

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, APRIL 18, 2019
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:47 P.M.

Committee members in attendance: P. Suess, R. Gans, J. Pruyn, D. Russo (arrived at 5:49 P.M.), and J. Zay

Committee members absent: None

Non-Committee members in attendance: None

Also in attendance: Treasurer B. Fates, J. Spatz, and C. Peterson

Minutes

Commissioner Gans moved to approve the Minutes of the Committee Meeting of March 21, 2019 of the Finance Committee. Seconded by Chairman Zay and unanimously approved by a Voice Vote. Motion carried.

Approval of Reconciliations

Treasurer Fates reported that he had reviewed and approved the journal entries and bank reconciliations for the month of March 2019.

Discussion of Ordinances O-2-19, O-3-19, and O-4-19

General Manager Spatz stated that there had not been any changes to the draft budgets presented to the Commissioners in the prior months' meetings. The Commission received official notification from the City of Chicago regarding their water rate increase of \$0.03 to take effect on June 1, 2019. The fixed cost ordinance remains at zero for the fiscal 2019-2020 budget year. He also reviewed the Appropriation Budget and the use of funds.

Commissioner Gans moved to recommend ordinances O-2-19, O-3-19 and O-4-19 to the Board. Seconded by Chairman Zay and unanimously approved by a Voice Vote. Motion carried.

Discussion of the Request for Board Action: Transfer of Funds

General Manager Spatz noted that this transfer is to move money from the General Account and Operating Reserve to the Long-Term Capital Reserve Fund and Capital Reserve to meet the fiscal 2019-2020 targets.

Commissioner Gans moved to recommend the transfer of funds from the General and Operating Accounts to the Long-Term Capital and Capital Reserve Funds. Seconded by

Chairman Zay and unanimously approved by a Voice Vote. Motion carried.

Treasurer's Report – March 2019

Treasurer Fates reviewed his written summary of the March Treasurer's Report. Cash and Investments totaled \$172.2M. He detailed the various account activities in the Commission's cash and investments over the past eleven months.

Market yield on the portfolio was at 2.1%, unchanged from the prior month. The portfolio was showing unrealized losses of \$0.4M compared to unrealized losses at the prior year end of approximately \$2.8M.

Treasurer Fates reviewed the \$2.4M decrease year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets. The Commission continues to adjust reserves targeted and transfer funds as the Bartlett project proceeds.

Commissioner Gans moved to approve the Treasurer's Report. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote. Motion carried.

Financial Statements – March 2019

Financial Administrator Peterson discussed the eleven months ended March 31, 2019, revenues exceeded expenses by approximately \$5.0M, primarily due to higher than budgeted water sales, investment earnings and timing of expenditures. Water sales exceeded budgeted amounts by 5.5% for the month and 3.3% year-to-date.

Financial Administrator Peterson stated that total cash and investment balances at the end of March exceeded total liabilities and targets. It was noted that cash balances were down compared to prior year by approximately \$1.8M.

Financial Administrator Peterson stated that the Commission has received its calendar year end pension update from IMRF, and the Commission ended the year with a small pension liability due to the lower than projected returns for IMRF investments. The Committee discussed the pension activity.

Commissioner Gans moved to approve the Financial Statements. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote. Motion carried.

Accounts Payable

Financial Administrator Peterson presented the Accounts Payable to the committee members. The numbers below were to be presented in the General Meeting.

March 12, 2019 to April 9, 2019	\$ 7,936,575.99
<u>Revised Estimated</u>	<u>\$ 3,042,930.00</u>
Total	\$ 10,979,505.99

Other

General Manager Spatz gave an update on the diesel spill clean-up and the discussions ongoing with the insurance company. He updated the Committee on the progress of completing the Bartlett project. General Manager Spatz also discussed all the proposed legislation regarding lead services and the meetings the Commission is having with those sponsoring the bills. A discussion then ensued regarding the legislation related to the lead lines and funding options.

Chairman Zay left the meeting at 6:18 P.M.

Adjournment

Commissioner Gans moved to adjourn the meeting at 6:21 P.M. Seconded by Commissioner Pruyne and unanimously approved by a Voice Vote. Motion carried.