

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JANUARY 17, 2023:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, January 17, 2023, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 1:30 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

Danielle Henry, Management Analyst

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 December 20, 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 December 20, 2022, as written.

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

Financial Advisor Egan provided an overview of the monthly Major Account Activity Reports, Investment Funds Report, and Cash Flow Statement through December 2022, including assessments received, increased interest rates and market values, payouts postponed until January 2023, capital improvement fees received, and the projected year-end balance.

He then stated that this is Executive Assistant Deans' last meeting; that she has done a spectacular job for the District; and that it has been a pleasure working with her.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 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 December 2022 and stated that most departments are operating at or near the historical trend average of 100.0% for revenues, the historical trend average of 100.0% for expenses, and the traditional budgetary percentage of 100.0% followed by discussion of amounts over this percentage, the Directors' budget and tracking their expenses, and overtime for various departments.

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 2021A Series Water Revenue Bonds through December 2022.

5) Reports.

5.1) Finance Manager Hoffmeyer:

a) Accounts Receivable Overview.

Finance Manager Hoffmeyer stated that as of December 2022, there are 11 commercial/industrial accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$9,013 and \$1,357 over ninety days past due; that there are eight multi-family residential accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$12,461 and \$126 over ninety days past due; that there are 1,431 residential accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$459,583 and \$52,572 over ninety days past due; and that staff continues to offer payment arrangements encouraging the payment of outstanding balances.

b) Revenue Projections.

He then stated that based on selling 17,000 AF of water, 2022 revenue is behind projections by approximately \$901,000 as of December 2022.

c) Rate Assistance Program Status.

He then stated that as of January 9, 2023, there are 441 qualified accounts for the Rate Assistance Program with 282 accounts being seniors, 8 being veterans, and 152 being low-income with 259 openings remaining in the Program for the year.

d) Payment Transactions by Type.

He then stated that the most popular type of payment continues to be electronic transactions.

e) Billing and Collection Statistics.

He then stated that monthly billing statistics are consistent in the amount of shut-off notices, which are low compared to the total number of service connections.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for January 2022 to December 2022 is 1.96 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 date for the next Finance Committee meeting will be scheduled after 2023 Board Standing Committees are announced.

8) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:55 p.m.



Chair