

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 26, 2022:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, April 26, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 3:01 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

Dennis Hoffmeyer, Finance Manager

Judy Shay, Public Affairs Director

Diana Gunn, Accounting Supervisor

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 March 29, 2022.

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 March 29, 2022, as written.

Chair Wilson stated that Agenda Item No. 4.3 will now be considered.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2022. (Finance Manager Hoffmeyer)

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement, departmental budgets versus actual, and individual departmental budgets for the period ending March 2022 and stated that most departments, with the exceptions of Finance, Facilities, and Information Technology, are operating at or near the historical trend average of 20.6% for revenues, the historical trend average of 22.7% for expenses, and the traditional budgetary percentage of 25%. He then reviewed the expenditures in departments over these percentages.

Chair Wilson stated that Agenda Item No. 4.2 will now be considered.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of March 2022. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, Investment Funds Report, and Cash Flow Statement through March 2022, including bond principal and interest payments, transfers, market values, capital improvement funds received, State Water Project and Butte County expenditures, and the projected year-end balance, followed by discussion of the timing of grant funds received and customers taking advantage of the District's rebate programs.

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 2018A Series and 2021A Series Water Revenue Bonds through March 2022.

5) Reports.

5.1) Finance Manager Hoffmeyer:

a) The Effect of COVID-19 Event.

Finance Manager Hoffmeyer stated that due to COVID-19 events, as of March 2022, there were 1,469 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$671,119, which is a decrease of .7% from February 2022, and 1,619 accounts at March 2021 with an outstanding balance of \$846,200.

He then stated that staff is now performing shutoffs for past due accounts; that payment arrangements have been established, as needed; and that staff is developing better methods to ensure payment arrangements are honored.

b) Revenue Projections.

He then stated that based on selling 17,000 AF of water, 2022 revenue is behind projections by approximately \$1.3 thousand as of March 2022.

c) Payment Transactions by Type.

He then stated that front counter payment transaction activity has increased since re-opening the front office, and electronic and telephone payments are consistent with past years through March 2022.

He then stated that a preliminary audit report for 2021 is anticipated by the time of the next Committee meeting.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for April 2021 to March 2022 is 2.38 and remains strong.

5.3) Other.

General Manager LaMoreaux stated that staff has been approached by a developer requesting a Community Facilities District, and this information will be brought before the Committee as the request progresses.

There were no other items to report.

6) Board Members' Requests for Future Agenda Items.

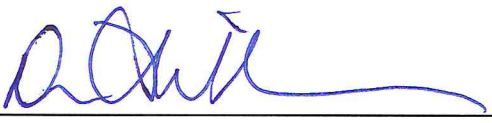
The presentation of financial statements to the full Board was discussed, and there were no requests for future agenda items.

7) Date of Next Committee Meeting.

It was determined that the next Finance Committee meeting will be held May 31, 2022 at 3:00 p.m.

8) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 4:03 p.m.



Chair