MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 11, 2014:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, August 11, 2014, 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	Matt Knudson, Assistant General Manager
Vincent Dino, Committee Member	Mike Williams, Finance Manager
	Bob Egan, Financial Advisor
	Dennis Hoffmeyer, Senior Accountant
	Dawn Deans, Executive Assistant
	0 members of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Dino, 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 July 1, 2014.

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Finance Committee meeting held July 1, 2014, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of June 30, 2014. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of June 30, 2014, including recent investments, the Butte payment, the overall decrease

in cash of approximately $158,000, and the bond issue balance followed by discussion of additional capital expenditures, revenues, assessments, and projected assessments and stated that the District is right on target at the half-way point.

4.3) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for June 30, 2014. (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 June 30, 2014, along with the graphic presentations for these reports, and stated that all departments, with the exceptions of Directors, Administration, Engineering, and Finance, operated at or below the targeted expenditure percentage of 50% and then reviewed reduced water sales, the value of long-term assets regarding property, plant, and equipment and how the 2013 bond issue will help put money back into the infrastructure of the District, and stressed the importance of the need to continue to invest in the District's infrastructure to keep long term assets up-to-date.

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

Assistant General Manager Knudson reviewed the status of engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed and budgeted projects, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of the District's EPA grant.

4.5) Discussion and Review of the District's Bid Procurement and Change Order Policy – Rules and Regulations Appendix M. (General Manager LaMoreaux)

General Manager LaMoreaux stated that meetings continue with the Building Trades Association regarding the District's use of Project Labor Agreements and that staff anticipates a final Project Labor Agreement will be presented to the Committee for consideration at either a special Committee meeting or at the September meeting.

4.6) Consideration and Possible Action on Policy for Rate Assistance Program. (Finance Manager Williams)

Finance Manager Williams reviewed the proposed Rate Assistance Program, including those eligible for the program, key factors of the program, and future eligibility of other low income residents, and after a brief discussion of how the Program will be funded and promotion of the Program, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation that the Rate Assistance Program be presented to the full Board for consideration at the August 13, 2014 Board meeting.

5) Information Items.

5.1) Status of 2014 Water Rate Study. (General Manager LaMoreaux)

General Manager LaMoreaux stated that a plan for the August 14 and 21 rate workshops was included with the agenda packet for the August 13, 2014 regular Board meeting; that these workshops will be conducted as an informal process for customers to gather information about the rate process and about the District; that the District's public relations rate consultant has recommended the District not participate at the A.V. Swap Meet at this time due to the Swap Meet's current circumstances; and that miscellaneous customer comments regarding the rates and reductions in meter size have been received and addressed by staff.

5.2) Other.

General Manager LaMoreaux stated that he, Director Alvarado, and representatives from Passantino Andersen gave a presentation at last Friday's African American Chamber of Commerce luncheon and that this presentation was helpful to members of the audience followed by Chair Dizmang's recommendations for improvement to the presentation.

Chair Dizmang then recommended staff review a letter to the editor in today's Antelope Valley Press.

General Manager LaMoreaux then informed the Committee of a recent customer email regarding the Proposition 218 process and stated that he will respond to this customer and provide copies to the Board.

There were no additional information items.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was then stated that the next Finance Committee meeting will be held September 3, 2014 at 10:30 a.m.

7) Adjournment.

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

Chair