MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, FEBRUARY 3, 2014:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, February 3, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) Roll Call.

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Robert Alvarado, PWD Director
Vincent Dino, Committee Member	Matt Knudson, Assistant General Manager
	Mike Williams, Finance Manager
	Dennis Hoffmeyer, Senior Accountant
	Bob Egan, Financial Advisor
	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 November 13, 2013.

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Finance Committee meeting held November 13, 2013, as written.

4.2) Discussion and Possible Action On:

a) Committee Goals

b) Committee Actions in Support of the Strategic Plan.

General Manager LaMoreaux stated that this item has been placed on each Committee agenda for the Committees to begin reviewing and developing goals for discussion at the upcoming Strategic Plan workshops to ensure the Committee's goals coincide with the Strategic Plan followed by discussion of several other Strategic Plans.

4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of December 31, 2013. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of December 31, 2013, including the increase in year-end cash due to assessments received, capital improvement fees, redevelopment funds, and items scheduled for payment in December postponed to January and then informed the Committee that a Rate Stabilization Fund has been established and provided a review of market values on the District's investments.

4.4) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for December 31, 2013. (Finance Manager Williams)

Finance Manager Williams stated that he has been on vacation, and his reports will be presented at the Board meeting.

4.5) Discussion and Overview of Committed Contracts Issued. (Engineering Manager Knudson)

Assistant General Manager Knudson reviewed payments for projects funded from the Water Revenue Series 2013A Bonds, provided a project update on several of these projects, and then stated that the Committed Contracts and Payout Schedules for capital projects and projects funded by the Water Quality Fee will be provided at the next Committee meeting.

4.6) Consideration and Possible Action on Request for Proposals for Preparing a Rate Study. (General Manager LaMoreaux)

General Manager LaMoreaux stated that a working draft of the Request for Proposals for preparing a rate study has been developed and is on hold until a new legal services contract is finalized followed by discussion of the distribution list for the Request for Proposals.

4.7) Discussion and Possible Action on Budget Development and Approval Process. (General Manager LaMoreaux)

General Manager LaMoreaux reviewed the current budget process and staff's recommendation to revise this process with a goal of adopting a final budget for the next year by Thanksgiving, and after a brief discussion, the Committee concurred with staff's recommendation.

5) Information Items.

General Manager LaMoreaux stated that the Executive Summary will be prepared for the 2014 Budget and the 2014 Budget published followed by a brief discussion of the content of the Executive Summary.

Finance Manager Williams stated that the audit is under way, and the state auditors will be at the District today to verify additional information.

Financial Advisor Egan then reviewed the basis for the District's debt service ratio.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

It was discussed that a financial planning calendar, including the Proposition 218 process, will be prepared for review by the Board.

There were no requests for future agenda items.

It was then stated that the next Finance Committee meeting will be held March 3, 2014 at 9:30 a.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned.

Chair