

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 6, 2015:**

*A meeting of the Finance Committee of the Palmdale Water District was held Monday, July 6, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 10:35 a.m.*

**1) Roll Call.**

**Attendance:**

Finance Committee:  
Gloria Dizmang, Chair  
Vincent Dino, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Robert Alvarado, PWD Director  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Dennis Hoffmeyer, Accounting Supervisor  
Dawn Deans, Executive Assistant  
1 member 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 May 12, 2015.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Finance Committee meeting held May 12, 2015, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of May, 2015. (Financial Advisor Egan)**

Accounting Supervisor Hoffmeyer reviewed the investment funds and cash flow reports as of May, 2015, including the increase in cash due to assessments, maturing cds,

and June Butte payments after which General Manager LaMoreaux stated that projected water sales are estimated due to the unknown amount of the Drought Surcharge Fee, and a reduction in expenses is anticipated due to reduced water consumption.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for May 31, 2015. (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 May 31, 2015 and then stated that most departments are operating at or below the targeted expenditure percentage of 41.65% and reviewed line items over-budget followed by discussion of Other Operating Revenue, the maximum number of Director meetings allowed per month, bad debts, Capital Improvement Fees, and Water Recovery.

Director Dizmang then requested a detailed listing of Other Operating Revenue be included with next month's report.

**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 but not yet committed with these projects listed in order of priority, and payments for projects funded from the Water Revenue Series 2013A Bonds and then stated that the District has been notified that reimbursement requests from the \$400,000.00 EPA grant can begin.

**4.5) Consideration and Possible Action on Proposal Received From Starnik, Inc. for Programming Services. (\$12,200.00 – Budgeted – Finance Manager Williams)**

Finance Manager Williams reviewed the proposal received from Starnik, Inc. for custom programming services for notices to delinquent consumers included in Resolution No. 15-10, and after a brief discussion of the design of the new notice, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to accept the proposal received from Starnik, Inc. for programming services needed to implement the new notice to delinquent

consumers process included in Resolution No. 15-10 in the not-to-exceed amount of \$12,000.00, which is within the approval parameters of the Committee.

**5) Information Items.**

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

Accounting Supervisor Hoffmeyer stated that the District's current Debt Service Coverage is 1.26 and that this number will fluctuate and is revenue dependent.

**5.2) Other.**

Finance Manager Williams reviewed Payment Transactions by Types for the period of January through June, 2015, which indicates the increase in electronic payments and decrease in mail, drop box, and telephone payments, and stated that the IVR system is becoming another popular form of payment.

He then stated that the lobby kiosk is now operational, and payments can be made via cash, credit cards, and checks.

He then stated that staff hopes to release the final RFP for the utility billing system in the next two weeks; that the current annual contract with Starnick, Inc. is for the period of September to August with an automatic renewal; and that staff will review proposals and demonstrations to determine if a better utility billing system is available for inclusion in the budget process.

He then stated that as of June 30, 2015, there are 196 senior homeowners, 12 senior renters, 146 low income homeowners, and 11 low income renters participating in the District's Rate Assistance Program with \$27,379.24 used for the period of January through June, 2015.

He then stated that the continuing disclosure information for the bonds and bond rating has been completed and submitted to bond counsel for review and that this information is part of the annual reporting process.

He then stated that the Drought Surcharge Fee goes into effect July 1, 2015 based on June's consumption.

General Manager LaMoreaux stated that once the process for mailed shut-off notices is implemented, the Other Operating Revenue line item will reduce.

The new water waste door-tag and process for reporting water waste was then discussed.

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

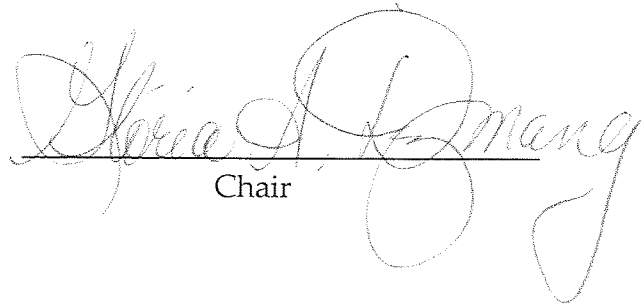
There were no additional information items.

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

There were no further requests for future agenda items.

**7) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 11:37 a.m.

  
Chair