MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 12, 2013:

A meeting of the Finance Committee of the Palmdale Water District was held Wednesday, June 12, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) **Roll Call.**

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Mike Williams, Finance Manager
Steve Cordova, Committee Member	Bob Egan, Financial Advisor
	Matt Knudson, Engineering Manager
	Dennis Hoffmeyer, Senior Accountant
	Dawn Deans, Executive Assistant
	0 members of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Cordova, seconded by Chair Dizmang, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Action Items:**

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held May 8, 2013.

After a brief discussion, it was moved by Committee Member Cordova, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the meeting held May 8, 2013.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of April 30, 2013. (Financial Advisor Egan)

Financial Advisor Egan reviewed the increase in year-end cash as of April 30, 2013 and stated that interest and principal bond payments were made last month; that

the $2.4 million increase for the month is due to the receipt of property taxes, increased water sales, and Department of Water Resources refunds; that investments changed very little; that projects under the new bond have not been included and will be shown on future reports; and that anticipated year-end cash is an increase of $2.4 million over projected due to stronger assessment monies and higher water sales.

4.3) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for April 30, 2013. (Finance Manager Williams)

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending April 30, 2013 and stated that the increase of assessments and increased water sales have been highlighted on the balance sheet and that all departments are operating at or below the targeted expenditure percentage of 33.3% or less and continue to keep expenses down, with the exception of Engineering due to the implementation of the GIS project.

4.4) Discussion and Overview of Committed Contracts Issued. (Engineering Manager Knudson)

Engineering Manager Knudson reviewed the revised Committed Contracts and Payout Schedules for capital projects, projects funded by the Water Quality Fee, and projects funded from the Water Revenue Series 2013A Bonds.

4.5) Discussion and Overview on Series 2013A Issuance. (Financial Advisor Egan/Finance Manager Williams)

Financial Advisor Egan informed the Board that the Series 2013A bond issuance will save the District nearly $2 million in present value over a 20-year period; that the District's bond rating increase was critical and essential to completing this bond issuance and would not have been possible without the rate increase due to the need to demonstrate solid management; that the true interest cost is 3.98%; that market conditions were favorable when the bonds were sold, and current conditions are much higher; that this bond issuance is a positive situation for the District in terms of total cash, present value savings, and the amount of money available for projects; and that the bond team, including staff, did a great job.

The Committee then commended staff and the bond team on the completion of this bond issuance.

General Manager LaMoreaux then stated that the Post-Pricing booklet for the Series 2013A Issuance and final Official Statement are available for review.

5) Information Items.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

Chair Dizmang then stated that on June 5, she visited Assemblyman Fox in Sacramento to discuss the difference between AVEK and the District, why water rates are different in different areas, and senior assistance; that his assistant is very sharp; that on June 6, she attended the California Special Districts Association workshop regarding the Board's Role in Finance and Fiscal Responsibility and reviewed the items discussed at this workshop; and that on June 7, she, President Mac Laren, General Manager LaMoreaux, and Water & Energy Resources Manager Pernula visited Oroville Dam and then provided an overview of that visit.

The next Finance Committee meeting was then scheduled for July 10, 2013 at 5:00 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned.

Gloria A. Dizmang
Chair