

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, MAY 31, 2022:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, May 31, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 3:00 p.m.

1) Roll Call.

Attendance:

Committee:

Don Wilson, Chair

Gloria Dizmang, Committee Member

Others Present:

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Dennis Hoffmeyer, Finance Manager

Judy Shay, Public Affairs Director

Bob Egan, Financial Advisor

Scott Kellerman, PWD Director

Kathy Mac Laren-Gomez, PWD Director

Dawn Deans, Executive Assistant

0 members of the public

2) Adoption of Agenda.

After a brief discussion, it was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as amended, removing Agenda Item No. 4.2.

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 Approval of Minutes of Meeting Held April 26, 2022.

It was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held April 26, 2022, as written.

4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of April 2022. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, Investment Funds Report, and Cash Flow Statement through April 2022, including transfers, assessments and capital improvement funds received, and the projected year-end balance.

Finance Manager Hoffmeyer then provided a detailed overview of market adjustments on investment accounts.

4.4) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for April 2022. (Finance Manager Hoffmeyer)

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement, departmental budgets versus actual, and individual departmental budgets for the period ending April 2022 and stated that most departments are operating at or near the historical trend average of 28.0% for revenues, the historical trend average of 30.3% for expenses, and the traditional budgetary percentage of 33.3%. He then reviewed department expenditures over these percentages.

4.5) Discussion and Overview of Committed Contracts Issued. (Finance Manager Hoffmeyer)

Finance Manager Hoffmeyer provided an overview of the 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 projects paid out through the 2018A Series and 2021A Series Water Revenue Bonds through April 2022.

5) Reports.

5.1) Finance Manager Hoffmeyer:

a) The Effect of COVID-19 Event.

Finance Manager Hoffmeyer stated that due to COVID-19 events, as of April 2022, there were 1,186 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$494,876, which is a reduction of 35.6% from March 2022, and 1,546 accounts at April 2021 with an outstanding balance of \$852,625.

He then stated that staff continues to make payment arrangements with customers and that the District's billing software company has developed a process to help prevent broken payment arrangements.

b) Revenue Projections.

He then stated that based on selling 17,000 AF of water, 2022 revenue is ahead of projections by approximately \$42,000 as of April 2022.

c) Audit Status.

He then stated that work continues on the audit report for 2021 and that staff anticipates a preliminary audit report by the time of the next Committee meeting.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for May 2021 to April 2022 is 2.41 and remains strong.

5.3) Other.

Finance Manager Hoffmeyer reviewed historical operational costs for mainline leaks including asphalt costs and the removal and disposal of asbestos concrete pipe.

There were no other items to report.

6) Board Members' Requests for Future Agenda Items.

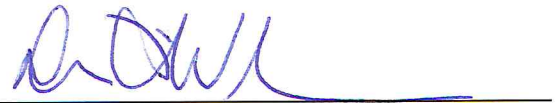
There were no requests for future agenda items.

7) **Date of Next Committee Meeting.**

It was determined that the next Finance Committee meeting will be held June 21, 2022 at 1:00 p.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 4:06 p.m.



Chair