

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 16, 2025:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, September 16, 2025, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 2:30 p.m.

1) Roll Call.

Attendance:

Committee:
Don Wilson, Chair
Scott Kellerman,
Committee Member

Others Present:

Dennis LaMoreaux, General Manager
Viri Iguaran, Finance Manager
Bob Egan, Financial Advisor
Cynthia Sanchez, Committee Member Alt.
Debbie Dino, Director
Danielle Henry, Executive Assistant
1 member 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 August 19, 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 August 19, 2025, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of August 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 August 2025, including interest and market values, assessments received, account transfers, capital improvement funds received, future investment earnings, scheduled bond payments, water transfer agreement revenue, and the projected year-end balance followed by a brief discussion of including grant reimbursements in future reports.

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

Finance Manager Iguaran provided an overview of the Balance Sheet, the Balance Sheet Variance, the Income Statement, the Income Statement Variance, and the Departmental Reports for the period ending August 2025, including capital project and scheduled payments, assessments received, investments, interest income, increased water sales and meter fees, capital improvement fees received, and increased source of supply expenses and then stated that operating revenues are above the historical trend average at 76.6%; that expenses are below the historical trend average at 60% reflecting strong fiscal management; and that departments tracking above the traditional budgetary percentage of 65.97% are primarily due to electricity costs, contracted services, outreach and education programs, and staff overtime followed by a brief discussion of deferred pension liabilities and changes in future reporting.

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

Finance Manager Iguaran provided an overview of the Project Expense Transactions Report, including August 2025 payments from the General Fund, the General Fund Grant Offset, and Water Revenue Bonds, followed by a brief review and discussion of the allocated and unallocated 2023A and 2024A Water Revenue Bond funds.

4.5) Discussion and Possible Action on the Rate Stabilization Fund. (Finance Manager Iguaran)

The District's healthy financial position, and the opportunity to make an additional transfer into the Rate Stabilization Fund before year-end, was briefly discussed.

5) Reports.

5.1) Finance Manager Iguaran:

a) Accounts Receivable Overview.

Finance Manager Iguaran provided a brief update on outstanding balances for accounts 60 days delinquent and stated that as of August 31, there are nine payment arrangements totaling \$26,282.19 with \$7,142.70 collected to date with leak adjustments, financial hardships, and disputed fire protection system charges as the contributing factors.

b) Revenue Projections.

She then stated that based on selling 15,000 AF of water, 2025 revenue is ahead of projections by approximately \$3,071,390.00 as of August 31 followed by a brief review of monthly billing statistics.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan reported that the Debt Service Coverage for September 2024 to August 2025 is 4.26 and remains in a healthy position to make a transfer into the Rate Stabilization Fund before year-end.

He then recognized the dedicated service and commitment of former Finance Manager Hoffmeyer to the District and expressed heartfelt appreciation in memory of the late Director Vincent Dino.

5.3) Other.

There were no other items to report.

6) Board Members' Requests for Future Agenda Items.

The changes and improvement of future Committee reports was briefly discussed.

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 October 21, 2025 at 2:30 p.m.

8) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 3:08 p.m.



Chair