PALMDALE WATER DISTRICT
2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

Since 1918

Board of Directors
ROBERT E. ALVARADO
Division 1
JOE ESTES
Division 2
MARCO HENRIQUEZ
Division 3
KATHY MAC LAREN
Division 4
VINCENT DINO
Division 5
ALESHIRE & WYNDER LLP
Attorneys

March 9, 2017

Agenda for a Meeting
of the Finance Committee of the Palmdale Water District
Committee Members: Marco Henriquez-Chair, Robert Alvarado
to be held at the District's office at 2029 East Avenue Q, Palmdale

Thursday, March 16, 2017

4:30 p.m.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: **The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

1) Roll call.
2) Adoption of agenda.
3) Public comments for non-agenda items.
4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

4.1) Consideration and possible action on approval of minutes of meeting held January 10, 2017.

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

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

4.4) Discussion and overview of committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson)

4.5) Consideration and possible action on amending the approved November 7, 2016 Finance Committee meeting minutes. (Chair Henriquez)

4.6) Consideration and possible action on the meeting room for Finance Committee meetings. (Committee Member Alvarado)

5) Information items.

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

5.2) Status of refunding 2012 Installment Purchase Agreement and a portion of the 2013A Water Revenue Bonds. (Finance Manager Williams)

5.3) Status on financing grade control structure at Littlerock Dam for the Littlerock Dam Sediment Removal Project. (Committee Member Alvarado/Assistant General Manager Knudson)

5.4) Other.

6) Board members' requests for future agenda items.

7) Adjournment.

Dennis D. LaMoreaux

_____

DENNIS D. LaMOREAUX,
General Manager

DDL/dd

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	March 8, 2017	**March 16, 2017**
TO:	FINANCE COMMITEE	**Committee Meeting**
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	***AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF JANUARY, 2017.***	

Attached is the Investment Funds Report and current cash balance as of January 31, 2017. The reports will be reviewed in detail at the Finance Committee meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
January 31, 2017

						January 2017	December 2016
CASH							
1-00-0103-100	Citizens - Checking					464,926.37	432,357.82
1-00-0103-200	Citizens - Refund					-	-
1-00-0103-300	Citizens - Merchant					122,383.34	10,752.68
					Bank Total	**587,309.71**	**443,110.50**
1-00-0110-000	PETTY CASH					300.00	300.00
1-00-0115-000	CASH ON HAND					5,400.00	5,400.00
					TOTAL CASH	**593,009.71**	**448,810.50**
INVESTMENTS							
1-00-0135-000	**Local Agency Investment Fund**				**Acct. Total**	**11,844.48**	**11,824.34**
1-00-0120-000	**UBS Money Market Account General (SS 11469)**						
	UBS RMA Government Portfolio					3,396,410.23	3,224,654.11
	UBS Bank USA Dep acct					250,000.00	250,000.00
	Accrued interest					9,252.97	8,102.05
						3,655,663.20	**3,482,756.16**
	US Government Securities						
	CUSIP #	**Issuer**	**Maturity Date**	**Rate**	**PAR**	**Market Value**	**Market Value**
	912828SJ0	US Treasury Note	02/28/2017	0.870	1,000,000	1,000,320.00	1,000,670.00
					1,000,000	**1,000,320.00**	**1,000,670.00**
	Certificates of Deposit						
		Issuer	**Maturity Date**	**Rate**	**Face Value**		
	1	Compass Bank	02/07/2017	0.950	240,000	240,016.80	240,096.00
	2	GE Cap Retail Bank	04/27/2017	1.840	200,000	200,418.00	200,550.00
	3	Discover Bank	05/02/2017	1.730	240,000	240,588.00	240,772.80
	4	Merrick Bank	06/12/2017	1.000	100,000	100,145.00	100,154.00
	5	Level One Bank	06/19/2017	0.650	101,000	101,115.14	101,112.11
	6	GE Cap Retail Bank	06/22/2017	1.780	200,000	200,880.00	201,004.00
	7	Capitol One Bank	08/14/2017	1.200	240,000	240,624.00	240,549.60
	8	Triumph Bank	09/26/2017	0.800	200,000	200,418.00	200,294.00
	9	MB Finl Bank	10/26/2017	0.850	200,000	200,050.00	199,866.00
	10	Bank United Miami	11/21/2017	1.200	240,000	240,650.40	240,501.60
	11	Goldman Sachs Bank NY	01/29/2018	1.350	240,000	240,792.00	240,748.80
					2,201,000	**2,205,697.34**	**2,205,648.91**
					Acct. Total	**6,861,680.54**	**6,689,075.07**
1-00-1110-000	**UBS Money Market Account Capital (SS 11475)**						
	UBS Bank USA Dep acct					238,368.29	234,329.20
	UBS RMA Government Portfolio					-	-
					Acct. Total	**238,368.29**	**234,329.20**
1-00-0125-000	**UBS Access Account General (SS 11432)**						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					9,144.85	8,876.85
	Accrued interest					28,162.82	21,361.68
						287,307.67	**280,238.53**
	US Government Securities						
	CUSIP #	**Issuer**	**Maturity Date**	**Rate**	**PAR**	**Market Value**	**Market Value**
	912828XF2	US Treasury Note	06/15/2018	1.125	1,000,000	1,001,600.00	1,000,980.00
	912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,545,645.00	1,547,115.00
	912828P53	US Treasury Note	02/15/2019	0.750	1,000,000	990,230.00	990,040.00
					3,500,000	**3,537,475.00**	**3,538,135.00**
	Certificates of Deposit						
		Issuer	**Maturity Date**	**Rate**	**Face Value**		
		BMW Bank	11/15/2018	1.960	240,000	243,004.80	243,012.00
		American Express	04/29/2019	1.440	240,000	241,480.80	241,396.80
		Synchrony Bank	04/14/2020	1.850	240,000	243,055.20	242,740.80
		JP Morgan Chase Bank	11/18/2020	1.600	240,000	235,660.80	235,380.00
		Bank of Baroda NY	11/23/2020	1.600	77,000	75,647.88	75,560.10
		Comenity Cap Bank	01/19/2021	1.900	163,000	166,266.52	166,240.44
					1,200,000	**1,205,116.00**	**1,204,330.14**
					Acct. Total	**5,029,898.67**	**5,022,703.67**
					Total Managed Accounts	**12,141,791.98**	**11,957,932.28**
1-00-1121-000	**UBS Rate Stabilization Fund (SS 24016) - *District Restricted***						
	UBS Bank USA Dep acct					570.33	282.69
	UBS RMA Government Portfolio					-	-
	Accrued interest					504.98	180.16
						1,075.31	**462.85**
	Certificates of Deposit						
		Issuer	**Maturity Date**	**Rate**	**Face Value**		
		Webbank UT US	12/19/2018	1.400	240,000	240,357.60	240,247.20
		Ally Bank UT US	12/24/2018	1.500	240,000	240,784.80	240,691.20
					480,000	**481,142.40**	**480,938.40**
					Acct. Total	**482,217.71**	**481,401.25**
					GRAND TOTAL CASH AND INVESTMENTS	**13,217,019.40**	**12,888,144.03**
					Increase (Decrease) in Funds	**328,875.37**	
1-00-1130-000	**2013A Bonds - Project Funds (BNY Mellon)**						
	Construction Funds					**381,575.92**	**403,919.85**

PALMDALE WATER DISTRICT

2017 Cash Flow Report (Based on Nov. 22, 2016 Approved Budget)

3/8/2017

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Budget 2018 Carryover Information
Budgeted Water Sales	1,607,158	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,800,000	
Actual/Projected Water Sales	**1,631,760**	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,824,602	
Total Cash Beginning Balance (BUDGET)	**12,888,144**	**12,591,298**	**12,125,487**	**9,811,099**	**10,852,433**	**11,101,609**	**10,602,468**	**10,269,501**	**10,564,441**	**8,273,846**	**8,294,757**	**8,535,850**		
Total Cash Beginning Balance	**12,883,393**	**13,217,019**	**12,693,489**	**10,316,601**	**11,357,936**	**11,607,111**	**11,045,471**	**10,712,504**	**11,007,444**	**8,654,349**	**8,675,259**	**8,916,352**		
Budgeted Water Receipts	1,607,158	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,800,000	
Water Receipts	**2,124,125**	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,316,967	
DWR Refund (Operational Related)													-	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	2,124,125	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,316,967	
Total Operating Expenses excl GAC (BUDGET)	(1,433,015)	(1,410,412)	(1,843,115)	(1,795,526)	(1,815,868)	(1,666,439)	(2,049,698)	(1,869,774)	(2,078,927)	(1,678,858)	(1,660,776)	(1,794,941)	(21,097,350)	
GAC (BUDGET)	-	(121,780)	-	(220,000)	-	-	(65,000)	-	(190,000)	-	-	(190,000)	(786,780)	
Operating Expenses excl GAC (ACTUAL)	**(1,522,144)**	(1,410,412)	(1,843,115)	(1,795,526)	(1,815,868)	(1,666,439)	(2,049,698)	(1,869,774)	(2,078,927)	(1,678,858)	(1,660,776)	(1,794,941)	(21,186,479)	
GAC	**(169,477)**	(121,780)	-	(220,000)	-	-	(65,000)	-	(190,000)	-	-	(190,000)	(956,257)	
Prepaid Insurance (paid)/refunded	-	(66,500)	-	-	-	-	-	(35,000)	(200,000)	-	-	-	(301,500)	
Total Operating Expense (ACTUAL)	(1,691,621)	(1,598,692)	(1,843,115)	(2,015,526)	(1,815,868)	(1,666,439)	(2,114,698)	(1,904,774)	(2,468,927)	(1,678,858)	(1,660,776)	(1,984,941)	(22,444,236)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	671,050	260,305	14,650	2,077,790	758,290	11,325	77,225	130,500	-	-	132,500	2,518,797	6,652,432	
Actual/Projected Assessments, net	**669,618**	**373,532**	14,650	2,077,790	758,290	11,325	77,225	130,500	-	-	132,500	2,518,797	6,764,227	
RDA Pass-through (Successor Agency)						225,000.00						200,000.00	425,000	
Interest	**11,110**	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	66,110	
Market Adjustment	**28**												28	
Grant Re-imbursement							178,000						178,000	
Capital Improvement Fees	**4,035**	**187,947**										62,500	254,482	
DWR Refund (Capital Related)			50,000			50,000			50,000			50,000	200,000	
Other	**4,446**												4,446	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	**689,237**	**566,480**	**69,650**	**2,082,790**	**763,290**	**291,325**	**260,225**	**135,500**	**55,000**	**5,000**	**137,500**	**2,836,297**	**7,892,293**	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(438,494)	(414,207)	(316,000)	(546,000)	(280,041)	(165,000)	(45,000)	(20,000)	(45,000)	(328,000)	(20,000)	-	(2,617,742)	
Actual/Projected Capital Expenditures	**(79,601)**	(773,100)	(316,000)	(246,000)	(280,041)	(165,000)	(45,000)	(20,000)	(45,000)	(28,000)	(20,000)	-	(2,017,742)	
WRB Capital Expenditures	-	-	-	(300,000)	-	-	-	-	-	(300,000)	-	-	(600,000)	
Uncommitted Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	
SWP Capitalized	**(681,198)**	(157,881)	(181,818)	(157,881)	(157,881)	(157,881)	(681,194)	(157,881)	(188,154)	(157,881)	(157,880)	(157,879)	(2,995,409)	
Butte County Water Transfer						(752,299)						(752,299)	(1,504,599)	
Bond Payments - Interest			(1,060,942)						(1,052,364)				(2,113,307)	
Principal			(553,437)						(1,057,016)				(1,610,453)	
Capital leases - Go West (2012 Lease)	**(17,296)**	(17,296)	(17,296)										(51,888)	
Capital leases - Holman Capital (2017 Lease)							(89,477)						(89,477)	
Capital leases - Enterprise FM Trust (Vehicles)	**(2,392)**	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(2,660)	(31,656)	
Capital leases - Wells Fargo (Printers)	**(7,628)**	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(48,274)	
Total Non-Operating Expenses (ACTUAL)	**(788,115)**	**(954,633)**	**(2,135,849)**	**(710,237)**	**(444,278)**	**(1,081,536)**	**(822,026)**	**(184,237)**	**(2,348,890)**	**(492,237)**	**(184,236)**	**(916,534)**	**(11,062,805)**	
Total Cash Ending Balance (BUDGET)	**12,591,298**	**12,125,487**	**9,811,099**	**10,852,433**	**11,101,609**	**10,602,468**	**10,269,501**	**10,564,441**	**8,273,846**	**8,294,757**	**8,535,850**	**10,205,110**		
Total Cash Ending Balance (ACTUAL)	**13,217,019**	**12,693,489**	**10,316,601**	**11,357,936**	**11,607,111**	**11,045,471**	**10,712,504**	**11,007,444**	**8,654,349**	**8,675,259**	**8,916,352**	**10,585,612**		
												Budget	**10,205,110**	
												Difference	**380,502**	

Indicates actual expenditures/revenues:

Indicates anticipated expenditures/revenues:

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: March 8, 2017 **March 16, 2017**

TO: FINANCE COMMITTEE **Finance Committee Meeting**

FROM: Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 4.3 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JANUARY, 2017.***

A report on this item will either be hand-delivered prior to the Finance Committee meeting or presented at the meeting.

AGENDA ITEM NO. 4.4

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE:	March 9, 2017	**March 16, 2017**
TO:	BOARD OF DIRECTORS	**Committee Meeting**
FROM:	Mr. Matt Knudson, Assistant General Manager	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM 4.4 – DISCUSSION AND OVERVIEW OF COMMITTED CONTRACTS ISSUED AND WATER REVENUE BOND PROJECTS***	

A report on this item will either be hand-delivered prior to the Finance Committee meeting or presented at the meeting.

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, NOVEMBER 7, 2016:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, November 7, 2016, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:20 p.m.

1) Roll Call.

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Marco Henriquez, Chair	Matt Knudson, Assistant General Manager
Robert Alvarado, Committee Member	Kathy Mac Laren, PWD Director
	Mike Williams, Finance Manager
	Mike McNutt, Public Affairs & Sustainability Dir.
	Bob Egan, Financial Advisor
	Dennis Hoffmeyer, Accounting Supervisor
	Dawn Deans, Executive Assistant
	1 member 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.

Chair Henriquez welcomed Director Mac Laren to the meeting.

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 6, 2016.

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 6, 2016, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of September, 2016. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of September, 2016, including the decrease of funds due to the bond principal and interest payments and then provided an overview of the cash flow statement, DWR refunds, Butte County payments, and anticipated assessments and year-end cash followed by discussion of CD maturity dates.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for September, 2016. (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, 2016 and stated that most departments are operating at or below the targeted expenditure percentage of 75% followed by discussion of the Director's budget.

4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson provided an update on the Water Revenue Bond Series 2013A Bond funds and reviewed payments to date and projected complete payout.

4.5) Discussion and Review of Draft 2017 Budget. (Finance Manager Williams)

Finance Manager Williams provided an overview of the draft 2017 budget including the five-year cash flow, the projected year-end cash balance for 2017, zero investments in infrastructure, and increased costs due to organization chart changes and operating expenses followed by discussion of the unpredictability of receiving capital improvement fees, organizational structure changes, and necessity line items versus requested line items.

Financial Advisor Egan then reviewed revenue comparisons and stated that the District's ratepayers paid less for water currently than in 2013; that the draft 2017 budget needs to be reviewed to reduce expenses; and that there is a large backlog of infrastructure projects, which will not be addressed in the budget as presented.

The cumulative effect of a continued drop in revenue and a continued drop in the reserve balance resulting from approving rate increases below the recommended 5.5% approved in the Water Rate Plan were then discussed, and the need for a steady stream of revenue was emphasized.

After a further discussion of needed revisions to the draft 2017 budget, it was determined that a special Finance Committee meeting will be held November 15, 2016 at 4:00 p.m. to further review the draft 2017 budget.

4.6) Consideration and Possible Action on Resolution No. 16-17 Being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reduced Water Rate Adjustment of 4.25% for Each Calendar Year 2017, 2018, and 2019, Amending Appendix C to the Rules and Regulations of the Palmdale Water District, and Establishing Prudent Parameters to Consider Further Water Rate Adjustment Reductions. (Assistant General Manager Knudson/Finance Manager Williams)

Assistant General Manager Knudson reviewed the revisions to Resolution No. 16-17 and stated that the Resolution addresses the Board's concerns raised at the recent Financial Workshop, is well thought out, and justifies the need for the water rate adjustment after which Financial Advisor Egan stated that Rosamond Community Services District just approved a $7 per month water rate increase, which is more than staff is proposing for three years, meeting the reserve goal is extremely difficult, and staff's intent is to be sensitive to the customers while meeting operating expenses and planning for future projects.

After a further review of Resolution No. 16-17, revenue projections, and covering increasing fixed costs, 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 recommend approval of Resolution No. 16-17 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reduced Water Rate Adjustment of 4.25% for Each Calendar Year 2017, 2018, and 2019, Amending Appendix C to the Rules and Regulations of the Palmdale Water District, and Establishing Prudent

Parameters to Consider Further Water Rate Adjustment Reductions to the full Board at the November 9, 2016 Regular Board meeting.

4.7) Consideration and Possible Action on Request for Proposals for Hiring an Outside Consultant to Determine Additional Cost Reductions for the District. (Chair Henriquez)

Chair Henriquez requested this item be held over to the next Finance Committee meeting.

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, 2015 through September, 2016 is 1.38, which meets the Debt Service Coverage.

5.2) Status on Refunding 2012 Installment Purchase Agreement and a Portion of the 2013A Water Revenue Bonds. (Finance Manager Williams)

Finance Manager Williams stated that savings as of today are only slightly above 4% and that bonds will not sell unless the target savings of 5% is met after which Financial Advisor Egan stated that the bond financing group may lower their fees to meet the 5% savings if the savings continue to rise above 4%.

5.3) Status of Staff's Efforts to Ensure District Efficiencies and Cost Savings. (Committee Member Alvarado/General Manager LaMoreaux)

General Manager LaMoreaux stated that this information will be developed and presented as part of Agenda Item No. 4.7 and will also be included as part of the discussions at the budget workshop.

5.4) Other.

Finance Manager Williams stated that representatives from TruePoint, the District's new billing software provider, were on site last week to review the District's business practices and data conversion.

Committee Member Alvarado inquired if a soda vending machine will be purchased to reduce the cost of sodas for District employees followed by discussion of the District's two soda vending machines and the cost of the drinks.

There were no other information items.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was determined that the next Finance Committee meeting will be held December 13, 2016 at 4:00 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:56 p.m.

Chair

PALMDALE WATER DISTRICT

Debt Service Coverage ($000s)

Fiscal Year Ending September 30	Audited 2012	Audited 2013	Audited 2014	Audited 2015	Dec 2015 - Nov 2016	Jan 2016 - Dec 2016	Feb 2016 - Jan 2017
OPERATING REVENUES	22,597	24,125	23,342	21,248	22,532	22,593	22,632
Rate Stabilization Fund		(480)					
	22,597	23,645	23,342	21,248	22,532	22,593	22,632
OPERATING EXPENSES							
Gross operating expenses	22,216	20,665	22,405	20,974	20,624	20,489	19,730
Overhead adjustment	(43)	(217)	(509)	(26)			
SWP Fixed operations and maint	(915)	(720)	(363)	(126)	(139)	(141)	(132)
Non-Cash Related OPEB Expense	(1,565)	(1,455)	(1,786)	(1,828)			
Capital portion included above							
TOTAL EXPENSES	19,693	18,273	19,748	18,994	20,485	20,347	19,598
NET OPERATING REVENUES	2,904	5,372	3,594	2,254	2,047	2,245	3,034
NON-OPERATING REVENUE							
Ad valorem property taxes	1,704	2,573	2,132	2,146	2,227	2,252	2,250
Interest income	25	44	45	43	99	105	113
Capital improvement fees	1,258	245	14	367	238	235	239
Other income	843	421	306	768	436	432	344
TOTAL NON-OPERATING INCOME	3,830	3,284	2,497	3,324	2,999	3,025	2,946
NET REV AVAILABLE FOR DEBT SERVICE	6,734	8,655	6,091	5,578	5,046	5,270	5,980
NET DEBT SERVICE							
1998 Certificates of Participation	1,507						
2004A Certificates of Participation	2,127	1,373	1,373				
2012 Issue - Bank of Nevada				1,372	1,373	1,373	1,373
2013A Water Revenue Bond		2,247	2,344	2,350	2,339	2,339	2,339
2012 Capital Lease		190	190	190	218	218	218
TOTAL DEBT SERVICE	3,634	3,810	3,908	3,912	3,930	3,930	3,930
DEBT SERVICE COVERAGE	**1.85**	**2.27**	**1.56**	**1.43**	**1.28**	**1.34**	**1.52**
NET REV AVAILABLE AFTER D/S	3,100	4,846	2,183	1,665	1,117	1,341	2,051

AGENDA ITEM NO. 5.1