

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 17, 2021:**

*A meeting of the Finance Committee of the Palmdale Water District was held Thursday, June 17, 2021, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 4:00 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Don Wilson, Chair

Gloria Dizmang, Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager

Mike Williams, Finance Manager

Dennis Hoffmeyer, Accounting Spvsr.

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 May 19, 2021.**

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 May 19, 2021.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of May 2021. (Financial Advisor Egan)**

Financial Advisor Egan provided an overview of the detailed April to May 2021 Major Account Activity Report and the May 2021 Cash Flow Statement, including the increase in water receipts, RDA pass-through funds, capital improvement fees, and the projected year-end balance, followed by discussion of the importance of maintaining a \$10 million year-end balance.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for May 2021. (Finance Manager Williams)**

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement and trends, quarter to quarter comparisons, and revenue and expense analysis reports for the period ending May 2021 and stated that most departments are operating at or below the targeted expenditure percentage of 41.6%.

**4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)**

Finance Manager Williams 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 the payout summary for the Water Revenue Bond Series 2018A through May 2021.

**5) Reports.**

**5.1) Finance Manager Williams:**

**a) The Effect of COVID-19 Event.**

Finance Manager Williams stated that due to COVID-19 events, as of May 31, 2021, there were 1,586 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$899,253 compared to 1,546 accounts at April 30, 2021 with an outstanding balance of \$852,642 and 823 accounts at May 31, 2020 with an outstanding balance of \$227,644 and that cash received for May 2021 was \$36,358 higher than April 2021, \$78,944 less than March 2021, and \$331,605 higher than May 2020 followed by potential payment assistance from the state for outstanding accounts.

**b) Revenue Projections.**

He then stated that 2021 revenue is ahead of projections by approximately \$680,000 as of May 31, 2021.

**c) Status on 2020 Audit.**

He then stated that receipt of a draft 2020 Audit is anticipated by the end of this week.

**d) Status on 2021 Bond Issue.**

He then stated that a credit rating call was held June 9, a copy of this presentation has been provided to the Board, and staff anticipates an increase in the District's rating and that the bond issue is anticipated to close mid-July.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for June 2020 to May 2021 is 2.42.

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

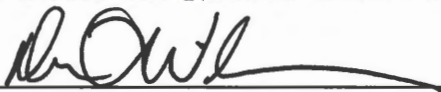
There were no requests for future agenda items.

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

It was determined that the next Finance Committee meeting will be held July 29, 2021 at 1:00 p.m.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 4:28 p.m.

  
Chair