

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE  
WATER DISTRICT, MAY 21, 2020:**

*A meeting of the Finance Committee of the Palmdale Water District was held Thursday, May 21, 2020, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 1:09 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Gloria Dizmang, Chair (via telconf.)

Don Wilson, Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager (via teleconference)

Robert Alvarado, PWD Director

Mike Williams, Finance Manager

Judy Shay, Public Affairs Director (via teleconference)

Dennis Hoffmeyer, Senior Accountant (via teleconference)

Bob Egan, Financial Advisor (via teleconference)

Danielle Henry, Management Analyst

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 April 21, 2020.**

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 April 21, 2020.

**4.2) Consideration and Possible Action on Approval of Minutes of Special Meeting Held May 5, 2020.**

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 Special Finance Committee meeting held May 5, 2020.

**4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of April 2020. (Financial Advisor Egan)**

Financial Advisor Egan provided an overview of the Investment Funds Report through April 2020, including assessments received, lower than anticipated assessments for May 2020, anticipated payments for June, July, and August, and interest income, after which Committee Member Wilson's questions regarding cash accounts and maturing CDs were addressed.

Financial Advisor Egan then reviewed the cash flow statement, including anticipated RDA pass-through funds, upcoming payments and bond payments, and late assessment payments after which Committee Member Wilson's questions regarding Department of Water Resources' refunds, RDA pass-through funds, the District's share of the Amargosa Creek Recharge Project, Butte County payments, and projected year-end cash were addressed.

**4.4) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for April 2020. (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 April 2020 and stated that most departments are operating at or below the targeted expenditure percentage of 33% after which Committee Member Wilson's questions regarding increased costs from departments and the definition of Capital Improvement Fees were addressed.

**4.5) 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 payout summary for the Water Revenue Bond Series 2018A through April 2020.

**5) Information Items.**

**5.1) Finance Manager Williams:**

**a) Effect of COVID-19 Event.**

Finance Manager Williams stated that due to COVID-19 events, collection efforts have stopped as of March 17, 2020; that no reminder or shut-off notices have been mailed; that there have been no disconnections for non-payment of bills; that as of May 11, approximately \$65,000 in penalties have been deferred; that as of April 30, 438 accounts with a balance of \$50 or more are over sixty days past due; and that numbers indicate cash is still coming in but at a slower pace after which Chair Dizmang's questions regarding a potential end date for deferred payments, the potential receipt of federal funds, and potential repayment plans or bad debt write-offs were addressed.

**b) Revenue Projections.**

He then stated that revenue projections through April are keeping up with the budget and projections.

**c) Internal Controls.**

He then stated that included in the agenda packets are the annual audit internal control questionnaires, the workflow, staff's responses, and the separation of duties to ensure fraud and theft are minimized after which Chair Dizmang's question regarding potential cutbacks if the COVID-19 event becomes worse was addressed.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for the period of May 2019 through April 2020 is 1.48 after which Chair Dizmang complimented the Finance Department staff on their excellent work, foresight, and good work ethic.

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

There were no requests for future agenda items.

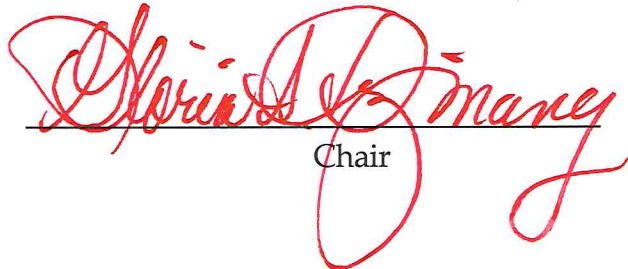
**7) Date of Next Committee Meeting.**

It was determined that the next Finance Committee meeting will be held June 18, 2020 at 1:00 p.m.

Finance Manager Williams then stated that the 2020 bond refinance documents are being completed today, and the refinance is expected to close on May 28, 2020.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:12 p.m.

  
Chair