and Planning Program Year Ended April 30, 2007

Commission Functions Description

The DuPage Water Commission (Commission) is a county water commission, body politic and corporate, political subdivision and unit of local government, in DuPage County, Illinois, existing and operating under the Water Commission Act of 1985 (70 ILCS 3720), effective July 30, 1985, as amended (the "1985 Commission Act"). The Commission declared the official start of operations on May 1, 1992.

The DuPage Water Commission Board consists of 13 Board members. Seven of the Board members are appointed by the DuPage County Board Chairman with the advice and consent of the County Board. One of these appointees is designated as chairman of the Commission. The other six Board members are appointed by vote of the mayors of municipalities within the DuPage County districts.

The purpose and objectives of the Commission are:

- a. To provide water to municipalities and other customers within DuPage County.
- b. To plan, construct, acquire, develop, operate, maintain and/or contract for facilities for receiving, storing and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and other customers.
- c. To provide adequate supplies of such water on an economical and efficient basis for the municipalities and other customers.
- d. To provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding water distribution and supply facilities within DuPage County.

The primary authority to designate management, influence operations, formulate budgets and set water rates rests with the Commission Board. Significant matters that require Board action include setting water rates, borrowing funds, amending the Chicago Water Supply contract or Commission bylaws and employing the general manager and professional contractors. These significant matters must carry a majority vote of all commissioners, which majority must contain at least one-third of the DuPage County appointed Board members and 40% of the municipality appointed Board members. Neither DuPage County nor the municipalities within DuPage County have the ability to significantly influence operations; therefore, the Commission is not included in any other governmental reporting entity. In addition, the Commission does not have any component units.

DuPage Water Commission

Commission Functions and Planning Program Year Ended April 30, 2007

Budget Preparation

An appropriation ordinance is adopted annually to supplement the Commission's management budget. Total Commission expenditures did not exceed the appropriation ordinance, which is the legal spending authority for the Commission.

Capital Improvement Plan

In accordance with Commission policy, the Commission adopted a Capital Improvement Plan, which is reviewed annually and evaluated by the Commission with each new budget cycle. This annual document is based on the Commission's anticipated needs for normal operations, emergency operations and improvements to the system. Included in the plan is a 15-year projection of revenues, expenses and net assets. The proposed capital plan is included in the projection summary. The plan is divided into several sections – distribution system improvements, Lexington pump station improvements, and standpipe improvements. Capital outlay is funded by sales tax revenues, and major non-recurring maintenance is funded by water rates on a fiscal year basis.

General Manager:

Robert L. Martin
DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126

DuPage Water Commission

Average Number of Employees
Years Ended April 30, 2007 and 2006

The following analyses were developed through analysis of headcount schedules.

	<u>2007</u>	<u>2006</u>
Administrative	6	6
Operations	19	19
Pipeline	<u>9</u>	<u>9</u>
Total	<u>34</u>	<u>34</u>

DuPage Water Commission

Cost Statistics, Service Efforts and Accomplishments (Unaudited)
Year Ended April 30, 2007

CUSTOMER	CUSTOMER USAGE					
	FY2007 TOTAL (1,000 GAL)(1)	% OF TOTAL	ALLOCATION (1000 GAL)	% OF ALLOCATION	2007 ALLOCATION (MGD)	2006 ALLOCATION (MGD)
ADDISON	1,345,878	4.49%	1,688,828	79.69%	4.644	4.603
ARGONNE NAT'L LAB	178,221	0.59%	276,670	64.42%	0.758	0.758
BENSENVILLE	857,113	2.86%	992,740	86.34%	2.724	2.714
BLOOMINGDALE	901,453	3.01%	1,048,527	85.97%	2.891	2.847
CAROL STREAM	1,362,863	4.55%	1,693,119	80.49%	4.667	4.599
CLARENDON HILLS	280,351	0.94%	264,230	106.10%	0.726	0.721
DARIEN	743,700	-2.48%	1,032,770	72.01%	2.842	2.812
DOWNERS GROVE	2,141,185	7.14%	2,525,653	84.78%	6.945	6.884
ELMHURST	1,512,067	5.04%	1,717,752	88.03%	4.712	4.698
GLEN ELLYN	971,351	3.24%	1,080,796	89.87%	2.964	2.957
GLENDALE HEIGHTS	941,457	3.14%	1,131,594	83.20%	3.114	3.081
HINSDALE	934,406	3.12%	972,543	96.08%	2.667	2.661
IAWC-ARROWHEAD	55,756	0.19%	71,540	77.94%	0.196	0.196
IAWC-COUNTRY CLUB	32,834	0.11%	42,705	76.89%	0.117	0.117
IAWC-DU PAGE/LISLE	170,994	0.57%	220,004	77.72%	0.604	0.601
IAWC-LIBERTY RIDGE						
EAST	12,733	0.04%	19,193	66.34%	0.053	0.052
WEST	98,969	0.33%	132,344	74.78%	0.368	0.355
IAWC-LOMBARD HEIGHTS	23,923	0.08%	26,280	91.03%	0.072	0.072
IAWC-VALLEY VIEW	255,177	0.85%	255,500	99.87%	0.700	0.700
ITASCA	538,801	1.80%	657,154	81.99%	1.810	1.787
LISLE	982,323	3.28%	1,200,245	81.84%	3.305	3.265
LOMBARD	1,565,652	5.22%	1,811,650	86.42%	4.978	4.943
NAPERVILLE	6,155,442	20.53%	7,568,103	81.33%	20.787	20.661
OAK BROOK	1,266,794	4.23%	1,525,885	83.02%	4.193	4.163
OAKBROOK TERRACE	57,872	0.19%	95,539	60.57%	0.263	0.260
ROSELLE	696,430	2.32%	835,579	83.35%	2.303	2.270
VILLA PARK	678,479	2.26%	775,443	87.50%	2.127	2.121
WESTMONT	935,266	3.12%	1,059,596	88.27%	2.908	2.896
WHEATON	1,850,942	6.17%	2,168,712	85.35%	5.960	5.916
WILLOWBROOK	403,192	1.34%	496,188	81.26%	1.364	1.353
WINFIELD	311,504	1.04%	419,447	74.27%	1.155	1.141
WOOD DALE	542,027	1.81%	612,958	88.43%	1.686	1.670
WOODRIDGE	1,173,643	3.91%	1,213,479	96.72%	3.355	3.282
DPC - GLEN ELLYN HEIGHTS	0	0.00%	40,044	0.00%	0.188	-
DPC - STEEPLE RUN	0	0.00%	38,340	0.00%	0.180	-
DPC - SERWF	0	0.00%	262,203	0.00%	1.231	-
TOTAL	29,978,798	100%	35,973,353	83.34%	99.557	97.156

(1) Includes meter adjustment billings.

DuPage Water Commission

Cost Statistics, Service Efforts and Accomplishments (Unaudited)
Year Ended April 30, 2007

WATER SALES ACCOUNTABILITY

AVERAGE GALLONS SOLD TO CUSTOMERS PER DAY 82,133,693

MONTH	SALES TO CUSTOMERS (GALLONS) (1)	PURCHASES FROM CHICAGO (GALLONS)	GALLONS BILLED %	BILLINGS TO CUSTOMERS	BILLINGS FROM CHICAGO	(Per 100 Gallons)	
						AVERAGE RATE SOLD	AVERAGE RATE PURCHASED
May-06	2,610,813,000	2,692,357,782	96.97%	\$ 3,891,960	\$ 3,580,836	\$ 0.14907	\$ 0.13300
Jun-06	2,991,952,000	3,070,487,707	97.44%	4,364,187	4,083,749	0.14586	0.13300
Jul-06	3,271,454,000	3,360,915,489	97.34%	4,711,154	4,470,018	0.14401	0.13300
Aug-06	3,182,143,000	3,278,914,023	97.05%	4,600,409	4,360,956	0.14457	0.13300
Sep-06	2,484,010,000	2,539,240,000	97.82%	3,734,339	3,377,189	0.15034	0.13300
Oct-06	2,280,178,000	2,358,823,308	96.67%	3,481,972	3,137,235	0.15271	0.13300
Nov-06	2,180,207,000	2,227,311,241	97.89%	3,357,623	2,962,324	0.15400	0.13300
Dec-06	2,226,395,000	2,288,619,699	97.28%	3,415,281	3,043,864	0.15340	0.13300
Jan-07	2,220,804,000	2,280,218,308	97.39%	3,408,348	3,032,690	0.15347	0.13300
Feb-07	2,140,173,000	2,201,007,331	97.24%	3,307,210	2,927,340	0.15453	0.13300
Mar-07	2,208,929,000	3,412,423,571	64.73%	3,393,623	4,538,523	0.15363	0.13300
Apr-07	2,181,740,000	2,251,116,429	96.92%	3,359,524	2,993,985	0.15398	0.13300
TOTALS	29,978,798,000	31,961,434,888	93.80%	\$ 45,025,630	\$ 42,508,709	\$ 0.15019	\$ 0.13300

(1) Includes emergency contract customer Schaumburg. Does not include meter adjustments billings.