

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 23, 2019:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, April 23, 2019, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Alvarado called the meeting to order at 3:00 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Robert Alvarado, Chair
Don Wilson, Committee Member

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
Mike Williams, Finance Manager
Judy Shay, Public Affairs Director
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Wilson, seconded by Chair Alvarado, 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 February 7, 2019.

It was moved by Committee Member Wilson, seconded by Chair Alvarado, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held February 7, 2019.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of March 2019. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the quarterly Investment Funds Report through March 2019, including the decrease in cash due to bond payments, expenditures, assessments, and RDA pass-through amounts received, and then reviewed the cash flow statement, including water receipts and future RDA pass-through amounts.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2019. (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 March 2019 and stated that most departments are operating at or below the targeted expenditure percentage of 25%, with the exception of Human Resources due to training, reimbursements, and temporary labor costs.

4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams provided an overview of the revised Contractual Commitments and Needs Report for new and replacement 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 through March 2019 and the summary of Water Revenue Bond Series 2018A payouts to date.

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 April 2018 through March 2019 is 1.05 and that this will change as 2019 progresses.

5.2) Other.

Finance Manager Williams provided an overview of payment types through December 2018, which indicate a steady increase in electronic payments, and then

reviewed collection and billing statistics after which the Committee recommended the public be informed of electronic payment delays.

He then stated that the audit has been completed and may be presented at the next Finance Committee meeting and that the kick-off meeting for the Water Rate Study was held last week.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

Chair Alvarado requested "Update on informing customers about electronic payment delays" and "Setting date for next Committee meeting" and "Update on budgeted maintenance items" be added to the next Committee meeting agenda.

General Manager LaMoreaux recommended an item be placed on the next agenda for "Review of 2019 Budget to determine the addition of step and merit changes for District staff."

It was then determined that the next Finance Committee meeting will be held May 21, 2019 at 3:00 p.m. and that March 2019 financial reports will be presented to the full Board at the May 13, 2019 Regular Board Meeting.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 4:02 p.m.


Chair