

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 18, 2024:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, June 18, 2024, 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 Hoffmeyer, Finance Manager  
Bob Egan, Financial Advisor  
Cynthia Sanchez, Alt. Committee Member  
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 21, 2024.**

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 21, 2024, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of May 2024. (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 2024, including account transfers, assessments received, interest and market values, capital improvement funds, scheduled payments, and the projected year-end balance followed by discussion of long-term investments and earnings.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for May 2024. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer reviewed in detail the Balance Sheet Report, the Profit and Loss Statement, the departmental budgets versus actual, and individual departmental reports for the period ending May 2024 and stated that operating revenues are above the historical trend average at 37%, that expenses are below the historical trend average at 31.3%, and that most departments are operating at or below the traditional budgetary percentage of 41.7% followed by discussions of assessments, of bond funding, of pension liabilities, of new customer accounts, of the 2023 Audit timeline, and of the meter exchange program.

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

Finance Manager Hoffmeyer 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 projects paid out through the 2023A and 2024A Series Water Revenue Bonds through May 2024 followed by a brief discussion of ergonomic furniture and work practices.

**5) Reports.**

**5.1) Finance Manager Hoffmeyer:**

**a) Accounts Receivable Overview.**

Finance Manager Hoffmeyer provided an overview of outstanding balances of amounts greater than \$50.00 for each account type at sixty and ninety days past due and stated that as of April 30, there are sixteen payment arrangements totaling \$16,285.49 with \$10,746.64 collected to date and that these arrangements include leak applications.

**b) Revenue Projections.**

He then stated that based on selling 14,500 AF of water, 2024 revenue is behind projections by approximately \$164,314 as of May 31.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan reported that the Debt Service Coverage for June 2023 to May 2024 is 1.96 and remains healthy.

**5.3) Other.**

Finance Manager Hoffmeyer stated that the WIFIA Loan closed on June 17 at 4.49% and provided a review of the 2024 WIFIA Loan and Master Agreement Summary of Reserve Surety Policy Benefits.

He then provided an update on the 2023 Audit and the 2024 Rate Study and Proposition 218 process.

**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 16, 2024 at 2:00 p.m.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 3:21 p.m.

  
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Chair