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

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, June 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:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Matt Knudson, Assistant General Manager
Vincent Dino, Committee Member	Mike Williams, Finance Manager
	Bob Egan, Financial Advisor
	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 April 21, 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 April 21, 2014, as written.

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

Financial Advisor Egan reviewed the investment funds and cash flow reports as of April 30, 2014, including the increase in cash of nearly $2 million due to assessments and his recommendation to transfer some funds to higher interest-bearing accounts

within the guidelines of the District's Investment Policy after which the Committee concurred with this recommendation.

4.3) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for April 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 April 30, 2014 along with the graphic presentations for these reports and stated that all departments, with the exceptions of Administration, Engineering, and Finance, operated at or below the targeted expenditure percentage of 33% and then reviewed those line items over budget.

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 future projects, the need for future bond issues, and the need to continue sound financial management through the upcoming Water Rate Study.

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 he and Assistant General Manager Knudson have met with representatives from the Building Trades Association and reviewed a draft Project Labor Agreement; that staff is obtaining legal counsel's opinion on the draft; and that the draft will be presented at the next Committee meeting for review followed by discussion of the Agreements and how these types of Agreements will impact the District's current practices.

5) Information Items.

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

General Manager LaMoreaux informed the Committee that a Water Rate Study kick-off meeting was held; that financial information has been sent to Bartle & Wells; that Passantino Anderson will be conducting a random survey of 400 of the District's customers this weekend for use in preparing their first flyer to be sent later this month; and that the Proposition 218 notice will be sent late July followed by discussion of the content of the survey.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

The EPA grant was discussed, and staff indicated they are optimistic that the grant funds will be received.

General Manager LaMoreaux then stated that the exit interview for the state audit is scheduled this afternoon and a draft state audit report is expected to be available for the Committee's review at the next meeting.

There were no further requests for future agenda items.

It was then stated that the next Finance Committee meeting will be held July 1, 2014 at 11:00 a.m.

7) Adjournment.

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

Chair