MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 20, 2018:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, September 20, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:33 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	Judy Shay, Public Affairs Director
	Dennis Hoffmeyer, Accounting Supervisor
	Bob Egan, Financial Advisor via Skype
	Dawn Deans, Executive Assistant
	0 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 August 23, 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 August 23, 2018, as written.

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

Financial Advisor Egan reviewed the investment funds report as of July 31, 2018, including the balance decrease due to a transfer to the checking account and bond payments, and the cash flow statement, including water sales, low cash months, assessments, and the projected year-end balance.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for July 2018. (Finance Manager Williams)

Accounting Supervisor Hoffmeyer 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 July 2018 and stated that most departments are operating at or below the targeted expenditure percentage of 58%.

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

Accounting Supervisor Hoffmeyer provided an overview of the updated Contractual Commitments and Needs for 2018 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.

4.5) Consideration and Possible Action on Resolution No. 18-10 Being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reserve Policy. (Finance Manager Williams)

General Manager LaMoreaux reviewed the update to the District's Reserve Policy, and after a brief discussion of the Policy and of the need to maintain cash and reserves, 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 approve Resolution No. 18-10 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reserve Policy and that this item be presented to the full Board for consideration at the September 25, 2018 Regular Board meeting.

4.6) Discussion and Overview of Key Points of 2019 Budget. (Finance Manager Williams)

Accounting Supervisor Hoffmeyer provided a detailed overview of the preliminary 2019 Budget, including projected water sales, department budgets, and projected expenses, followed by discussion of minimizing unexpected large expenditures and the timeline to adopt the final budget at the first Regular Board Meeting in November.

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 August 2017 through July 2018 is 1.39 and meets the required Debt Service Coverage.

5.2) Other.

There were no further information items.

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 October 17, 2018 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:33 p.m.

Chair