

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 16, 2024:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, April 16, 2024, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 10:00 a.m.

1) Roll Call.

Attendance:

Committee:
Don Wilson, Chair
Scott Kellerman,
Committee Member

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
Diana Gunn, Accounting Supervisor
Bob Egan, Financial Advisor
Danielle Henry, Executive Assistant
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Kellerman, 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 March 19, 2024.

It was moved by Committee Member Kellerman, 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 March 19, 2024, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of March 2024. (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 March 2024, including account transfers, assessments received, interest and market values, scheduled payments, capital improvement funds, water transfer revenue, and the projected year-end balance.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2024. (Accounting Supervisor Gunn)

Accounting Supervisor Gunn reviewed in detail the Balance Sheet Report, The Balance Sheet Annual Quarterly Comparison Report, the Profit and Loss Statement, the Profit and Loss Quarterly Comparisons, the departmental budgets versus actual, and individual departmental reports for the period ending March 2024, including clarification on GASB 87 lease reporting, and stated that operating revenues are above the historical trend average at 21.43%, that expenses are below the historical trend average at 18.84%, and that four departments are above the traditional budgetary percentage of 25% due to the annual front loading of employer contributions for Health Spending Accounts, salaries, annual contract service renewals and permits, and telecommunication, equipment and supply costs.

4.4) Discussion and Overview of Committed Contracts Issued. (Accounting Supervisor Gunn)

Accounting Supervisor Gunn provided a brief 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 stated that no payments were paid out through the 2021A and 2023A Series Water Revenue Bonds in March 2024.

5) Reports.

5.1) Accounting Supervisor Gunn:

a) Accounts Receivable Overview.

Accounting Supervisor Gunn provided an overview of outstanding balances of amounts greater than \$50.00 for each account type at sixty and ninety days past due and stated that as of March 31, there are twenty-two payment arrangements totaling \$18,777.95 with \$10,647.26 collected to date.

b) Revenue Projections.

She then stated that based on selling 14,500 AF of water, 2024 revenue is behind projections by approximately \$155,944 as of March 31 and that customers continue to conserve.

c) Payment Transactions by Type.

She then stated that electronic payments continue to be the leading payment type while mail and drop box payments continue to decrease.

d) Billing and Collection Statistics.

She then reviewed the Billing and Collections Statistics through March 2024.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan reported that the Debt Service Coverage for March 2023 to February 2024 is 1.40 and remains healthy.

5.3) Other.

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 May 22, 2024 at 10:00 a.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 10:36 a.m.


Chair