

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JANUARY 12, 2015:**

*A meeting of the Finance Committee of the Palmdale Water District was held Monday, January 12, 2015, 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  
Vincent Dino, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Gene Taylor, Customer Service Supervisor  
Dennis Hoffmeyer, Senior Accountant  
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 November 3, 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 November 3, 2014, as written.

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

Financial Advisor Egan reviewed the investment funds and cash flow reports as of November 30, 2014 along with preliminary reports through December 31, 2014, the maturing of several cd's, assessment pass-through funds received, the Butte payment, projects carried forward to 2015, and projected year-end balances.

Assistant General Manager Knudson then stated that the receipt of \$150,000 in capital improvement fees is anticipated in the next few months.

Chair Dizmang then commented on the article in the Antelope Valley Press regarding the Rate Assistance Program.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for November 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 November 30, 2014, along with the graphic presentations for these reports, and then stated that most departments are operating below the targeted expenditure percentage of 92% and reviewed the reasons for departments over budget followed by discussion of bad debts and overtime charges.

**4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)**

Assistant General Manager Knudson reviewed the status of approved 2015 engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed, budgeted projects, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of carry over projects and potential grants for the Littlerock Creek Recharge and Recovery Project and the environmental work for the Littlerock Dam Sediment Removal Project.

**4.5) Discussion and Possible Action on Proposal Received From The Pun Group LLP for Auditing Services for the Fiscal Year Ending December 31, 2014. (\$18,000.00 – Budgeted – Financial Advisor Egan)**

Financial Advisor Egan provided an overview of The Pun Group LLP proposal, previous proposals, and his recommendation to accept the proposal after which it was

moved by Director Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to accept the proposal received from The Pun Group LLP for auditing services for the fiscal year ending December 31, 2014 in the not-to-exceed amount of \$18,000.00 and that this item be presented to the full Board for consideration at the January 14, 2015 Regular Board meeting.

**5) Information Items.**

**5.1) Status of Debt Service Coverage. (Financial Advisor Egan)**

Financial Advisor Egan reviewed the Debt Service Coverage for the period of January 2014 – December 2014 followed by discussion of the use and purpose of the Rate Stabilization Fund.

**5.2) Comparison of Fees and Charges for Similar-Sized Water Districts. (Finance Manager Williams)**

Customer Service Supervisor Taylor reviewed the updated Comparison of Water Districts Charges chart including the number of connections for each water district, quantity of water sold, and commodity charges for the comparing agencies after which Finance Manager Williams stated that the chart indicates that each water district sets their rates and charges based on the need to provide necessary services to their customers.

**5.3) Other.**

Finance Manager Williams stated that the implementation of the new rate structure is complete, billing began on January 8, and to date, the process is operating as programmed.

He then stated that approximately 80 customers have signed up for the Rate Assistance Program for both seniors and low income customers; that at the maximum credit of \$16.03, the District can assist approximately 830 customers; and that he recommends an annual time frame be defined for receiving applications for the Program.

General Manager LaMoreaux then stated that when the budget summary is complete, the final budget will be published.

There were no additional information items.

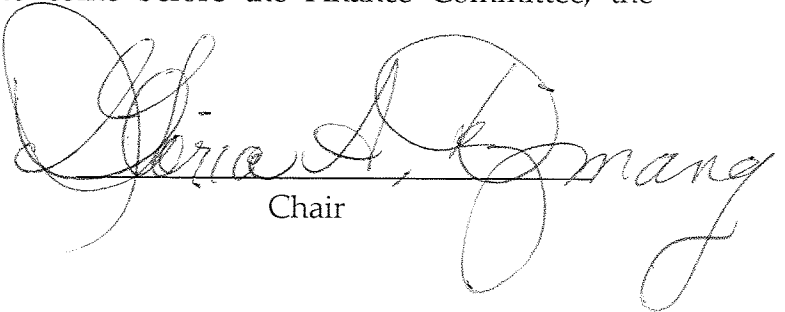
6) **Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was then stated that the next Finance Committee meeting will be held February 9, 2015 at 10:30 a.m.

7) **Adjournment.**

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

  
Chair