

# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

Fax (661) 947-8604

[www.palmdalewater.org](http://www.palmdalewater.org)

LAGERLOF, SENEAL, GOSNEY & KRUSE LLP  
Attorneys



## Board of Directors

ROBERT E. ALVARADO  
Division 1

GORDON G. DEXTER  
Division 2

GLORIA DIZMANG  
Division 3

KATHY MAC LAREN  
Division 4

STEVE R. CORDOVA  
Division 5

June 21, 2013

***Agenda for Regular Meeting  
of the Board of Directors of the Palmdale Water District  
to be held at the District's office at 2029 East Avenue Q, Palmdale  
Wednesday, June 26, 2013  
7:00 p.m.***

**NOTE:** To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

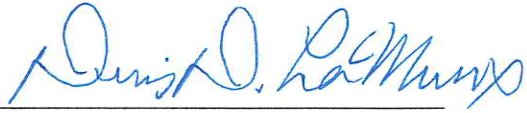
**PUBLIC COMMENT GUIDELINES:** The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:
  - 5.1) No presentations scheduled.

- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 6.1) Approval of minutes of regular meeting held June 12, 2013.
  - 6.2) Payment of bills for June 26, 2013.
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 7.1) Consideration and possible action on lease for cell tower at Lower El Camino Tank Site. (Revenue \$28,800.00/year – Engineering Manager Knudson/Facilities Committee)
  - 7.2) Consideration and possible action on California Special Districts Association 2013 Board Elections. (General Manager LaMoreaux)
  - 7.3) Review of District Reserve Policy. (Director Dizmang)
  - 7.4) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
    - a) None at this time.
- 8) Information Items:
  - 8.1) Reports of Directors: Meetings/Committee Meetings/General Report.
  - 8.2) Report of General Manager.
    - a) District vacancies.
    - b) Palmdale Recycled Water Authority status.
    - c) Monthly Department Reports.
  - 8.3) Report of Attorney.
- 9) Public comment on closed session agenda matters.
- 10) Closed session under:
  - 10.1) Government Code Section 54956.9(a), existing litigation: *Antelope Valley Ground Water Cases*.
  - 10.2) Government Code Section 54956.9(a), existing litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW*.
  - 10.3) Government Code Section 54956.9(a), existing litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561*.
  - 10.4) Government Code Section 54956.9(a), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.

- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



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DENNIS D. LaMOREAUX,  
General Manager

DDL/dd

Additional information on this item will be hand-delivered prior to the Board meeting.

**RE:      *AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION  
ON CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2013 BOARD  
ELECTIONS***

- Kathy Tiegs  
Cucamonga Valley Water District



**California Special  
Districts Association**  
*Districts Stronger Together*

RECEIVED

JUN 10 2013

## CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

### 2013 BOARD ELECTIONS

#### MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Region for Seat B. Each of CSDA's six (6) regional divisions has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your geographic region. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its region.

We have enclosed the candidate statements for each candidate who submitted one. Please vote for **only one** candidate to represent your region in Seat B and be sure to sign, date and fill in your member district information (*in some regions, there may only be one candidate*). If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 2, 2013**.

If you do not use the enclosed envelope, please mail in your ballot to:

**California Special Districts Association  
Attn: 2012 Board Elections  
1112 I Street, Suite 200  
Sacramento, CA 95814**

Please contact Charlotte Lowe toll-free at 877.924.CSDA or [charlottel@cda.net](mailto:charlottel@cda.net) with any questions.





**REGION FIVE**

●  
*Seat B - term  
ends 2017*

**CSDA BOARD OF DIRECTORS  
ELECTION 2013**

*All Fields Must Be Completed for ballot to be counted.  
(Please vote for only one.)*

☐ **Kathy Tiegs\***  
*Cucamonga Valley Water District*

*\* incumbent*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Member District: \_\_\_\_\_

Must be received by 5pm, August 2, 2013. CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814

**Kathleen Tiegs**  
**For**  
**2014-2016 California Special Districts Association**  
**Region 5, Board of Directors, Seat B**

My Fellow CSDA Member:



I am requesting your support for my bid as the Region 5, Seat B, Board of Directors representative for the California Special Districts Association (CSDA). I currently serve as the Region 5 representative and have done so with great passion and commitment since 2011.

Through my involvement with CSDA I have actively served on the Membership, Legislative, and the By-laws Committees. This past year I had the opportunity to serve on the Regionalization Task Force, which evaluated the effectiveness of our regions and how to better manage the flow of information to strengthen our role as special districts throughout the state.

My experience on the Cucamonga Valley Water District (CVWD) Board of Directors has provided me with a solid foundation of experience. Elected to the CVWD in November 2005, I have served as the Board President and currently serve on the Legislative and Public Affairs and Human Resources/Risk Management Committees. In April 2011, I was honored by State Assembly Member Mike Morrell as the 63<sup>rd</sup> Assembly District Woman of the Year.



I currently serve as the President of the Association of San Bernardino County Special Districts and have done so for the past three years. My participation has allowed me to develop a network of colleagues in a variety of different agencies, with a common goal of serving the needs of our constituents.

There are numerous critical issues that confront special districts; these challenges will require strong and enterprising leadership, as well as a commitment to preserving the model of special district governance.



Thank you for allowing me to share with you my experience, leadership and knowledge. I look forward to serving you and the entire CSDA organization.

With Best Regards,

*Kathleen Tiegs*



**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** June 19, 2013 **June 26, 2013**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.3 – REVIEW OF DISTRICT RESERVE POLICY.  
(DIRECTOR DIZMANG)***

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Attached is a copy of Article 15.02 “Statement of Reserve Policy” of the District’s Rules and Regulations along with a copy of the Reserve Policy adopted March 11, 2009 as Resolution No. 09-03. The Reserve Policy will be reviewed in detail at the Board meeting.

**Supporting Documents:**

- Resolution No. 09-03 – Palmdale Water District’s Reserve Policy

- A. From May 1 to October 1 of each year, the minimum water elevation shall be 2812.5 feet.
- B. After October 1, the Lake may be drained down 5.5 feet to a minimum elevation of 2807.0 feet. That elevation shall be maintained until it can reasonably be determined that water will be available in Littlerock Dam for delivery to Palmdale Lake.
- C. At no time shall Palmdale Lake be drained to an elevation below 2805.0 feet without prior approval of the Board.

**14.03: SANITATION FACILITIES**

Adequate sanitation facilities shall be maintained at the clubhouse and at landings and other convenient places as needed.

**ARTICLE 15: REPORTING REQUIRED BY STATE AND LOCAL AUTHORITIES**

**15.01: STATEMENT OF INVESTMENT POLICY (Revised 12-12-12)**

Pursuant to Government Code Section 53646, the Board shall adopt a Statement of Investment Policy annually. The Investment Policy establishes guidelines for the prudent investment of District funds. A copy of the current District Investment Policy is attached hereto as Appendix K.

**15.02: STATEMENT OF RESERVE POLICY (Revised 3-11-09)**

The Reserve Funds Policy conforms District practice to the requirements of State law and ensures the District will have sufficient funding available to meet operating, capital, and debt service cost obligations through the establishment of legally restricted reserves and Board restricted funds as attached hereto in Appendix K.1.

## RESOLUTION NO. 09-03

### PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors wants to ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations.

WHEREAS, the Board of Directors recognizes the need to establish the finances necessary to secure additional water supply for the benefit of existing and future customers.

WHEREAS, the Board of Directors is establishing sound financial policies to promote favorable bond ratings in capital markets so that municipal bonds can be used for the future financing of projects.

WHEREAS, the Board of Directors need to include requirements imposed by law for the handling of developer related fees.

WHEREAS, the Board of Directors wants financial planning to address the planned needs for capital projects and equipment purchases.

WHEREAS, the Board of Directors wants to charge existing customers a fair share of the cost for the future replacement of facilities that are used to provide them service.

WHEREAS, the Board of Directors wants some reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors wants to avoid significant rate fluctuations in the future.

WHEREAS, the Board of Directors recognizes a need for long term strategic financial policies.

WHEREAS, this action rescinds Resolution No.'s 05-9 and 08-31 and establishes the Palmdale Water District Reserve Policy as follows:

#### *Legally Restricted Reserves:*

The Water Facilities Connection Fees and Water Supply Connection Fees are subject to the requirements of the Mitigation Fee Act (AB 1600). The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded.

### ***1. Water Facilities Connection Fees:***

PWD will maintain a connection fee account with funds collected from developers to pay for the new facilities necessary to deliver water service to newly developed property. These fees are for offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery.

### ***2. Water Supply Connection Fees:***

PWD will maintain a connection fee account with funds collected from developers to pay for developing additional sources of water needed to support the water demands of new development. The District will use the funds to pursue a variety of supply sources including projects that produce additional imported water, water transfers, recycled water, conservation, groundwater rights, water banking, or any other project that increases water supply.

### ***3. Debt Service Reserve Funds:***

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds and are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Reserve funds for each revenue bond issue will be used to make the last two semi-annual debt service payments for that issue. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments. Reserve funds related to state revolving fund loans shall be treated identically to revenue bond reserve funds as these loans are contractually defined as parity debt to the District's senior lien bonds.

As part of the 1998 bond documents, the District purchased insurance to secure an improved interest rate for the bonds. The insurance company was required to maintain a financial reserve to meet the lender's requirements. The municipal bond market was affected by the subprime mortgage crisis. During the crisis, our monoline insurer (FGIC) incurred heavy losses and consequently the credit rating of the insurer was downgraded. As a result, the District is required to maintain a reserve in lieu of insurance equivalent to the annual principal and interest of the bonds.

### ***4. Dam Self Insurance:***

The District has set aside \$5 million for self-insurance of the Littlerock Dam as part of the 1998 Bond Documents. If the 1998 COP issue is refinanced, this reserve will be eliminated and the moneys will be available to the Board as an unrestricted reserve.

***Board Restricted Funds:***

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self adopted funds. Such funds can be modified, transferred, or altered by Board action.

***5. Rate Stabilization Fund:***

This fund is governed by legal bond covenants for the District's revenue bonds. The purpose of the fund is to assist in smoothing rates to pay PWD debt service and to assure that minimum debt service coverage ratios required by the District's bond covenants would be met in the future. Funds deposited into this reserve are treated as operating revenues in the year of deposit and will be treated as such in years of use for the purposes of computing the District's debt service coverage ratio.

This fund is applied in the five-year financial plan and annual rate model along with other reserve funds to smooth future rate increases. This fund provides a buffer should revenue estimates in any year not meet projections. The Rate Stabilization Fund will be drawn down to smooth rate increases. Specifically, they will be applied in any year where other revenues are not sufficient to meet the required debt service coverage ratio. They will also be applied if meeting only minimum coverage levels could result in the District's bond ratings being downgraded.

***6. O&M Operating Reserve:***

The O&M Operating Reserve will vary over time with a goal of maintaining three months average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

***7. Supplemental Water Supply Fund:***

To ensure water supply reliability, an additional water supply of at least 8,000 acre-feet is to be obtained for existing customers. This increase is necessary due to the decreased reliability of the State Water Project (63% reliability) and to offset supply losses related to restrictions on groundwater pumping in the Antelope Valley. Water rates will be set at a sufficient level to pay for the added water supply assuming a cost of \$3,500 per acre-foot plus financing costs to be paid through bond financing. Annual payments are estimated at \$2.25 million for \$28 million in principal repaid at 5% over 20 years. The funds can be used on any project that develops new supply, conserves existing supplies, or reuses water.

***8. Asset Replacement Fund:***

This fund pays for the replacement of existing facilities and equipment as it reaches the end of its useful life or for major repairs that extend the useful life of facilities.



The 2009 budget shows depreciation of \$5.1 million for the year. The policy is to "fund depreciation" at 100% beginning in 2009.

**9. Conservation Program Fund:**

This fund is set aside for conservation programs or programs that develop new water supply. The fund may pay for rebates, design, construction, equipment, or program related operating costs. It will be funded from "penalty tiers" by the incremental variable amounts charged customers for water use above their base allocation.

**10. Water Quality Service Fee:**

This fee pays for water quality improvements including ongoing operating costs of granular activated carbon (GAC) and water quality efforts including operating expenses, studies, design, and construction.

**11. Unrestricted Reserves:**

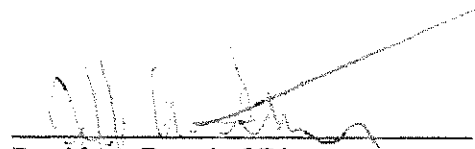
Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Water District as follows:


The Palmdale Water District Reserve Policy is hereby approved retroactive to December 2008, and the General Manager is directed to follow this Reserve Policy in managing available funds and investments of the District. Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 11<sup>th</sup> day of March, 2009 by the following vote:

Ayes: Jeff Storm, David Gomez, Linda Godin, Richard Wells, Raul Figueroa  
Noes: None  
Absent: None  
Abstain: None

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors

**MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE  
WATER DISTRICT, MAY 1, 2013:**

*A meeting of the Personnel Committee of the Palmdale Water District was held Wednesday, May 1, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Personnel Committee:  
Kathy Mac Laren, Chair  
Gloria Dizmang, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Jeannie Burns, Acting Human Resources Manager  
Matt Knudson, Engineering Manager  
Amanda Williams, Water Quality Supervisor  
Dennis Hoffmeyer, Senior Accountant  
Dawn Deans, Executive Assistant  
9 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments.**

There were no public comments.

**4) Presentations:**

**4.1) Introduction of American Water College. (Joe R. Kerschner, President)**

Mr. Joe Kerschner, President of American Water College, provided an overview of the services provided by American Water College and how the college can help the District through the development of a structured training program, which includes competency training, cross-training, certification training, operations training, safety training, continuing education, compliance training, succession planning, and professional development followed by discussion of the training, internships, and follow-up to the Organizational Assessment.

The Committee then thanked Mr. Kerschner for the information.

5) Action Items:

5.1) Consideration and Possible Action on Approval of Minutes of Meeting Held April 3, 2013.

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held April 3, 2013, as written.

5.2) Discussion and Possible Action on Optional Healthcare Plans and Minimal Employee and Retiree Premium Contribution Towards Health Insurance Benefits. (Acting Human Resources Manager Burns/Judith Younessian, Bryson Financial)

Ms. Judith Younessian and Ms. Julia Selby, of Bryson Financial, provided an overview of the services provided by Bryson Financial including group healthcare benefits, dental and vision benefits, property and casualty insurance, retirement and 457 options, and life insurance and then reviewed a cost analysis of the District's healthcare plans, their recommendation to change the District's healthcare provider to United Healthcare at a lower cost than the District's existing healthcare program, and compliance with the Affordable Care Act.

The vulnerability of healthcare costs, Bryson Financial's efforts to control costs, tailoring plans to reduce costs, and Bryson Financial's commission were then discussed.

The Committee then thanked Ms. Younessian and Ms. Selby for the information and determined that the information provided in the presentation would be made available to employees for review and the Committee would consider this item at the next Committee meeting after which Committee Member Dizmang requested proposals be formulated with a cost analysis for the items previously discussed by the Committee.

Developing specifics for an employee survey, the employees' previous preference of no contributions to CalPERS until 2018, changing the District's healthcare benefit plan so employees have options for coverage during open enrollment, the United Healthcare plan and potential rate increases, the difficulty in joining ACWA, and reassurance of ACWA's healthcare rates and programs were then discussed.

Administrative Technician Lebo then clarified that the previous employee survey question regarding CalPERS was only worded as to whether or not employees would prefer to contribute towards CalPERS now or wait until required in 2018 and that if the question had been worded as to whether employees would like to contribute towards healthcare benefits or to CalPERS, the initial response from employees would have been much different as she knows of many employees who would prefer to contribute to CalPERS with no changes to the District's healthcare plan or cost to employees.

General Manager LaMoreaux then stated that staff will prepare a set of proposals for healthcare options and a set of proposals for retiree options for Committee discussion at the next meeting and an employee survey will be developed based on those discussions, input from the Employee Communications Committee, and input from several staff members.

**5.3) Discussion and Possible Action on Developing a Wellness Program.  
(Acting Human Resources Manager Burns)**

Acting Human Resources Manager Burns reviewed the information included in the agenda packets from 24-Hour Fitness and Monster Fitness followed by discussion of the cost of these gym memberships, tying a Wellness Program to a reduction in healthcare benefit costs, and ACWA's upcoming Wellness Program, and it was determined to table this item to the next meeting in order to obtain additional information.

**6) Project Updates.**

**6.1) Status on Organizational Assessment. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that the requested information has been submitted to The Mathis Group; that their retainer has been processed; that he has a meeting scheduled with Dr. Mathis next week during the ACWA Conference; that interviews with the Board, Department Heads, and supervisors will be scheduled for May 22; and that he has informed Department Heads about the Organizational Assessment.

**7) Information Items.**

General Manager LaMoreaux introduced Amanda Williams, the District's new Water Quality Supervisor, and stated that the hiring process will continue with the advertisement of Ms. William's previous position.

There were no further information items.

6) **Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was determined that the next Personnel Committee meeting will be held June 10, 2013 at 6:30 p.m.

7) **Adjournment.**

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

  
Chair



**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE  
WATER DISTRICT, MAY 8, 2013:**

*A meeting of the Finance Committee of the Palmdale Water District was held Wednesday, May 8, 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:**

Finance Committee:

Gloria Dizmang, Chair

Steve Cordova, Committee  
Member

**Others Present:**

Tim Moore, Facilities Manager

Mike Williams, Finance Manager

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 April 10, 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 April 10, 2013.

**4.2) Presentation, Consideration, and Possible Action on Acceptance and  
Filing of 2012 Audit and Management Report. (Charles Z. Fedak & Company,  
CPAs/Financial Advisor Egan/Finance Manager Williams)**

Financial Advisor Egan stated that the audit is as expected, a few items have been addressed, and the draft audit was critical in upgrading the District's bond rating after which Finance Manager Williams stated that page 3 summarizes the District's finances.

It was then moved by Committee Member Cordova, seconded by Chair Dizmang, and unanimously carried to present the 2012 Audit and Management Report to the full Board at the May 8, 2013 Board meeting.

**4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of March 31, 2013. (Financial Advisor Egan)**

Financial Advisor Egan reviewed the investment funds report and cash flow statement as of March 31, 2013 and stated that cash has decreased \$1,554,000 due to the semi-annual principal and interest bond payment; that water sales and assessments are higher than anticipated for the first three months; that projected year-end cash is \$2,000,000 over budget; and that he is very optimistic about the District's financial condition.

**4.4) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for March 31, 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 March 31, 2013 and stated that all departments are operating at or below the targeted expenditure percentage of 25% or less, with the exception of Engineering, which is due to the implementation of the GIS project.

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

Engineering Manager Knudson reviewed the Projected Payout Schedule for Committed Contracts through May 2013 and stated that the purchase agreement for tax-defaulted property was received and will be paid out this month; that the final payment will be made for the water main replacement project near Sumac Avenue; that GAC

change-outs will occur over the next several months; and that if the water revenue bond is successful, staff hopes to fill in the schedule with contracts.

**4.6) Discussion and Overview on Project Financing Options. (Financial Consultant Egan/Finance Manager Williams)**

Financial Advisor Egan stated that today the District's bond rating from Standard and Poor's was upgraded to an A- from a BBB rating; that the Fitch rating remained an A+ rating; and that the bond financing is scheduled to close at the end of this month after which Finance Manager Williams stated that the next step is pre-pricing of the bonds.

Financial Advisor Egan then stated that accounting for the District's tax and assessment monies was reviewed as part of the rating process; that a separate account tracking these monies may need to be established; and then requested approval to open this account after which the Committee recommended this be presented to the full Board through Chair Dizmang's Committee report.

**4.7) Discussion and Possible Action on Reducing the Various Costs Associated With Cash Payments. (Finance Manager Williams)**

Finance Manager Williams provided an overview of staff's analysis on the District's costs and fees for all types of water bill payments and stated that the perception was that cash was the most expensive type of payment but that cash is actually the least costly of all payment methods.

Senior Accountant Hoffmeyer then provided an overview of Customer Service Representative overtime costs and the average number of customers helped after 5:00 p.m. followed by discussion of lobby hours, the heaviest lobby traffic days, door-tags, and staggered work hours.

**5) Information Items.**

There were no further information items.

**6) Board Members' Requests for Future Agenda Items.**

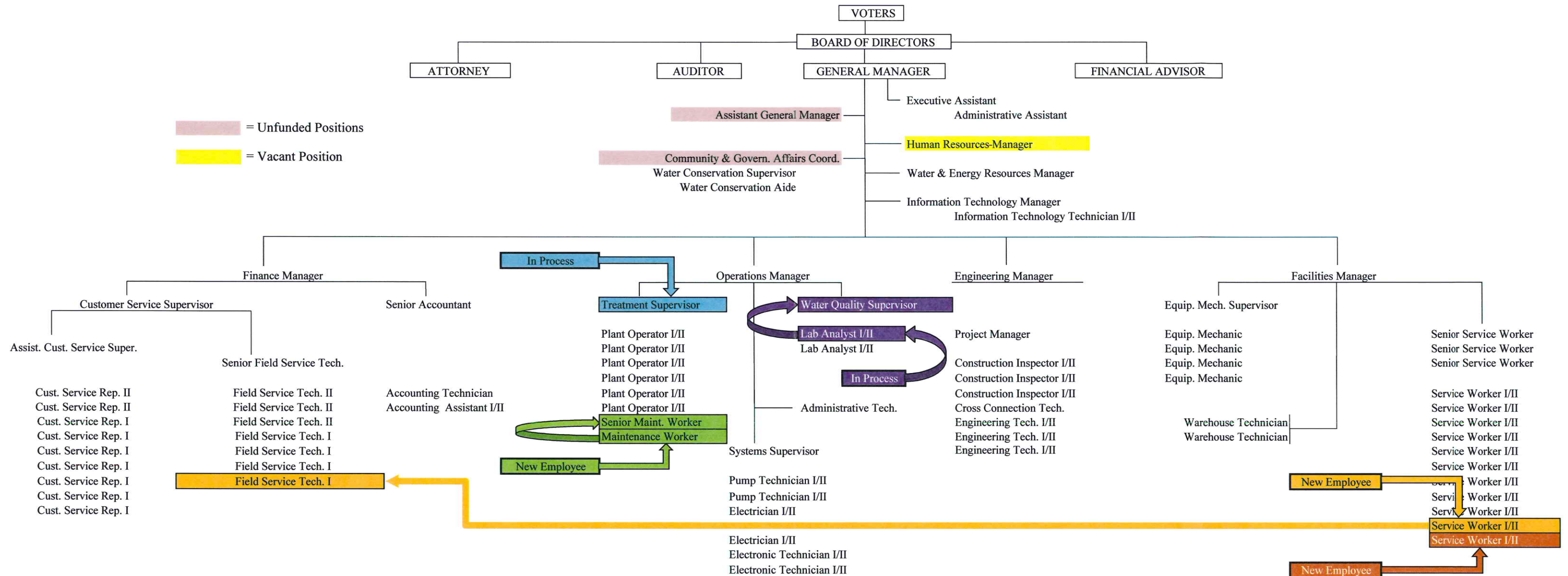
There were no requests for future agenda items.

The next Finance Committee meeting was then scheduled for June 12, 2013 at 5:00 p.m.

7) **Adjournment.**

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

  
Chair



### SUMMARY TABLE

Hiring Authorizations		Filled By		Status
Date	Position			
11/14/2012	Field Service Tech. I	Service Worker	New Hire	Complete
11/14/2012	Service Worker I/II	New Hire		Complete
11/14/2012	Senior Maint. Worker	Maint. Worker	New Hire	Complete
2/13/2013	Treatment Plant Supervisor			In Process
4/10/2013	Water Quality Supervisor	Lab Analyst II		In Process

**Palmdale Water District**  
**Position Vacancy and Hiring Process Status**

Organization Chart Approved by Board Action Nov. 14, 2012

Date: June 20, 2013

DDL