

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 18, 2023:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, July 18, 2023, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 1:30 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Don Wilson, Chair

Kathy Mac Laren-Gomez,

Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Dennis Hoffmeyer, Finance Manager

Bob Egan, Financial Advisor

Diana Gunn, Accounting Supervisor

Wendell Wall, Facilities Manager

Danielle Henry, Executive Assistant

0 members of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Mac Laren-Gomez, 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 June 20, 2023.**

It was moved by Committee Member Mac Laren-Gomez, 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 June 20, 2023, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of June 2023. (Financial Advisor Egan)**

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, the Quarterly Major Account Activity Report, the Investment Funds Report, and the Cash Flow Statement through June 2023, including account transfers, assessments received, water purchases, capital improvement fees, increased interest income, face and market values, and the projected year-end balance.

He then commended Finance Manager Hoffmeyer on the management of the District's finances.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for June 2023. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer reviewed in detail the Balance Sheet Report, the Balance Sheet Quarterly Comparison Report, the Profit and Loss Statement, the Profit and Loss Quarterly Comparison, the departmental budgets versus actual, and individual departmental budgets for the period ending June 2023, including audit adjustments related to the addition of GASB 87 for leases and GASB 68 and 75 related to pension and Other Post Employee Benefits (OPEB), and then stated that operating revenues are slightly below the historical trend average at 43.8%; that expenses are slightly below the historical trend average at 44.2%; that most departments are operating at or below the traditional budgetary percentage of 50%; that chemical costs have increased due to additional surface water treatment; and that capital improvement fees received have already exceeded the budgeted amount for the year.

**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 June 2023.

**5) Reports.**

**5.1) Finance Manager Hoffmeyer:**

**a) Accounts Receivable Overview.**

Finance Manager Hoffmeyer provided a detailed overview of outstanding balances for each account type at sixty and ninety days past due and stated that there are eleven payment arrangements as of June 30.

**b) Revenue Projections.**

He then stated that based on selling 14,500 AF of water, revenue is behind projections by approximately \$1,236,986 as of June 2023.

**c) Payment and Transactions by Type.**

He then stated that electronic payments continue to be the leading payment type.

**d) Billing and Collection Statistics.**

He then reviewed the Billing and Collection Statistics through June 30, 2023.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for July 2022 to June 2023 is 1.30 and remains consistent with previous months followed by a brief discussion of the debt service coverage presented in the audit.

**5.3) Other.**

Finance Manager Hoffmeyer stated that staff is working on the new water bond funding project and that information will be provided at the next Committee meeting followed by a brief discussion of interest rates and terms.

There were no other items to report.

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

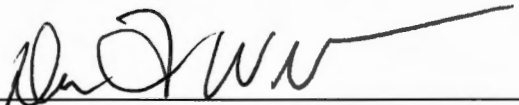
There were no requests for future agenda items.

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

After a brief discussion, it was determined that the next Finance Committee meeting will be held August 23, 2023 at 1:30 p.m.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:20 p.m.



Chair