MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JANUARY 22, 2018:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, January 22, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:35 p.m.

1) **Roll Call.**

Attendance:
Finance Committee:
Marco Henriquez, Chair
Robert Alvarado, Committee Member

Others Present:
Dennis LaMoreaux, General Manager
Mike Williams, Finance Manager
Judy Shay, Public Affairs Director
Dennis Hoffmeyer, Accounting Supervisor
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
1 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 December 11, 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 December 11, 2017, as written.

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

Financial Advisor Egan reviewed the investment funds report as of November, 2017, including assessments received, maturing CDs, capital improvement fees, interest, and remaining 2013A Water Revenue Bond funds and then provided an overview of the cash flow statement, including assessments, RDA pass-through funds, and the projected 2017 year-end balance.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for November, 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 November, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 91.63% followed by discussion of several departmental budgets.

Chair Henriquez thanked staff for their good work on financial reports.

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, and available funding sources.

He then stated that this is the final report on Water Revenue Bond Series 2013A funds and payments to date.

5) Information Items.

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

Finance Manager Williams stated that the Debt Service Coverage for the period of December, 2016 through November, 2017 is 1.39 and meets the required Debt Service

Coverage followed by discussion of potential bond refinances, new bond issues, and the District's credit rating.

5.2) Other.

Financial Advisor Egan provided an overview of the upcoming audit with The Pun Group, and after a brief discussion of The Pun Group staff and of the audit, staff was directed to review the current auditing contract and contact other agencies for auditing proposals.

Finance Manager Williams then reviewed the status of the District's State Revolving Fund Loan application and staff's upcoming meeting with the state to discuss their financial analysis for the application and then stated that he will be attending the P3 Summit Conference to learn more about alternative financing options.

Chair Henriquez inquired about painting the exterior of the District's office building after which General Manager LaMoreaux stated that Facilities Manager Moore can provide an update on this matter at the next meeting.

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 "Update on the status of painting the exterior of the District's office building.

There were no further requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held February 26, 2018 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:30 p.m.

Chair