MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, NOVEMBER 16, 2017:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, November 16, 2017, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:31 p.m.

1) Roll Call.

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Marco Henriquez, Chair	Mike Williams, Finance Manager
Robert Alvarado, Committee Member	Judy Shay, Public Affairs Director
	Dennis Hoffmeyer, Accounting Supervisor
	Bob Egan, Financial Advisor
	Dawn Deans, Executive Assistant
	0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments on Non-Agenda Items.

There were no public comments on non-agenda items.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held October 23, 2017.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held October 23, 2017, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of September, 2017. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of September, 2017, including the principal and interest bond payment, treasury notes, and remaining 2013A Water Revenue Bond funds and then provided an overview of the cash flow statement, including the planned principal and interest bond payments and projected 2017 year-end balance followed by discussion of assessments.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for September, 2017. (Finance Manager Williams)

Finance Manager Williams reviewed in detail 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 September, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 75% followed by discussion of GAC purchases and State Water Project water purchases.

4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Finance Manager Williams)

Finance Manager Williams provided an overview of the updated Contractual Commitments and Needs for 2017 Report for capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, available funding sources, and remaining Water Revenue Bond Series 2013A funds and payments to date followed by discussion of the Upper Amargosa Recharge Project.

4.5) Discussion of Publicizing Completed 2017 Budget Departmental Projects and Proposed Projects for the 2018 Budget. (Committee Member Alvarado)

Finance Manager Williams stated that completed 2017 Budget departmental projects and proposed projects for the 2018 Budget are included in the budgets and that accomplishments and goals can be used as press releases after which the Committee recommended the public be informed of District projects.

4.6) Discussion and Review of 2018 Budget. (Chair Henriquez/Finance Manager Williams)

Finance Manager Williams stated that the 2018 Budget has been approved and should be distributed by the end of 2017 followed by discussion of the projected 2017 year-end balance.

5) Information Items.

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

Financial Advisor Egan stated that the Debt Service Coverage for the period of October, 2016 through September, 2017 is 1.41 and meets the required Debt Service Coverage followed by discussion of increasing the Debt Service Coverage as additional debt is acquired, the State Revolving Fund application, and Palmdale Recycled Water Authority projects.

5.2) Other.

Chair Henriquez inquired about the CalPERS account for unfunded liability, and after a brief discussion, it was recommended that this issue be included on the next agenda for discussion.

General Manager LaMoreaux then stated that the wind turbine has been repaired and is operational, which will help reduce electricity costs for the water treatment plant.

There were no other information items.

6) Board Members' Requests for Future Agenda Items.

Chair Henriquez requested an item be included on the next agenda for "Discussion of contribution to CalPERS account for unfunded liability."

General Manager LaMoreaux recommended an item be included on the next agenda for "Consideration and possible action on approval of the Investment Policy."

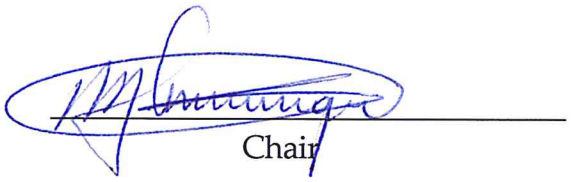
Committee Member Alvarado requested an item be included on the next agenda for "Update on the previous report of all unexpected expenditures through 2017."

There were no further requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held December 11, 2017 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:15 p.m.



Chair