MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 23, 2018:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, August 23, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:30 p.m.

1) **Roll Call.**

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Marco Henriquez, Chair	Adam Ly, Assistant General Manager
Robert Alvarado, Committee Member	Mike Williams, Finance Manager
	Bob Egan, Financial Advisor via Skype
	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 amended, to consider Agenda Item No. 4.5 after Agenda Item No. 4.1.

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 July 19, 2018.

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 July 19, 2018, as written.

Chair Henriquez then stated that Agenda Item No. 4.5 will now be considered.

4.5) Presentation, Consideration, and Possible Action on Receiving and Filing of 2017 Audit. (Nigro & Nigro/Finance Manager Williams)

Mr. Peter Glenn, of Nigro & Nigro, distributed the District's final audit for the years ended December 31, 2017 and 2016 and then provided a detailed overview of the audit, their opinion letter, and their process for developing the opinion letter, which indicates there are no material differences between their physical audit versus the financial statements provided.

After a further review of the audit and of discussions regarding state revolving fund loans, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation to receive and file the 2017 Audit and that this item be presented to the full Board for consideration at the August 27, 2018 Regular Board meeting.

Chair Henriquez then stated that Agenda Item No. 4.2 will now be considered.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of June 2018. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of June 30, 2018, including the balance decrease due to interest and taxes received and transfers to the checking account, the cash flow statement, including water sales, and the projected year-end balance and then provided a comparison of these reports between the first and second quarters.

Chair Henriquez then stated that Agenda Item No. 5.1 will now be considered.

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 July 2017 through June 2018 is 1.45 and meets the required Debt Service Coverage and that various rating agencies are impressed with the District's debt coverage ratios.

Chair Henriquez then stated that Agenda Item No. 4.3 will now be considered.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held tentatively on September 20, 2018 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:45 p.m.

Chair