

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, FEBRUARY 18, 2020:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, February 18, 2020, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 4:37 p.m.

1) Roll Call.

Attendance:

Committee:

Gloria Dizmang, Chair

Don Wilson, Committee Member

Others Present:

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Mike Williams, Finance Manager

Judy Shay, Public Affairs Director

Dennis Hoffmeyer, Accounting Supervisor

Bob Egan, Financial Advisor

Dawn Deans, Executive Assistant

0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Wilson, seconded by Chair Dizmang, 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 November 19, 2019.

It was moved by Committee Member Wilson, seconded by Chair Dizmang, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held November 19, 2019.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of December 2019. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the Investment Funds Report through December 2019, including capital improvement fees received, water sales, and interest income, and then reviewed the cash flow statement, including carry-over projects and the increased year-end balance, followed by discussion of capital improvement fees for ongoing water supply projects.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 2019. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement and trends, and revenue and expense analysis reports for the period ending December 2019 and stated that most departments are operating at or below the targeted expenditure percentage of 100% with the exception of Engineering, Operations, and Human Resources as previously discussed followed by discussion of the capital improvement fund debt, overtime for leak repairs, and the SCADA-Watch program.

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

Finance Manager Williams 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 the summary of Water Revenue Bond Series 2018A payouts through December 2019.

4.5) Review 2019 Finance Committee Goals and Establish 2020 Goals. (Finance Manager Williams)

The 2019 Finance Committee goals were reviewed, and it was determined that 2020 Finance Committee Goals are as follows:

- Continue to refine staff's financial reports to be more efficient and concise.
- Develop and complete the annual budget in a timely manner.
- Maintain transparency in the District's finances.

- Continue financial education through webinars and other sources.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the Debt Service Coverage for the period of January 2019 through December 2019 is 1.46.

He then stated that \$120,000.00 has been transferred to the Rate Stabilization Fund followed by discussion of the determination of projects to be completed with the next bond issue.

5.2) Other.

Finance Manager Williams provided an overview of payment transactions by type, billing and collection statistics, the accounts receivable aging report as of December 31, 2019, revenue projections, and the status of participation in the Rate Assistance Program followed by discussion of the implementation of the requirements of SB 998 and tracking how SB 998 will affect the District's billing operations.

He then stated that the number of courtesy bill copies has grown to approximately 3,900 costing the District over \$2,300 per month including postage and that staff is researching a miscellaneous charge to cover these costs.

He then stated that distribution of the 2020 Budget is anticipated within the next two weeks and that the District's annual audit process is scheduled to begin March 23, 2020.

There were no other information items.

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 March 31, 2020 at 4:30 p.m.

8) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:50 p.m.



Chair