

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 10, 2015:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, August 10, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 10:31 a.m.

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
Dennis Hoffmeyer, Accounting Supervisor
Danielle Henry, Administrative 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 July 6, 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 July 6, 2015, as written.

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

Accounting Supervisor Hoffmeyer reviewed the investment funds and cash flow reports as of June, 2015, including the decrease in cash due to the Butte payment, maturing cds, bond proceed payments, water sales, assessments, DWR refunds, and

anticipated EPA grant funds later in the year after which General Manager LaMoreaux stated that revenue projections for the remainder of the year include estimated Drought Surcharge Fees but expense projections do not reflect any reductions in expenses due to using less water.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for June 30, 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 June 30, 2015 and then stated that most departments are operating at or below the targeted expenditure percentage of 50% and reviewed line items over-budget followed by discussion of bad debts, service cost construction, non-operating expenses, the remaining Cash for Grass payouts, the reduction in water consumption, and the Water Quality Fee.

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 followed by discussion of the benefits to the District from the meter replacement project.

4.5) Consideration and Possible Action on Revisions to the Palmdale Water District's Rate Assistance Program. (Finance Manager Williams)

Finance Manager Williams stated that staff recommends several revisions to the Rate Assistance Program to update and enhance the Program, and after a brief discussion of these revisions, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to revise the Rate Assistance Program and that these revisions be presented to the full Board for consideration at the August 26, 2015 Regular Board meeting. The Committee then commended staff on their recommended revisions to enhance the Rate Assistance Program.

4.6) Consideration and Possible Action on Setting Palmdale Water District's Assessment Rates for Fiscal Year 2015-2016 and Adoption of Resolution No. 15-13 Regarding Said Rates. (Financial Advisor Egan)

General Manager LaMoreaux reviewed the purpose of the assessment rates and stated that information for the assessment rate calculations is anticipated to be received prior to the August 12 Regular Board meeting and that this item has been placed on that agenda for consideration.

5) Information Items.

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

Accounting Supervisor Hoffmeyer stated that the District continues to meet the Debt Service Coverage and is now 1.28 after which Chair Dizmang requested this information be provided to all Board members for their information.

5.2) Other.

Finance Manager Williams stated that the Request for Proposals for the Customer Information System and the timeline for the 2016 Budget process were included with the agenda packet and that copies have also been provided to the full Board.

He then stated that the kiosk has been operational for three weeks, and 56 cash payments have been processed.

General Manager LaMoreaux stated that as a result of the water main replacement project and the meter replacement project, the twelve-month water loss average has been reduced from 12% in January to 9% in June; that the State only uses total production numbers to determine their water reduction requests; and that the District reports the amount of water produced on a monthly basis, but per capita numbers do not factor in water losses.

It was then determined that the next Finance Committee meeting will be held September 3, 2015 at 10:30 a.m.

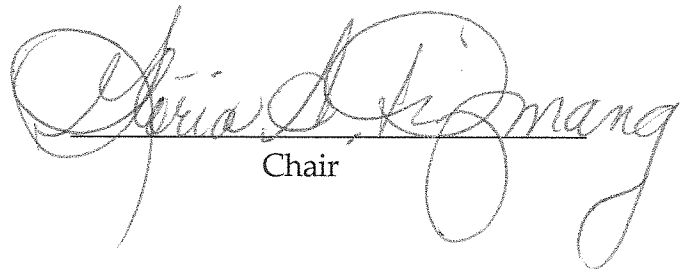
There were no additional information items.

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 11:13 a.m.


Chair