

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE
WATER DISTRICT, SEPTEMBER 22, 2021:**

A meeting of the Finance Committee of the Palmdale Water District was held Wednesday, September 22, 2021, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 2:00 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

Judy Shay, Public Affairs Director

Dennis Hoffmeyer, Accounting Spvrs.

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 August 17, 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 August 17, 2021.

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

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, Investment Funds Report, and Cash Flow Statement through August 2021, including assessments and capital improvement fees received, bond payments, and the projected year-end balance, and stated that an update on monies owed the General Fund from the Capital Improvement Fee Fund will be provided at a future meeting.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for August 2021. (Accounting Supervisor Hoffmeyer for Finance Manager Williams)

Accounting Supervisor Hoffmeyer for 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 August 2021 and stated that departments are operating at or below the targeted expenditure percentage of 66.7% followed by discussion of the refinanced bonds and GASB 45.

4.4) Discussion and Overview of Committed Contracts Issued. (Accounting Supervisor Hoffmeyer for Finance Manager Williams)

Accounting Supervisor Hoffmeyer for 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 2018A Series and 2021A Series Water Revenue Bonds through August 2021.

5) Reports.

5.1) Accounting Supervisor Hoffmeyer for Finance Manager Williams:

a) The Effect of COVID-19 Event.

Accounting Supervisor Hoffmeyer for Finance Manager Williams stated that due to COVID-19 events, as of August 31, 2021, there were 1,669 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$1,080,784 compared to 1,607 accounts at July 31, 2021 with an outstanding balance of

\$986,421 and 971 accounts at August 31, 2020 with an outstanding balance of \$383,388 and that cash received for August 2021 was 3.3% higher than July 2021, 11.6% higher than June 2021, and 9.7% higher than August 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 \$819,000 as of August 31, 2021 followed by discussion of reimbursement from the State Water Resources Control Board for past due accounts.

Accounting Supervisor Hoffmeyer then reviewed the proposed timeline for adoption of the 2022 Budget; a potential bond issue regarding the augmented water facility; and an amendment to the Professional Services Agreement for the current Water Rate Study with Robert D. Niehaus Consultants followed by discussion of an in-depth study of the augmented water facility and potential grants and contracts with other agencies to help pay for this facility.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for September 2020 to August 2021 is 2.46 and that he credits the Board and management for the District's positive financial position.

6) Board Members' Requests for Future Agenda Items.

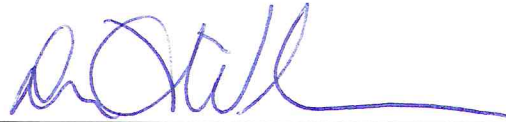
There were no requests for future agenda items.

7) Date of Next Committee Meeting.

It was determined that the next Finance Committee meeting will be held October 19, 2021 at 2:00 p.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:49 p.m.

A handwritten signature in blue ink, appearing to read "M. Still", is written above a horizontal line.

Chair