

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, MAY 17, 2018
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:52 P.M.

Committee members in attendance: R. Gans, J. Pruyn, D. Russo, and J. Zay (arrived at 6:03 P.M.)

Committee members absent: P. Suess

Non-Committee members in attendance: T. Healy

Also in attendance: J. Spatz, C. Peterson, Treasurer W. Fates, J. Schroeder, K. Jones and D. Nelson from PFM Asset Management

Minutes

Commissioner Russo moved to approve the Minutes of the Regular Committee Meeting of April 19, 2018 of the Finance Committee. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Other

The General Manager outlined the next steps regarding the Commission having a rating from a rating agency again. A discussion was had regarding Bartlett activity and other possible expansion opportunities.

Approval of Reconciliations

Treasurer Fates reported that he had reviewed and approved the journal entries and bank reconciliations for the month of April 2018.

Treasurer's Report – April 2018

Treasurer Fates reviewed the written summary of the April Treasurer's Report. Cash and Investments totaled \$174.6M. 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 1.58 basis points, an increase from the prior month. The portfolio was showing unrealized losses of \$2.8M compared to unrealized losses at the prior year end of approximately \$541,000.

Treasurer Fates reviewed the \$12.6M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets.

General Manager Spatz left the meeting at 6:12 P.M., Commissioner Healy left the meeting at 6:13 P.M., and Chairman Zay left the meeting at 6:15 P.M.

Financial Statements – April 2018

Financial Administrator Peterson noted that for the year ended April 30, 2018, revenues exceeded expenses by approximately \$5.5M, this amount included year-end adjusting entries for recording investments at fair market value, pension and other post-employment benefits.

Water sales exceeded budgeted amounts by 7.3%. Water purchases were up 6.2% versus budgeted amounts.

Financial Administrator Peterson stated that total cash and investment balances at the end of April exceeded total liabilities and targets.

It was noted that cash balances were up compared to prior year by approximately \$13M.

Accounts Payable

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

April 11, 2018 to May 8, 2018	\$ 8,018,752.57
<u>Estimated</u>	<u>\$ 6,846,375.00</u>
Total	\$ 14,865,127.57

Investment Review

Jeff Schroeder and Kyle Jones from PFM gave the Committee a brief overview of the markets current economic conditions and projected interest rate activity. Danny Nelson from PFM then reviewed the activity in the Commission's investments including rate of returns, investment types and durations.

Adjournment

Commissioner Russo moved to adjourn the meeting at 6:34 P.M. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.