

**Minutes of a Meeting
of the**

FINANCE COMMITTEE

DuPage Water Commission
600 E. Butterfield Road, Elmhurst, Illinois

June 20, 2024

Chairman Suess called the meeting to order at 5:46 P.M.

Committee members in attendance: P. Suess, J. Pruyn, K. Romano, and J. Zay

Committee members absent: D. Russo

Also in attendance: B. Fates, P. May and C. Peterson

Treasurer Fates noted that he had reviewed and approved the reconciliations of April and May of 2024.

Chairman Zay moved to approve the Minutes of the April 18, 2024, Finance Committee Meeting of the DuPage Water Commission. Motion seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

Chairman Suess began a discussion on the current Reserve Policy. Financial Administrator Peterson reviewed the policy versus current balances which reflect the purchase of land in Northbrook. She noted that based upon the current policies, targeted balances would most likely not be met by year-end. General Manager May then suggested consideration of revising the Operating Reserve target from 180 days to 120 days, which was the original targeted amount prior to a revision done in 2017. Financial Administrator Peterson then discussed the potential impact of the Waterlink project on Capital Reserve targets. General Manager May described some alternatives currently under consideration for the Waterlink activities, including a \$20M loan, buy-in fees, and an asset-in-kind contribution. A discussion was had regarding the balances currently in the accounts and the intended uses for each account. The Committee directed staff to draft revisions to the Reserve Policy based upon discussions and to show additional detail in the treasurer report related to targeted balances and account balances.

General Manager May left the meeting at 6:15 P.M.

Treasurer Fates reviewed his written summary of the May Treasurer's Report. Cash and Investments totaled \$155.2M, a decrease of \$82.2M due to the purchase of 127 acres of land in Northbrook, IL for \$80.4M. He detailed the various accounting activities in the Commission's cash and investments over the current month. Market yield on the portfolio was at 3.42%, down from the prior month due to the liquidation of multiple investments. The portfolio showed unrealized losses of \$4.4M compared to unrealized losses at the prior year end of approximately \$5.3M. Treasurer Fates reviewed the \$82.2M decrease year-to-date on the Statement of Cash Flows. He stated that the Operating and Capital Reserves have not met targeted reserve levels due to the purchase of an asset.

Financial Administrator Peterson discussed the results for the month ended May 31, 2024. Revenues exceeded expenses by approximately \$419,000, primarily due to higher than budgeted water sales and

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timing of expenditures. Water sales exceeded budgeted amounts by 5.2% for the month. Financial Administrator Peterson stated that total cash and investment balances at the end of May did not exceed total liabilities and targets due to the purchase of an asset and the related expenditure. It was noted that cash balances were down compared to the prior year by approximately \$70M. Financial Administrator Peterson then reviewed the accounts payable and estimates list.

With no other items coming before the Committee, Chairman Zay moved to adjourn the meeting at 6:30 P.M. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.