



DuPage Water Commission

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

AGENDA FINANCE COMMITTEE

THURSDAY, SEPTEMBER 10, 2009
7:00 P.M.

600 EAST BUTTERFIELD ROAD
ELMHURST, IL 60126

COMMITTEE MEMBERS

G. Mathews, Chair

T. Bennington
F. Saverino
D. Zeilenga

- I. Roll Call
- II. Approval of Minutes for Committee Meeting of July 9, 2009
- III. Treasurer's Report – August, 2009
- IV. Financial Statements – August, 2009
- V. Accounts Payable
- VI. Timing of Rate Increase
- VII. Forecasted Unrestricted Cash & Equivalents
- VIII. National Institute of Government Purchasing
- IX. Other
- X. Adjournment

Board\Agendas\Finance\FC 2009-09.docx

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

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DuPAGE WATER COMMISSION
HELD ON JULY 9, 2009**

The meeting was called to order at 7:20 P.M. at the offices of the DuPage Water Commission, 600 E. Butterfield Rd., Elmhurst, Illinois 60126. Committee members in attendance: Committee Chairman G. Mathews, Commissioner F. Saverino and Commissioner T. Bennington. Also in attendance: Treasurer R. Thorn and Financial Administrator M. Richter.

MINUTES OF MEETING – May 14, 2009

A motion was made by Commissioner Saverino and seconded by Commissioner Bennington to approve the minutes of May 14, 2009 Finance Committee meeting. The motion carried unanimously.

TREASURER'S REPORT – June, 2009

Treasurer Thorn presented the June 2009 Treasurer's Report for Committee review.

FINANCIAL STATEMENTS – June, 2009

The Committee reviewed the June 2009 financial statements. After a discussion, the Committee accepted the financial statements for June 2009.

ACCOUNTS PAYABLE

The Committee reviewed the Accounts Payable in the amount of \$5,842.00; a motion was made to approve accounts payable by Commissioner Bennington and seconded by Commissioner Saverino. The motion carried unanimously.

OTHER

Commissioner Saverino asked Financial Administrator Richter when the Commission would be increasing the water rates vs. the City of Chicago increase. Richter stated that the Commission staff would be proposing the rates would increase on May 1. Commissioner Saverino requested the timing of the Commission rate increases be placed on the August agenda.

ADJOURNMENT

With no further business to come before the Committee, the meeting was adjourned at 7:30 P.M.



DuPage Water Commission

MEMORANDUM

TO: Robert Martin, General Manager

FROM: R. Max Richter, Financial Administrator *DM*

DATE: September 4, 2009

SUBJECT: Financial Report – August

- Water sales for the month are under budget by \$1.0 million (20.7%) and for the year to date under budget by \$4.3 million (20.7%). Sales are \$1.0 million (31%) more than the same month for last fiscal year. Year-to-date sales are \$4.1 million (34.4%) more than last fiscal year.
- Water purchases from Chicago for the month are under budget by \$1.3 million (22%) and for the year under budget by \$4.9 million (26%). Purchases are \$0.2 million (7.0%) more than the same month for last fiscal year and year-to-date are \$1.4 million (8.8%) more than last fiscal year.
- August sales tax collections (May sales) were \$0.6 million (20.0%) less than the same period last fiscal year. Year-to-date sales tax collections are \$1.6 million (19.2%) less than last fiscal year.
- Commission's investment portfolio had a market value of \$60.4 million on August 31, 2009. The original purchase price of the portfolio was \$60.5 million. The portfolio was earning approximately 0.587% based on market yield and 0.643% based on original purchase price.

Following is a summary of the Historical Check Report and Accounts Payable for the September 10, 2009 Commission meeting:

August A/P History Check Report (1)		\$11,567,167.85
Holland & Knight	4,000.70	
Divane Bros. Electric Co.	22,830.68	
Rossi Contractors, Inc	1,980.00	
A/P Regular Open Item Register		28,811.18
	Total	<u>\$11,595,979.03</u>

1) Previously authorized.

cc: Chairman and Commissioners

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

01 - WATER FUND
 FINANCIAL SUMMARY

% OF YEAR COMPLETED

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE
<u>REVENUE SUMMARY</u>						
WATER SERVICE	56,008,336	4,987,258.00	0.00	18,556,662.80	0.00	37,451,673.20
TAXES	30,069,085	2,488,047.32	0.00	9,135,819.23	0.00	20,933,265.77
OTHER INCOME	1,555,496	3,773.07	0.00	(189,290.25)	0.00	1,744,786.25
TOTAL REVENUES	87,632,917	7,479,078.39	0.00	27,503,191.78	0.00	60,129,725.22
<u>EXPENDITURE SUMMARY</u>						
<u>ADMINISTRATION</u>						
PERSONNEL SERVICES	4,570,513	385,109.15	0.00	1,371,637.20	0.00	3,198,875.80
CONTRACT SERVICES	1,097,785	58,761.99	0.00	284,540.36	0.00	813,244.64
INSURANCE	767,182	56,760.90	0.00	220,503.60	0.00	546,678.40
OPERATIONAL SUPPORT SRVS	917,115	75,113.96	0.00	193,018.20	0.00	724,096.80
WATER OPERATION	70,228,963	5,650,071.18	0.00	22,050,005.31	0.00	48,178,957.82
BOND INTEREST	6,333,441	500,635.97	0.00	2,002,543.83	0.00	4,330,897.17
CAPITAL	6,944,978	562,680.20	0.00	2,221,543.85	0.00	4,723,434.15
WORK IN PROGRESS	26,223,412	5,527,469.04	0.00	15,627,524.64	0.00	10,595,887.36
TOTAL ADMINISTRATION	117,083,389	12,816,602.39	0.00	43,971,316.99	0.00	73,112,072.14
TOTAL EXPENDITURES	117,083,389	12,816,602.39	0.00	43,971,316.99	0.00	73,112,072.14
REVENUE OVER/(UNDER) EXPENDITURES	(29,450,472)	(5,337,524.00)	0.00	(16,468,125.21)	0.00	(12,982,346.92)

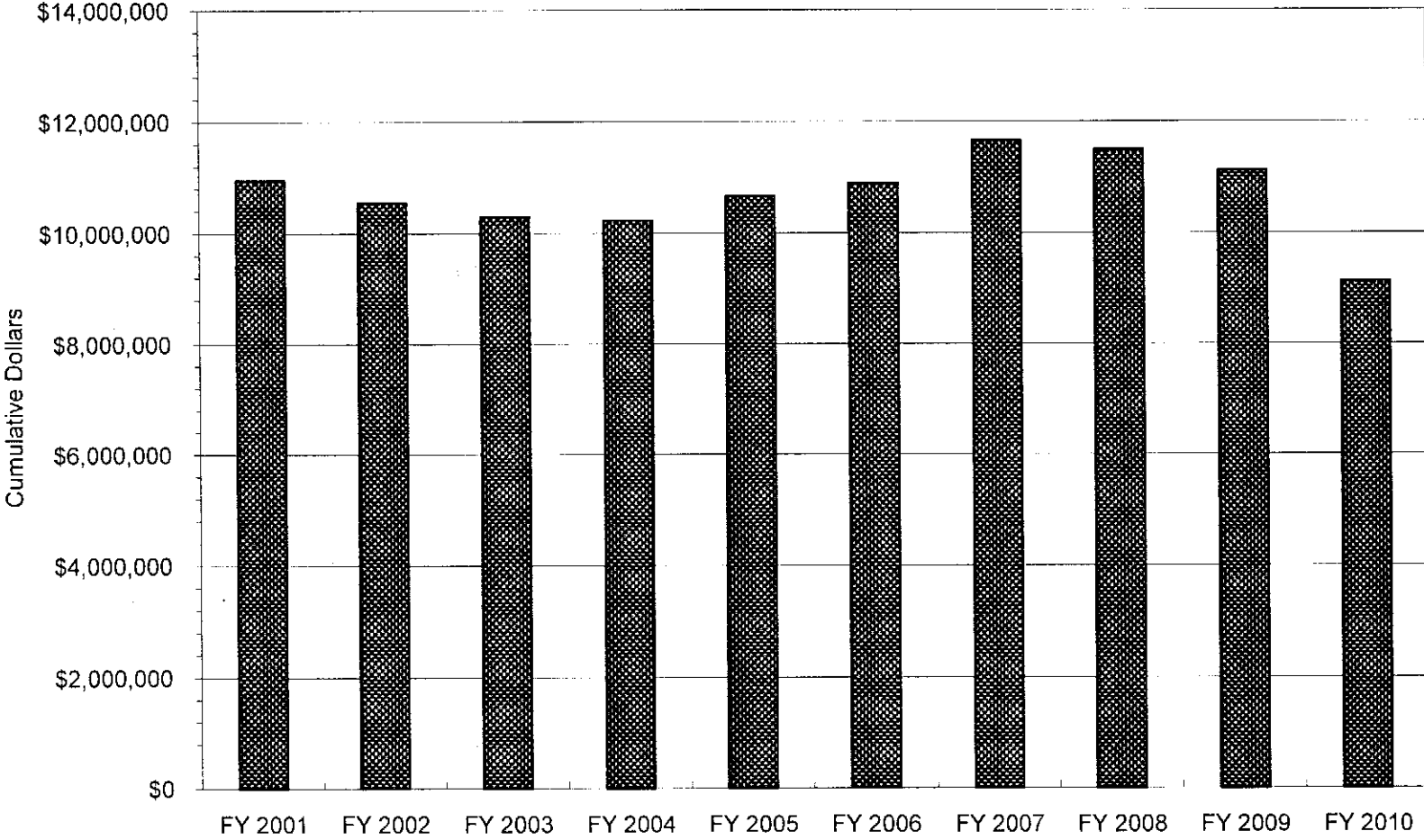
BALANCE SHEET

AS OF: AUGUST 31ST, 2009

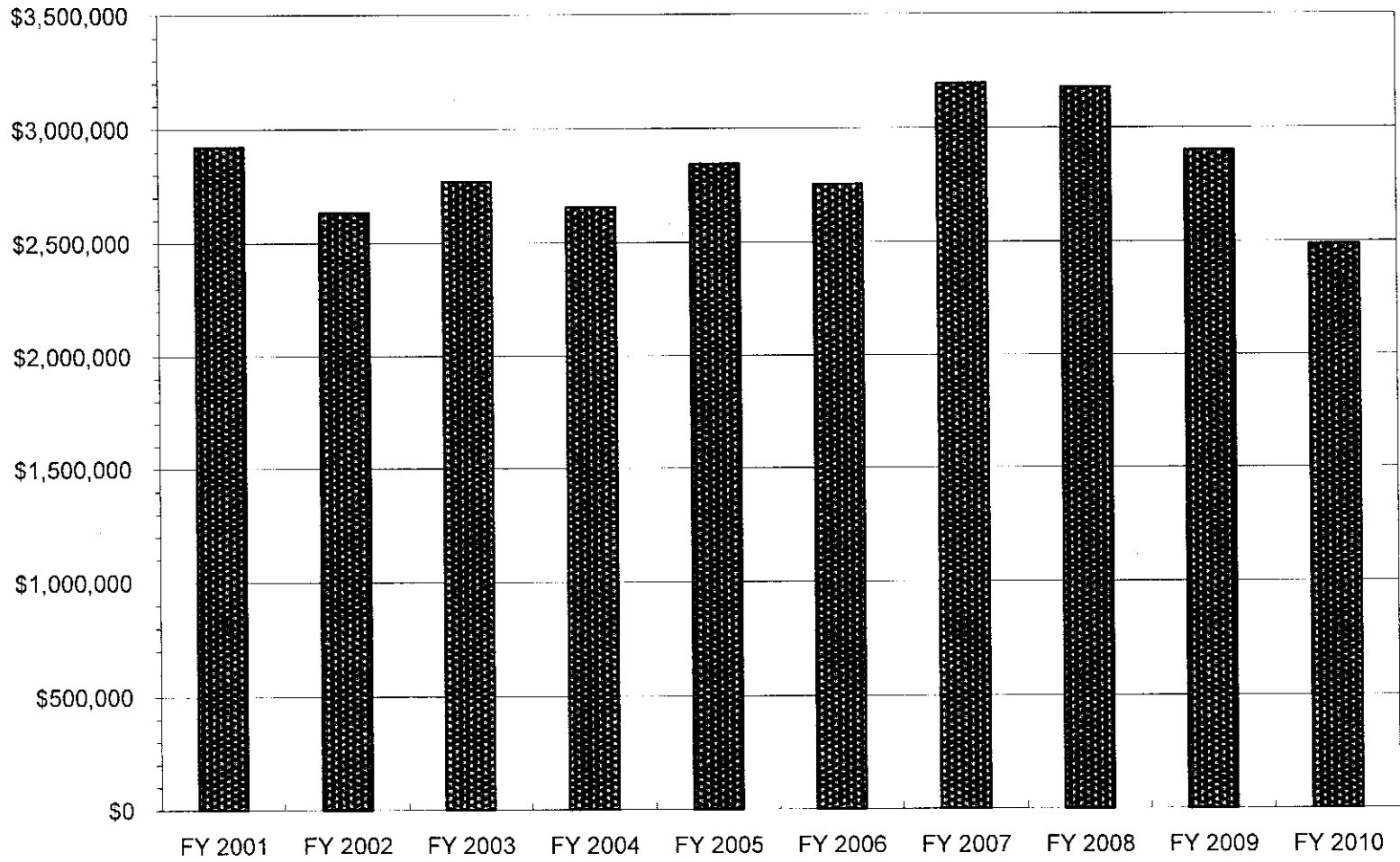
01 -WATER FUND

ACCOUNT #	ACCOUNT NAME	2008-2009 BALANCE	2009-2010 BALANCE
<u>ASSETS</u>			
<u>CURRENT</u>			
CASH		214,940.86	(10,905,287.00)
INVESTMENTS		73,643,426.74	60,943,450.28
ACCOUNTS RECEIVABLE			
WATER SALES		5,826,536.17	6,875,508.65
INTEREST RECEIVABLE		830,629.47	0.00
OTHER		8,423,771.37	6,636,341.88
INVENTORY & PREPAIDS		<u>367,968.89</u>	<u>445,416.16</u>
TOTAL CURRENT ASSETS		89,307,273.50	63,995,429.97
<u>NONCURRENT ASSETS</u>			
FIXED ASSETS		448,276,568.01	448,744,404.74
LESS: ACCUMULATED DEPRECIATION		(101,360,759.51)	(107,873,660.83)
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>376,424,843.10</u>	<u>371,081,594.00</u>
TOTAL ASSETS		465,732,116.60	435,077,023.97
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
ACCOUNTS PAYABLE		6,216,712.17	9,559,787.24
BONDS PAYABLE		20,830,000.00	22,445,000.00
DUE TO THE COUNTY		0.00	0.00
ACCRUED INTEREST		2,503,262.50	2,048,283.34
CONTRACT RETENTION		129,587.17	2,242,762.92
DEFERRED REVENUE		<u>2,358,705.09</u>	<u>2,219,253.70</u>
TOTAL CURRENT LIABILITIES		32,038,266.93	38,515,087.20
<u>NONCURRENT LIABILITIES</u>			
REVENUE BONDS		78,507,090.61	68,312,820.96
GENERAL OBLIGATION BONDS		24,283,073.59	12,383,904.07
DUE TO THE COUNTY		<u>0.00</u>	<u>0.00</u>
TOTAL NONCURRENT LIABILITIES		<u>102,790,164.20</u>	<u>80,696,725.03</u>
TOTAL LIABILITIES		134,828,431.13	119,211,812.23
<u>BEGINNING EQUITY/RESERVES</u>			
TOTAL REVENUE		26,384,303.68	27,503,191.78
TOTAL EXPENSES		<u>26,348,517.41</u>	<u>43,971,316.99</u>
TOTAL EQUITY/RESERVES		<u>35,786.27</u>	<u>(16,468,125.21)</u>
NET ASSETS		465,732,116.60	435,077,023.97

DuPage Water Commission
Sales Tax Collections - Year to Date



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



DU PAGE WATER COMMISSION
 INVESTMENTS
 (Unaudited)
 August 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 08/31/09	BID PRICE 08/31/09
Water Fund Oper. & Maint. Acct. (01-1211)											
Illinois Funds-Money Market	0.186%	08/31/09	09/01/09	0.186%	0.186%	\$ 1,043,634.87	\$ 1,043,634.87	\$ -	\$ 1,043,634.87	\$ -	100.000
				0.186%	0.186%	\$ 1,043,634.87	\$ 1,043,634.87	\$ -	\$ 1,043,634.87	\$ -	
Revenue Bond Interest Account (01-1212)											
One Group Government Money Market	0.000%	08/31/09	09/01/09	0.000%	0.000%	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	0.000%	0.000%	347,000.00	\$ 347,000.00	\$ (4,933.91)	\$ 351,933.91	5,241.15	100.000
U. S. Treas. Notes (JP Morgan)	3.625%	06/18/09	10/31/09	0.000%	0.000%	347,000.00	\$ 347,000.00	\$ (1,229.70)	\$ 348,229.70	5,241.15	100.000
U. S. Treas. Notes (JP Morgan)	3.625%	07/22/09	10/31/09	0.000%	0.000%	346,000.00	\$ 346,000.00	\$ (3,351.88)	\$ 349,351.88	5,226.04	100.000
U. S. Treas. Notes (JP Morgan)	3.625%	08/27/09	10/31/09	0.000%	0.000%	347,000.00	\$ 347,000.00	\$ (2,222.97)	\$ 349,222.97	5,241.15	100.000
				0.000%	0.000%	\$ 3,954,355.86	\$ 3,954,355.86	\$ (11,738.46)	\$ 3,966,094.32	\$ 20,949.49	
Revenue Bond Principal (01-1213)											
One Group Government Money Market	0.000%	08/31/09	09/01/09	0.000%	0.000%	\$ 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%	824,000.00	826,575.00	(10,557.50)	837,132.50	7,295.83	100.313
U. S. Treas. Notes (JP Morgan)	2.125%	06/18/09	04/30/10	0.000%	0.000%	822,000.00	824,568.75	(9,752.52)	834,321.27	7,278.13	100.313
U. S. Treas. Notes (JP Morgan)	2.125%	07/22/09	04/30/10	0.000%	0.000%	822,000.00	824,568.75	(9,151.17)	833,719.92	7,278.13	100.313
U. S. Treas. Notes (JP Morgan)	2.125%	08/27/09	04/30/10	0.000%	0.000%	822,000.00	824,568.75	(8,059.45)	832,628.20	7,278.13	100.313
				0.000%	0.000%	\$ 13,560,185.39	\$ 13,570,466.64	\$ (37,520.64)	\$ 13,607,987.28	\$ 29,130.22	
Revenue Bond Debt Svc. Reserve (01-1214)											
				N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Fund Oper. & Maint. Res. (01-1215)											
Illinois Funds-Money Market	0.186%	08/31/09	09/01/09	0.186%	0.186%	\$ 13,542,547.55	\$ 13,542,547.55	\$ -	\$ 13,542,547.55	\$ -	100.000
				0.186%	0.186%	\$ 13,542,547.55	\$ 13,542,547.55	\$ -	\$ 13,542,547.55	\$ -	

DU PAGE WATER COMMISSION
 INVESTMENTS
 (Unaudited)
 August 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 08/31/09	BID PRICE 08/31/09
Water Fund Depreciation Account (01-1216)											
Illinois Funds-Money Market	0.186%	08/31/09	09/01/09	0.186%	0.186%	\$ 5,924,988.91	\$ 5,924,988.91	\$ -	\$ 5,924,988.91	\$ -	100.000
				0.186%	0.186%	\$ 5,924,988.91	\$ 5,924,988.91	\$ -	\$ 5,924,988.91	\$ -	
Water Fund General Account (01-1217)											
Illinois Funds-Money Market	0.186%	08/31/09	09/01/09	0.186%	0.186%	\$ -	\$ -	\$ -	\$ -	\$ -	100.000
				N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Fund General Account (01-1218)											
Illinois Funds-Money Market	0.186%	08/31/09	09/01/09	0.186%	0.186%	\$ -	\$ -	\$ -	\$ -	\$ -	100.000
				N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Tax Funds (01-1230)											
Illinois Funds-Money Market	0.186%	08/31/09	09/01/09	0.186%	0.186%	\$ 221,356.65	\$ 221,356.65	\$ -	\$ 221,356.65	\$ -	100.000
Cert. of Deposit (Winfield Community Bank)	3.000%	06/17/08	06/15/09	3.000%	3.000%	2,500,000.00	2,500,000.00	-	2,500,000.00	90,410.96	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	206,671.56	100.000
Cert. of Deposit (West Suburban Bank)	3.195%	10/17/08	10/17/09	3.195%	3.195%	64,900.00	64,900.00	-	64,900.00	1,806.55	100.000
				2.998%	2.998%	\$ 8,721,356.65	\$ 8,721,356.65	\$ -	\$ 8,721,356.65	\$ 298,889.07	
2001 G. O. Bonds Debt Service (01-1243)											
FAMGOFIC Money Market	0.090%	08/31/09	09/01/09	0.090%	0.090%	\$ 1,392,310.79	\$ 1,392,310.79	\$ -	\$ 1,392,310.79	\$ 237.91	100.000
U. S. Treas. Notes (U.S. BANK)	4.000%	02/24/09	08/31/09	0.524%	0.205%	674,000.00	683,166.40	(2,760.24)	685,926.64	2,246.67	101.360
U. S. Treas. Notes (U.S. BANK)	2.000%	02/24/09	02/28/10	0.726%	0.452%	11,432,000.00	11,554,322.40	(24,150.10)	11,578,472.50	19,053.33	101.070
				0.651%	0.403%	\$ 13,498,310.79	\$ 13,629,799.59	\$ (26,910.34)	\$ 13,656,709.93	\$ 21,537.91	
TOTAL ALL FUNDS				0.643%	0.587%	\$ 60,245,380.02	\$ 60,387,150.07	\$ (76,169.44)	\$ 60,463,319.51	\$ 370,506.69	
August 31, 2009				90 DAY US TREASURY YIELD	0.162%						



DuPage Water Commission

MEMORANDUM

TO: Finance Committee

FROM: R. Max Richter
Financial Administrator

DATE: August 7, 2009

SUBJECT: Timing of Rate Increases

The Commission historically changes its annual rate on May 1st to coincide with the Commission's and other municipal's fiscal year. The next rate increase for the City of Chicago will be on January 1, 2010. The City of Chicago's water rate will be increasing by \$0.2460 (14%) to \$2.006. This increase will result in an increase in the City of Chicago's water supply cost of approximately \$2.7 million for January 1, 2010 through April 30, 2010, which the Commission will include in its operation and maintenance rate starting May 1, 2010. The Commission's Operation and Maintenance rate is projected to increase on May 1, 2010 to \$1.76 (\$0.28 or 18.9%) to include the City of Chicago's increase of \$0.2460 as well as a \$0.0340 to maintain the minimum balance in unrestricted cash reserves of \$20.0 million.

In the Commission's rate making process, the Commission assumes that the customer's usage will be 94.0% of the customers' IDNR allocation, which in the previous years has not been met due to cooler temperatures. This increases the projected amount of purchases of water from the City of Chicago which increases the operating and maintenance costs. When the Commission develops the operating and maintenance rates for the next year, it not only takes into consideration the Operation and Maintenance costs but also to maintain minimum balance of \$20.0 million in the unrestricted reserves which is used to supplement the City of Chicago rate increase from January 1st to April 30th.

Typically, the Commission is informed of the City of Chicago's rate increases approximately two weeks prior to the implementation of the rate increases which would be in mid-December. This is the first time, which the City of Chicago has announced their rate increases three years in advance.

The Commission's Water Purchase and Sale Contract (Section 7 (l)) requires the Commission hold a hearing not less than 21 days prior to the implementation of the proposed Operations and Maintenance rate. If the Commission received notice on a rate increase from the City on December 15th, effective January 1st, the earliest the Commission could implement a rate increase would be March 1st, two months prior to May 1st, due to the timing of the notification of hearing and the Commission's Board meeting schedule.

I would recommend that the timing of the rate modifications not be changed, because the Commission is not financially impacted due to the increases of the City of Chicago's rate increases. In addition, I would recommend that the Commission's rate increases continue to be implemented effective May 1st of each year and not be delayed.