MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, DECEMBER 19, 2023:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, December 19, 2023, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 1:30 p.m.

1) Roll Call.

Attendance:	**Others Present:**
Committee:	Dennis LaMoreaux, General Manager
Don Wilson, Chair	Adam Ly, Assistant General Manager
Kathy Mac Laren-Gomez,	Dennis Hoffmeyer, Finance Manager
Committee Member	Bob Egan, Financial Advisor
	Judy Shay, Public Affairs Director
	Diana Gunn, Accounting Supervisor
	Danielle Henry, Executive Assistant
	Patricia Guerrero, Management Analyst
	2 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Mac Laren-Gomez, 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.

Mr. Gailen Kyle, Lancaster resident and party to the Antelope Valley Groundwater Adjudication Judgment, expressed his appreciation of Director Mac Laren-Gomez in relation to her role with the AV Watermaster.

There were no further 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 October 17, 2023.

It was moved by Committee Member Mac Laren-Gomez, 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 October 17, 2023, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of November 2023. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, the Investment Funds Report, and the Cash Flow Statement through November 2023, including account transfers, assessments received, interest and market value received, and the projected year-end balance.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for November 2023. (Finance Manager Hoffmeyer)

Finance Manager Hoffmeyer reviewed in detail the Balance Sheet Report, the Profit and Loss Statement, the departmental budgets versus actual, and individual departmental budgets for the period ending November 2023, including funding received through the 2023A Series Water Revenue Bond Issue, Proposition 1 Grant Funding, and State Water Project Table A transfers, and stated that operating revenues are below the historical trend average at 89.6%, that expenses are slightly below the historical trend average at 89.4%, and that most departments are operating at or below the traditional budgetary percentage of 91.7% followed by a brief discussion of pension liabilities, of minimal mainline and service line leaks, and of Director budgets.

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 Bond through November 2023 and stated that staff confirmed that any uncommitted funds through this Bond may be allocated towards the Well 15 discharge basin work.

5) Reports.

5.1) Finance Manager Hoffmeyer:

a) Accounts Receivable Overview.

Finance Manager Hoffmeyer provided a detailed overview of outstanding balances of amounts greater than $50.00 for each account type at sixty and ninety days past due and stated that there are twenty-two payment arrangements as of November 30.

b) Revenue Projections.

He then stated that based on selling 14,500 AF of water, revenue is behind projections by approximately $1,726,912 as of November 2023 followed by a brief discussion of water sales and continued conservation measures.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for December 2022 to November 2023 is 1.53 and remains healthy.

5.3) Other.

Finance Manager Hoffmeyer then provided a brief update on investment opportunities and interest rates, on the District's WIFIA loan application, and on the 2024 bond issue for the Pure Water AV project.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

7) Date of Next Committee Meeting.

After a brief discussion, it was determined that the next Finance Committee meeting will be held January 16, 2023 at 1:30 p.m.

8) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:24 p.m.

Chair