

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

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, August 17, 2021, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 1:02 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

Mike Williams, Finance Manager

Judy Shay, Public Affairs Director

Dennis Hoffmeyer, Accounting Spvrs.

Bob Egan, Financial Advisor

Dawn Deans, Executive Assistant

1 member 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 July 29, 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 July 29, 2021.

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

Financial Advisor Egan provided an overview of the monthly and quarterly Major Account Activity Reports, Investment Funds Report, and the Cash Flow Statement through July 2021, including water sales, capital improvement fees and DWR refunds received, and the projected year-end balance.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for July 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 July 2021 and stated that departments are operating at or below the targeted expenditure percentage of 58.3%.

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 July 2021.

4.5) Consideration and Possible Action on a Recommendation to Approve 2021 Taxable Refunding Outstanding 2013A Water Revenue Term Bonds Maturing 2025 Through 2028. (\$10.9 Million - \$690,000.00 Potential Savings – Non-Budgeted – Finance Manager Williams/Mark Northcross, NHA Advisors)

Finance Manager Williams and Mr. Mark Northcross, NHA Advisors, provided an overview of the refunding opportunity of a portion of the 2013A Water Revenue Term Bonds, including the cash flow savings and the benefit to the debt service coverage, after which it was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation to approve 2021 taxable refunding outstanding 2013A Water Revenue Term Bonds maturing 2025 through 2028 and that this item be presented to the full Board for consideration at the August 23, 2021 Regular Board Meeting.

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 July 31, 2021, there were 1,607 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$986,421 compared to 1,575 accounts at June 30, 2021 with an outstanding balance of \$919,067 and 869 accounts at July 31, 2020 with an outstanding balance of \$313,404 and that cash received for July 2021 was 8% higher than June 2021, 32% higher than May 2021, and 14% higher than July 2020 followed by discussion of payment plans for customers with past due accounts.

b) Revenue Projections.

He then stated that 2021 revenue is ahead of projections by approximately \$902,000 as of July 31, 2021.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for June 2020 to July 2021 is 2.62.

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 September 22, 2021 at 2:00 p.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 1:40 p.m.



Chair