

# **MINUTES OF SPECIAL MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 3, 2020:**

*A special meeting of the Finance Committee of the Palmdale Water District was held Thursday, September 3, 2020, via teleconference. Chair Dizmang called the meeting to order at 1:01 p.m.*

## **1) Roll Call.**

### **Attendance:**

Committee:

Gloria Dizmang, Chair (via teleconf.)

Don Wilson, Committee

Member (via teleconf.)

### **Others Present:**

Dennis LaMoreaux, General Manager (via teleconf.)

Adam Ly, Assistant General Manager (via teleconf.)

Mike Williams, Finance Manager (via teleconf.)

Judy Shay, Public Affairs Director (via teleconf.)

Dennis Hoffmeyer, Accounting Spvsr. (via teleconf.)

Tara Rosati, Customer Care Spvsr. (via teleconf.)

Bob Egan, Financial Advisor (via teleconf.)

Dawn Deans, Executive Assistant (via teleconf.)

3 members of the public (via teleconf.)

## **2) Adoption of Agenda.**

After a brief discussion of the agenda packet, it was moved by Committee Member Wilson, seconded by Chair Dizmang, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

## **3) Public Comments for Non-Agenda Items.**

There were no 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 Refunding Outstanding 2013A Water Revenue Term Bonds Maturing 2032 and 2034. (\$12.4 Million - Non-Budgeted – Finance Manager Williams/Mark Northcross of NHA Advisors – Board Approval)**

Finance Manager Williams and Mr. Mark Northcross, of NHA Advisors, provided an overview of potential interest savings for refunding a portion of outstanding 2013A Water Revenue Term Bonds, and after a brief discussion of record-low interest rates, 2013A bonds eligible for refinancing, present value savings, the Debt Service Coverage, and annual cash savings, it was moved by Committee Member

Wilson, seconded by Chair Dizmang, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation that the District's outstanding 2013A Water Revenue Term Bonds having a potential present value savings of five percent or greater be refinanced and that this item be presented to the full Board for consideration at the September 14, 2020 Regular Board Meeting.

**4.2) Consideration and Possible Action on Issuing Pension Obligation Bonds for CalPERS Unfunded Liability. (\$ to be Determined – Non-Budgeted – Finance Manager Williams/Mark Northcross of NHA Advisors – Board Approval)**

Mr. Mike Myers and Mr. Mark Northcross, of NHA Advisors, provided an overview of the advantages and disadvantages of issuing pension obligation bonds for the District's CalPERS unfunded liability, and after a brief discussion of the difference between municipal bonds and pension obligation bonds, potential savings, the uncertain effects of COVID-19, CalPERS projected earnings and additional potential unfunded liability, and combining pension obligation bonds with 2021 bonds for capital projects, it was moved by Committee Member Wilson, seconded by Chair Dizmang, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation to delay issuing pension obligation bonds for CalPERS unfunded liability and that this item be presented to the full Board for information at the September 14, 2020 Regular Board Meeting.

**4.3) Discussion of Current Interest Rates and Additional Opportunities to Reduce Costs. (Finance Manager Williams/Financial Advisor Egan)**

Finance Manager Williams stated that there are no advantages to issuing the planned 2021 bonds at this time due to COVID-19 issues and time limits to use bond proceeds.

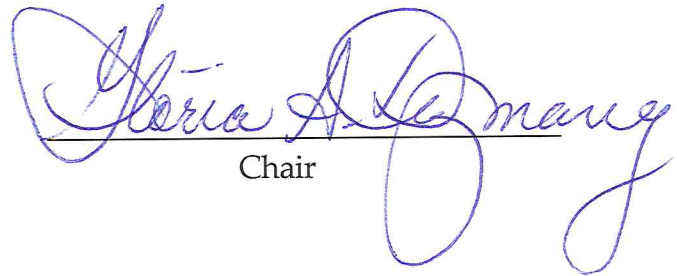
**5) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was stated that the next Finance Committee meeting is scheduled for September 24, 2020 at 1:00 p.m.

6) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:39 p.m.

  
Chair