MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 3, 2014:

A meeting of the Finance Committee of the Palmdale Water District was held Wednesday, September 3, 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:	Matt Knudson, Assistant General Manager
Gloria Dizmang, Chair	Mike Williams, Finance Manager
Vincent Dino, Committee Member	Mike McNutt, PIO/Conservation Director
	Bob Egan, Financial Advisor
	Dennis Hoffmeyer, Senior Accountant
	Dawn Deans, Executive Assistant
	3 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 August 11, 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 August 11, 2014, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of July 31, 2014. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of July 31, 2014, including the increase in investments, the overall decrease, the bond

issue balance, water sales, the DWR operational refund, assessments, and State Water Project pay-outs.

4.3) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for July 31, 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 July 31, 2014, along with the graphic presentations for these reports, accumulated depreciation, water sales and the drought, and water recovery and then stated that some departments are above the targeted expenditure percentage of 58%, but no expenditures are out of the ordinary.

The status of the District's workforce was then briefly reviewed.

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.

He then provided an update on the status of the District's $485,000.00 EPA grant.

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

Assistant General Manager Knudson stated that staff recommends the Local Contractor and Vendor Boundary Map included in the District's Bid Procurement and Change Order Policy as Appendix M of the District's Rules and Regulations be clarified to better define the boundaries for local contractors or vendors after which it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to revise the Local Contractor and Vendor Boundary Map included in the District's Bid Procurement and Change Order Policy as Appendix M of the District's Rules and Regulations and that this item be

presented to the full Board for consideration at the September 10, 2014 Regular Board meeting.

4.6) Consideration and Possible Action on Project Labor Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions. (Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the proposed Project Labor Agreement, and after a brief discussion of this Agreement, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation that the Project Labor Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions be presented to the full Board for consideration at the September 10, 2014 Board meeting.

Mr. Chris Hanna, of the Building and Construction Trades Council, then thanked the Committee and complimented Assistant General Manager Knudson and General Manager LaMoreaux on their professionalism in working on this Project Labor Agreement and on ensuring the well-being of the District and the well-being of the local community.

5) Information Items.

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

Finance Manager Williams stated that the final 2014 Water Rate Study by Bartle Wells Associates has been distributed to the Board; that staff is prepared for the September 17 public hearing; that 37 protest letters have been received to date, with 33 being valid; that two outreach meetings have been held with 9 attending one meeting and 14 attending the second meeting; that two comment cards were received at these outreach meetings; and that additional public outreach includes water rate telephone lines in both English and Spanish and direct mail in both English and Spanish, as requested.

5.2) Status of 2015 Budget. (Finance Manager Williams)

Finance Manager Williams reviewed the budget timeline and first draft of the 2015 budget, which includes a 5.5% rate increase as proposed in the Bartle Wells Associates

Rate study, and stated that the budget will be reviewed in detail in upcoming Committee meetings.

5.3) Other.

There were no additional information items.

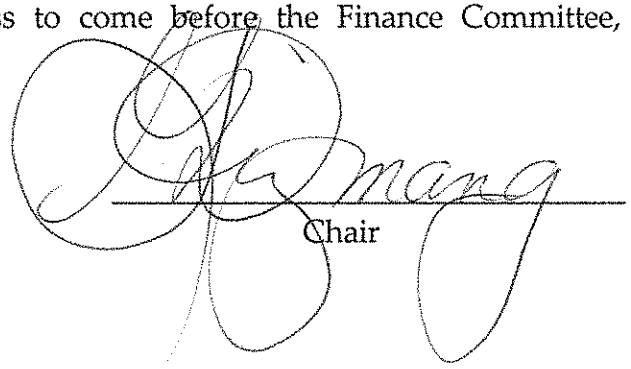
6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was then stated that the next Finance Committee meeting will be held October 6, 2014 at 10:30 a.m.

7) Adjournment.

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



Chair