

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE
WATER DISTRICT, MARCH 21, 2011:**

A meeting of the Finance Committee of the Palmdale Water District was held Monday, March 21, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Godin called the meeting to order at 5:15 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Linda Godin, Chair
Gordon Dexter, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Mike Williams, Finance Manager
Dawn Deans, Executive Assistant
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Dexter, seconded by Chair Godin, 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 February 7, 2011.**

It was moved by Committee Member Dexter, seconded by Chair Godin, and unanimously carried to approve the minutes of the meeting held February 7, 2011, as written.

**4.2) Discussion of Status Report on Cash Report at February 28, 2011 and Cash
Flow Report Through December 31, 2011. (Financial Advisor Egan)**

Finance Manager Williams reviewed water sale comparisons for January and February 2010 versus 2011 and stated that the master budget schedule referred to in Financial Advisor Egan's memo will be discussed later in the meeting; that a bond

payment was made in March reducing cash flow; but that cash flow is expected to increase to the \$8 million average in April due to assessments.

4.3) Discussion of Status Report on Financial Statements and Departmental Budget Reports for February 2011. (Finance Manager Williams)

Finance Manager Williams reviewed the balance sheet, profit and loss statement, revenue and expenditure year-to-year comparisons, departmental reports through February 2011, and graphs for these reports and stated that the target expenditure percentage is 16.6%; that departments are below this expenditure; that operating revenue is at 12.6% of the budget with operating expense at 11.82%; and then reviewed outstanding revenue items and the targeted use of these funds, changes in units billed for February 2011 versus 2010, and line items over-budget being health insurance for all departments due to payment for three months rather than two months.

4.4) Discussion of Status Report on Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams stated that the Committed Contracts schedule has been updated to include additional information on prior year contracts carrying into the current year, actual payments made for the current month, projected payments for future months, and non-engineering projects and that this information will assist Financial Advisor Egan in the preparation of his cash flow reports.

4.6) Discussion of Status Report on Annual Audit. (Finance Manager Williams)

Finance Manager Williams stated that the auditors will be on site Tuesday through Thursday to conduct their field work; that a final report will then be prepared; and that staff anticipates presentation of the audit to the full Board at the second regular Board meeting in April to coincide with Director Godin's financial report.

4.7) Discussion of Status Report on Lease Financing Program. (Finance Manager Williams)

Finance Manager Williams reviewed the difficulties the District is experiencing with the Lease Financing Program due to the City of Palmdale lawsuits and that he will contact Citizens Business Bank to further discuss this matter after which General Manager

LaMoreaux reviewed other options available to the District in the event the Lease Financing Program is not approved.

5) Information Items.

There were no further information items to discuss.

6) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

7) Closed Session Under Government Code Section 54957, Personnel Matters: Financial Advisor Evaluation.

At 5:43 p.m., Chair Godin called for a closed session pursuant to Government Code Section 54957, Personnel Matters: Financial Advisor Evaluation. She reconvened the Committee meeting at 5:57 p.m.

8) Public Report of Any Action Taken in Closed Session.

Chair Godin reported that a closed session had been held under Government Code Section 54957, Personnel Matters: Financial Advisor evaluation; that no action reportable under the Brown Act was taken in closed session on this matter; that she will write Financial Advisor Egan's evaluation based on his self-evaluation and Committee discussions; that the Committee intends to complete the evaluation at the next Finance Committee meeting; and then requested specific information from General Manager LaMoreaux.

9) Board Members' Requests for Future Agenda Items.

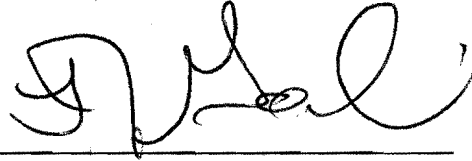
Chair Godin requested that "Closed session under Government Code Section 54957, Personnel Matters: Financial Advisor evaluation" remain on the agenda for the next Finance Committee meeting along with other continuing agenda items.

There were no further requests for future agenda items.

The next Finance Committee meeting was then scheduled for April 25, 2011 at 5:15 p.m.

10) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 6:00 p.m.

A handwritten signature in dark ink, appearing to be 'J. H. L.', written over a horizontal line.

Chair