

## **MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, MAY 20, 2025:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, May 20, 2025, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 2:00 p.m.*

### **1) Roll Call.**

#### **Attendance:**

Committee:  
Don Wilson, Chair  
Scott Kellerman,  
Committee Member

#### **Others Present:**

Dennis LaMoreaux, General Manager  
Scott Rogers, Assistant General Manager  
Dennis Hoffmeyer, Finance Manager  
Bob Egan, Financial Advisor  
Danielle Henry, Executive Assistant  
0 members of the public

### **2) Adoption of Agenda.**

It was moved by Committee Member Kellerman, 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 April 22, 2025.**

It was moved by Committee Member Kellerman, 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 April 22, 2025, as written.

#### **4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of April 2025. (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 April 2025, including account transfers, decreased assessments received, interest and market values, capital improvement funds, grant reimbursements, scheduled payments, and the projected year-end balance and stated that capital improvement funds received have already exceeded expectations for the year followed by a brief discussion of investment interest rates and call provisions.

He then commended Finance Manager Hoffmeyer for his management of the District's investments followed by a brief discussion of Table A water sales.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for April 2025. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer reviewed in detail the Balance Sheet Report, the Profit and Loss Statement, the departmental budgets versus actual, and the individual departmental reports for the period ending April 2025, including increased water sales due to accurate reads as a result of the Meter Exchange Project, capital improvement funds and assessments received, scheduled payments for capital projects and bond payments, and restricted water revenue bond interest and then stated that operating revenues are above the historical trend average at 33.5%; that expenses are below the historical trend average at 26.1%; and that four departments are above the traditional budgetary percentage of 33.3% due to the front-loading of employee Health Savings Accounts (HSA) and payment of annual contracts followed by a brief review of the new finance reports that will be generated by the upgraded financial software system.

The contributing factors of the individual department reports were then discussed.

**4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer provided an overview of the new Project Expense Transactions Report, 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 2023A and 2024A Series Water

Revenue Bonds in April 2025, followed by a brief discussion of the anticipated Water Revenue Bond restricted interest.

**5) Reports.**

**5.1) Finance Manager Hoffmeyer:**

**a) Accounts Receivable Overview.**

Finance Manager Hoffmeyer provided a brief update on outstanding balances for accounts 60 days delinquent and stated that as of April 30, there are twenty-six payment arrangements totaling \$9,637.65 with \$5,110.65 collected to date with leak adjustments, rejected payments, and posting errors being contributing factors.

**b) Revenue Projections.**

He then stated that based on selling 15,000 AF of water, 2025 revenue is ahead of projections by approximately \$1.3 million as of April 30.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan reported that the Debt Service Coverage for March 2024 to April 2025 is 3.68 and remains very strong after which Finance Manager Hoffmeyer stated that this number is expected to decrease in October when a full year of the higher debt service payments are accounted for.

**5.3) Other.**

**a) Verizon Wireless Cell Site.**

Finance Manager Hoffmeyer reviewed the cell site renewal proposal received from Verizon Wireless for their existing lease with the District including the reduced monthly lease amount and renewal terms followed by discussion of the potential impact to Rate Assistance Program and additional cell site leasing opportunities with Verizon Wireless and other providers.

**6) Board Members' Requests for Future Agenda Items.**

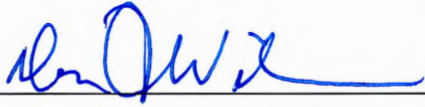
There were no requests for future agenda items.

**7) Date of Next Committee Meeting.**

It was determined that the next Finance Committee Meeting will be held June 17, 2025 at 12:30 p.m.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 3:18 p.m.

  
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Chair