

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, DECEMBER 20, 2022:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, December 20, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 1:30 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

Dawn Deans, Executive Assistant

0 members of the public

**2) Adoption of Agenda.**

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 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 Approval of Minutes of Meeting Held November 15, 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 November 15, 2022, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of November 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 November 2022, including assessments received, interest rates and market values, the Rate Stabilization fund, and the projected year-end balance. He then commended Finance Manager Hoffmeyer for restructuring investment accounts to increase the District's earnings.

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

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement, quarterly comparison report, departmental budgets versus actual, and individual departmental budgets for the period ending November 2022 and stated that most departments are operating at or near the historical trend average of 93.0% for revenues, the historical trend average of 92.7% for expenses, and the traditional budgetary percentage of 91.7% followed by discussion of departments over these averages.

**4.4) 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 2021A Series Water Revenue Bonds through November 2022.

**5) Reports.**

**5.1) Finance Manager Hoffmeyer:**

**a) Accounts Receivable Overview.**

Finance Manager Hoffmeyer stated that as of November 2022, there are six commercial/industrial accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$4,704 and \$202 over ninety days past due; that there are four multi-family residential accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$1,909 and \$12 over ninety days past due; that there are 1,095 residential accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$371,497 and \$41,011 over ninety days past due; and that staff continues to offer payment arrangements encouraging the payment of outstanding balances.

**b) Revenue Projections.**

He then stated that based on selling 17,000 AF of water, 2022 revenue is behind projections by approximately \$837,000 as of November 2022 due to the drought.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for December 2021 to November 2022 is 1.63 and remains strong.

**5.3) Other.**

Finance Manager Hoffmeyer provided an overview of the 2022 Annual Investment Analysis for the Rate Stabilization Fund, projected earnings for 2023, and the restructuring of investment accounts to maximize yield.

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 meetings will be held January 17, 2023 at 1:30 p.m. and February 21, 2023 at 1:30 p.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:12 p.m.



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Chair