

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE  
WATER DISTRICT, JULY 25, 2011:**

*A meeting of the Finance Committee of the Palmdale Water District was held Monday, July 25, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Godin called the meeting to order at 5:18 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  
Bob Egan, Financial Advisor  
Dennis Hoffmeyer, Senior Accountant  
Danielle Doll, Administrative 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 June 20, 2011.**

It was moved by Committee Member Dexter, seconded by Chair Godin, and unanimously carried to approve the minutes of the meeting held June 20, 2011, as written.

**4.2) Discussion of Status Report on Cash Report at June 30, 2011 and Cash  
Flow Report Through December 31, 2011. (Financial Advisor Egan)**

Financial Advisor Egan reviewed the June 30 cash report including changes to the UBS accounts due to planned operational expenditures and upcoming planned State Water Project capitalized expenditures, and he and Michael Giordano, Investment

Manager Analyst and Institutional Consultant for UBS Financial Services, Inc., will attend the August 10 regular Board meeting to provide a status report on the UBS accounts; planned legal fees and anticipated grant reimbursements; meetings with staff to begin the budget process to plan for budgeted expenses through June 30, 2012 with a rough draft anticipated by the next meeting; and Capital Improvement Fees received as well as the shortage.

General Manager LaMoreaux then reviewed the cost and anticipated payments for the upcoming water main replacement project.

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

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year and month-to-month revenue and expense analysis, individual departmental reports through June 2011, and stated that the target expenditure percentage should be at or below 50%; that overall, departments are at or below this expenditure; and then provided specific detail on these reports and individual budget line items over-budget as well as the graphs for these reports and stated that strictly cash operating expense revenue exceeds expenditures by \$848,000 through June, and expenses for the same period in 2010 exceeded revenue by \$69,000.

**4.4) Discussion of Status Report on Engineering Department Contractual Commitments and Projected Payout Schedule. (Finance Manager Williams)**

Finance Manager Williams stated that the Contractual Commitments and Projected Payout Schedule has been updated through January 2011; that the Schedule will be expanded through June, 2012; and that the Schedule now includes all projects.

**4.5) Consideration and Possible Action on Additional Earthquake Insurance. (Finance Manager Williams)**

Finance Manager Williams stated that staff recommends the District purchase additional earthquake insurance for \$6 million in loss of income, \$2.7 million for the main office, and \$378,000 for the contents for a total annual premium of \$37,345.00; that this item was not budgeted but falls within the budgeted amount for insurance for 2011; and then reviewed the need for this additional insurance.

After a brief discussion, the Committee recommended the insurance company's rating be reviewed and that this item be presented to the full Board for consideration.

**5) Information Items.**

There were no 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 5:50 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 6:11 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 and that no action reportable under the Brown Act was taken in closed session on this matter.

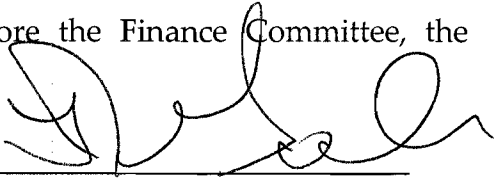
**9) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

The next Finance Committee meeting was then scheduled for August 22, 2011 at 5:15 p.m.

**10) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 6:12 p.m.

  
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Chair