

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 19, 2022:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, July 19, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 1:00 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

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 June 21, 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 June 21, 2022, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of June 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 June 2022 and for the second quarter of 2022, including Redevelopment Agency pass-through funds, assessments, interest, capital improvement fees, anticipated payments, and the projected year-end balance, followed by discussion of market value and interest received.

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

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement, quarterly comparison report, departmental budgets versus actual, and individual departmental budgets for the period ending June 2022 and stated that most departments are operating at or near the historical trend average of 45.5% for revenues, the historical trend average of 47.4% for expenses, and the traditional budgetary percentage of 50% followed by discussion of department expenditures over these percentages and a Budget Variance Analysis for department expenditures.

**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 June 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 June 2022, there were 914 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$308,973, which is a decrease of 19.6% from prior months; that one year ago, there were 1,576 accounts meeting this criteria with an amount owing of \$919,068; that staff continues to offer payment arrangements encouraging the payment of outstanding balances; that 578 customers are enrolled in the Rate Assistance Program with 396 seniors, 10 veterans, and 172 low-income; and that the District has collected on one and enrolled three in the California Department of Community Services & Development's Low Income Household Water Assistance Program.

**b) Revenue Projections.**

He then stated that based on selling 17,000 AF of water, 2022 revenue is behind projections by approximately \$152,300 as of June 2022.

**c) Payment Transactions by Type.**

He then reviewed Payment Transactions by Type indicating electronic payments are the most popular form of payment with mail and drop-box payments decreasing and front counter payments increasing.

**d) Billing and Collection Statistics.**

He then reviewed Billing and Collection Statistics from December 2019 through June 2022 and stated that collections on hold due to COVID-19 were restarted as of January 2022.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for July 2021 to June 2022 is 2.16 and remains strong.

**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.**

It was determined that the next Finance Committee meeting will be held August 17, 2022 at 1:30 p.m.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 1:58 p.m.

A handwritten signature in blue ink, appearing to be "R. O. Williams", written over a horizontal line.

Chair