

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 3, 2015:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, September 3, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 10:30 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
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 August 10, 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 August 10, 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 July, 2015, including the decrease in cash due to the mid-year DWR payment and payments for several projects and stated that water sales are lower than

budgeted, capital improvement fees are higher than budgeted, and the next assessment payment will be received in November.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for July 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 July 31, 2015 and then stated that most departments are operating at or below the targeted expenditure percentage of 58%. He then reviewed line items over-budget followed by discussion of assessments, the Drought Surcharge Fee, maintaining financial stability of the District, the District's number of service connections and population compared to the number of District employees, notifications to customers on District projects, 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 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 some projects being carried over to 2016, funds committed over the Water Revenue Series 2013A Bond amount, and a proposed 2016 meter replacement project.

4.5) Consideration and Possible Action on Financial Planning Services for State Grant and Low Interest Loan Funding to Implement Palmdale Regional Groundwater Recharge & Recovery Project. (\$28,500.00 – 2013A Water Revenue Bond – Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the scope of services and need for financial planning services for the Palmdale Regional Groundwater Recharge & Recovery Project, and after a brief discussion of the cost of this project, various financing and grant opportunities, and the budget, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to approve the Scope of Work for Financial Planning Services for State Grant and Low Interest Loan Funding to Implement the Palmdale Regional

Groundwater Recharge & Recovery Project with PFM in the not-to-exceed amount of \$28,500.00 and that this Scope of Work be presented to the full Board for consideration at the September 9, 2015 Regular Board Meeting.

4.6) Discussion and Evaluation of Key Points for Establishment of 2016 Budget. (Finance Manager Williams)

Finance Manager Williams provided an overview of several key points for the 2016 budget followed by discussion of the amount of water anticipated to be sold in 2016, rate increases, COLA, CalPERS, revisions to the Cash for Grass Program, and proposed departmental budgets.

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, which is now 1.16.

5.2) Other.

Finance Manager Williams provided an update on the number of customers assisted from 5:00 to 6:00 p.m., the number of customers using the new kiosk, and the new mobile application form of payment and stated that staff will promote the kiosk and the mobile application form of payment as soon as the mobile application is fully functional and that a bill insert will be included with this month's billing regarding the collection process change.

It was then determined that the next Finance Committee meeting will be held October 7, 2015 at 10:30 a.m.

There were no additional information items.

6) Board Members' Requests for Future Agenda Items.

It was determined that "Review and discussion of the 2016 Budget" will be placed on the next agenda.

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 11:25 a.m.


Chair