

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 19, 2023:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, September 19, 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 Hoffmeyer, Finance Manager  
Bob Egan, Financial Advisor  
Judy Shay, Public Affairs Director  
Diana Gunn, Accounting Supervisor  
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 August 23, 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 August 23, 2023, as written.

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

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, the Investment Funds Report, and the Cash Flow Statement through August 2023, including account transfers, assessments received, increased interest and market value received, and the projected year-end balance after which Finance Manager Hoffmeyer provided a brief update on projected water transfer revenue and Proposition 1 grant funding.

The financial investment of the Pure Water AV Demonstration Facility, hydrogen production technologies, and the District's current recycled water allotment from the Sanitation Districts of Los Angeles County were then discussed.

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

Finance Manager Hoffmeyer reviewed in detail the Balance Sheet Report, the Profit and Loss Statement, the departmental budgets versus actual, and individual departmental budgets for the period ending August 2023 and stated that operating revenues are slightly below the historical trend average at 63.1%, that expenses are slightly below the historical trend average at 64.1%, and that most departments are operating at or below the traditional budgetary percentage of 66.7% followed by a brief discussion of the District's Reserve Funds Policy and of Director budgets.

**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 August 2023 followed by a brief discussion of grant funding for the Littlerock Dam Sediment Removal Project, the Littlerock Creek and Amargosa Recharge Projects, bond provisions, and the remaining 2021 Bond funding.

**5) Reports.**

**5.1) Finance Manager Hoffmeyer:**

**a) Accounts Receivable Overview.**

Finance Manager Hoffmeyer provided a detailed overview of outstanding balances of amounts greater than \$50.00 for each account type at sixty and ninety days past due and stated that there are thirteen payment arrangements as of August 31 and that there has been an increase in funding received from the Low-Income Household Water Assistance Program (LIHWAP).

**b) Revenue Projections.**

He then stated that based on selling 14,500 AF of water, revenue is behind projections by approximately \$1,308,790 as of August 2023 followed by a brief discussion of water sales and continued conservation measures.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for September 2022 to August 2023 is 1.36 and remains healthy.

**5.3) Other.**

Finance Manager Hoffmeyer provided a detailed overview of the District's successful Water Revenue Bond, Series 2023A sale, including the removal of the Pure Water AV Project from this Bond issue and the future funding opportunities for the Project, followed by a brief discussion of the best use of recycled water.

He then distributed and provided a brief overview of the draft 2024 Budget.

**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 October 17, 2023 at 10:30 a.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:56 p.m.

  
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Chair