

## **MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 17, 2025:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, June 17, 2025, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 12:30 p.m.*

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

#### **Attendance:**

Committee:  
Don Wilson, Chair  
Scott Kellerman,  
Committee Member

#### **Others Present:**

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 May 20, 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 May 20, 2025, as written.

#### **4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of May 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 May 2025, including account transfers, interest and market values, capital improvement funds, and the projected year-end balance followed by a brief discussion of the Redevelopment Agencies (RDA) passthrough funds received from the County of Los Angeles, of water transfer agreements, and of scheduled debt payments.

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

Finance Manager Hoffmeyer reviewed in detail the new Balance Sheet Reports, the Income Statement Reports, and the Departmental Report handouts for the period ending May 2025, including assessments received, funding of capital projects, and increased water sales and meter fees as a result of the approved 2024 Water Rate Study and the Meter Exchange Project and then stated that operating revenues are above the historical trend average at 43%; that expenses are below the historical trend average at 33.5%; and that four departments are above the traditional budgetary percentage of 41.7% due to the front-loading of employee Health Savings Accounts (HSA) and payment of annual contracts followed by a brief discussion of recycled water projects and the future of the Palmdale Recycled Water Authority.

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

Finance Manager Hoffmeyer provided an overview of the Project Expense Transactions Report paid out through the General Fund and the 2023A and 2024A Series Water Revenue Bonds in May 2025 followed by a brief discussion of grant funding reimbursements and the anticipated tax obligation for the Water Revenue Bond restricted interest.

**4.5) Consideration on a Recommendation to Receive and File the 2024 Annual Financial Report. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer provided a detailed overview of the Draft 2024 Annual Financial Report highlighting the net position growth, revenue increases, expense changes, and the adoption of GASB No. 101 and No. 102 Standards related to employee leave benefits and disclosure of vulnerabilities after which 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 recommendation to receive and file the 2024 Annual Financial Report as presented and that this item be presented to the full Board for consideration at the June 23, 2025 Regular Board Meeting.

**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 May 31, there are eight payment arrangements totaling \$2,746.66 with \$1,393.80 collected to date with leak adjustments, hardships, and reinstatement of prior arrangements as the 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 \$1,763,902 as of May 31 followed by a brief discussion of increased water sales due to accurate meter readings from the newly installed meters and future meter exchanges for stuck and failing meters.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan reported that the Debt Service Coverage for June 2024 to May 2025 is 3.94 and remains very strong after which Finance Manager Hoffmeyer stated that the audited numbers will be reflected in the next report.

**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 July 22, 2025 at 12:30 p.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:01 p.m.

  
Chair