

PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
REGULAR MEETING AGENDA NO. 52
NOVEMBER 18, 2019
7:00 P.M.
www.cityofpalmdale.org
www.palmdalewater.org

WELCOME

NOTE: Materials related to an item on this Agenda submitted to the Palmdale Recycled Water Authority Board of Directors, or after distribution of the agenda packet, are available for public inspection at the City of Palmdale City Hall, located at 38300 Sierra Highway, Suite A, Palmdale, California, and at the Palmdale Water District, 2029 East Avenue Q, Palmdale, California during normal business hours and will also be available at the meeting. Those items provided by others at the meeting will be available at City Hall during normal business hours.

A **three-minute time limit** will be imposed on all speakers other than staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City of Palmdale Office of the City Clerk at least 48 hours prior to the meeting.

Your courtesy is requested to help our meeting run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of your time and ours:

- Please refrain from public displays or outbursts such as unsolicited applause, comments, cheering, foul language, or obscenities.
- Any disruptive activities that substantially interfere with the ability of the Board of Directors to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Please turn off or mute your cell phones and mobile devices.

1. CALL TO ORDER.

2. PLEDGE OF ALLEGIANCE.

3. **ROLL CALL: CHAIR JUAN CARRILLO, DIRECTORS VINCENT DINO, KATHY MAC LAREN, AUSTIN BISHOP AND HELEN VELADOR**

4. **CONSENT CALENDAR – PUBLIC COMMENTS ONLY:** If you wish to comment on any item(s) listed on the Consent Calendar on this agenda, please come forward to the podium and state the item number(s) and your comments. **PLEASE NOTE: A three-minute time limit** will be imposed on each speaker other than staff members.

5. **CONSENT CALENDAR:**

NOTICE: All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by the Board, in which case the item(s) will be removed from the Calendar and will be considered separately following this portion of the Agenda.

- 5.1 Approve receipt and filing of the Treasurer's Report for the nine months ending September 30, 2019. (Staff Reference: Treasurer-Auditor Williams)
- 5.2 Approve receipt and filing of the Investment Report for the quarter ending September 30, 2019. (Staff Reference: Treasurer-Auditor Williams)
- 5.3 Approve the Minutes from the previous meeting held on October 21, 2019. (Staff Reference: Secretary Smith)

Staff Recommendation: Move to approve the recommendations and findings on all items listed under this Consent Calendar. (Voice Vote - Requires a majority to approve.)

6. **ACTION CALENDAR:**

- 6.1 RESOLUTION NO. PRWA 2019-004, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2020 BUDGET. (Staff Reference: Treasurer-Auditor Williams)

Call for Public Comments

Staff Recommendation: Move to Adopt Resolution No. PRWA 2019-004.
(Vote by Roll Call – requires a majority to adopt and/or approve and per Section 4.9(e) of the Authority’s Joint Exercise of Powers Agreement, the affirmative vote of at least one director from each member agency.)

- 6.2 Discussion regarding rescheduling the January 21, 2020 regular meeting due to the Martin Luther King Jr. Holiday to one of the following alternate dates: Tuesday, January 28th and Thursdays January 16, 23, & 30. (Staff Reference: Executive Director LaMoreaux)

There is no staff report for this item

7. **NON-AGENDA ITEMS - PUBLIC COMMENTS:** This portion of the Agenda allows an individual the opportunity to address the Board of Directors on any subject regarding Palmdale Recycled Water Authority business. Under state legislation, no action can be taken on items not specifically referenced on the Agenda. **PLEASE NOTE: A three-minute time limit** will be imposed on each speaker other than staff members.
8. **REQUESTS FOR NEW AGENDA ITEMS:**
9. **INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.**
10. **ADJOURNMENT** to _____, 2019 at 7:00 p.m. at the City of Palmdale City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

Complete packets can be viewed at City Hall, located at 38300 Sierra Highway, Suite A, Palmdale, California; Palmdale Water District, 2029 East Avenue Q, Palmdale, California, and the Main Library, located at 700 East Palmdale Boulevard, Palmdale, California. You can also view the Agenda for the Palmdale Recycled Water Authority on the City’s website at www.cityofpalmdale.org or the Palmdale Water District website at www.palmdalewater.org.

Thank you for attending your Palmdale Recycled Water Authority meeting. If you have any further questions, please contact the Secretary’s Office at (661) 267-5151, Monday through Thursday, 7:30 a.m. to 6:00 p.m., closed every Friday.

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: November 13, 2019 **November 18, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO 5.1 – TREASURER’S REPORT FOR SEPTEMBER 2019

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the nine months ending September 30, 2019.

Background:

To comply with provisions required by Section 4.13 of the Joint Powers of Authority Agreement and responsibilities of Treasurer, a Financial Report is prepared and submitted to the Board of Directors who certifies the availability of funds for the reports presented. These reports are hereby submitted to the Board of Directors for ratification.

Financial Impact:

As of September 30, 2019, the PRWA has \$2,150,474.18 in cash and investments. PRWA earned \$2,006.21 in interest, received \$15,728.74 in receivables, and there were \$17,550.01 in expenses and fees paid for the month.

Supporting Documents:

Treasurer’s Report for month ending September 30, 2019.
Balance Sheet for period ending September 30, 2019.
Income Statement for period ending September 30, 2019.

**Palmdale Recycled Water Authority
Treasurer's Report
Month Ended September 30, 2019**

Cash/Funds Available and held at Bank of America, Citizens Business Bank, & UBS Financial Svcs:	
Bank Balance, beginning September 1, 2019	2,150,289.24
Less: Expenses Paid	(17,497.36)
Less: Bank Fees Paid (Analysis Fees & Credit Card Processing)	(52.65)
Add: Deposits Made	15,728.74
Add: Interest Earned & Market Adjustment on Investments	2,006.21
Add: Deposit in Transit	-
Less: Outstanding Check (Ledger Tie-Out)	-
Bank Balance, ending September 30, 2019	2,150,474.18
Less: Accounts Payable	-
Less: Accrued Purchases	-
Less: Accrued Payroll Taxes	-
Less: Deposits - Customer	(3,000.00)
Add: Accounts Receivable	5,744.48
Add: Interest Receivable	-
Adjusted Bank Balance, ending September 30, 2019	2,153,218.66

Outstanding Checks (Prior Month(s)):

September Checks Issued:

Water Purchases - Sanitation Districts of L.A. County	17,497.36
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Total Checks Issued

17,497.36

Palmdale Recycled Water Authority
Balance Sheet
For the Nine Months Ending 9/30/2019

	<u>YTD</u>
ASSETS	
UBS- Investment Funds	\$1,622,900
Bank of America - Checking	\$40,689
Citizens Business Bank - Checking	\$486,885
Prepaid Memberships	
Prepaid Insurance	4,022
Accounts Receivable	
- Water	5,744
- Government Agency	
Interest Receivable	
Property, Plant and Equipment, net	1,766,884
Total Assets	<u><u>\$3,927,125</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	
Accrued Expense	
Deposits - Customer	3,000
Total Liabilities	<u>3,000</u>

FUND BALANCE

Unassigned	3,924,125
Total Fund Balance	<u>3,924,125</u>
Total Liabilities and Fund Balance	<u><u>\$3,927,125</u></u>

**Palmdale Recycled Water Authority
Income Statement - Current and YTD
For the Nine Months Ending 9/30/2019**

	<u>September</u>	<u>YTD</u>
REVENUES:		
Contributions - Palmdale Water District		\$300,000.00
Contributions - City of Palmdale		300,000.00
Grant Funds		
Water Sales	7,356.16	39,216.68
Interest Earnings	2,634.77	12,773.06
Market Adjustment on Investments	(628.56)	7,055.76
Total Revenue	<u>\$9,362.37</u>	<u>\$659,045.50</u>
EXPEDITURES:		
General Government		
Public Representative - Payroll Tax Expense (Employer)		57.38
Public Representative - Travel & Meeting		750.00
Banking Fees	52.65	417.49
Provision for Bad Debt		
Insurance		4,021.76
Memberships		3,129.75
Operating Supplies		
Marketing & Outreach		
Travel & Meeting		
Permits & Fees		
Utilities - Purchased Water		10,485.16
Materials & Supplies		
Maint. & Repair - Water System		
	<u>\$52.65</u>	<u>\$18,861.54</u>
Public Resource		
Contracted Services - Professional Svcs		
Contracted Services - Audit		8,000.00
		<u>8,000.00</u>
	<u>\$52.65</u>	<u>\$26,861.54</u>
Non-Cash Operating Expense		
Depreciation		35,604.72
Non-Operating Revenue		
Capital Contribution		
		<u>(\$35,604.72)</u>
Change in Net Position	<u>\$9,309.72</u>	<u>\$596,579.24</u>
Net Position - Beginning of Year		3,327,545.72
Net Position - End of Year	<u>\$9,309.72</u>	<u>\$3,924,124.96</u>

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: November 13, 2019
TO: BOARD OF DIRECTORS
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

November 18, 2019
Board Meeting

**RE: AGENDA ITEM NO 5.2 – INVESTMENT REPORT FOR QUARTER ENDING
SEPTEMBER 30, 2019**

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends to the Board of Directors to receive and file the Investment Report for the quarter ending September 30, 2019.

Background:

To comply with provisions of California Government Code 53646, the attached investment report includes a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the Authority by third party contracted managers. The report is hereby submitted to the Board of Directors for ratification.

Financial Impact:

As of September 30, 2019, the PRWA has \$7,103.40 in cash, \$968,000 in U.S. Treasury Bill and \$640,000 in Certificates of Deposits with UBS Investment Services with accrued interest in the amount of \$7,469.72.

Supporting Documents:

Investment Report for quarter ending September 30, 2019

PALMDALE RECYCLED WATER AUTHORITY

September 30, 2019

INVESTMENTS

September 2019

UBS Money Market Account (SS 30999)

Cash	\$7,103.40
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US Government Securities

CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value
9128283H1	US Treasury Bill	11/30/2019	1.750	368,000	367,812.32
912828UL2	US Treasury Bill	01/31/2020	1.380	300,000	299,439.00
9128284C1	US Treasury Bill	03/31/2020	2.250	300,000	300,528.00
				<u>\$968,000</u>	<u>\$967,779.32</u>

Certificates of Deposit

	Issuer	Maturity Date	Rate	Face Value	
1	Pinnacle Bank	10/30/2019	2.400	150,000	150,060.00
2	Texas Capital Bank	11/15/2019	2.400	170,000	170,102.00
3	Valley National Bank	11/15/2019	2.350	170,000	170,091.80
4	Bank OZK AR	02/24/2020	2.350	150,000	150,294.00
				<u>\$640,000</u>	<u>\$640,547.80</u>

Acct. Total	<u>\$1,615,430.52</u>
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Accrued interest	<u>\$7,469.72</u>
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TOTAL CASH AND INVESTMENTS	<u><u>\$1,622,900.24</u></u>
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PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: November 13, 2019
TO: BOARD OF DIRECTORS
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

November 18, 2019
Board Meeting

RE: AGENDA ITEM NO 6.1 – CONSIDERATION AND POSSIBLE ACTION ON
RESOLUTION NO. 2019-004 AUTHORIZING THE ADOPTION OF THE
PALMDALE RECYCLED WATER AUTHORITY 2020 ANNUAL BUDGET

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends approving the proposed 2020 annual budget as presented in the 2020 Budget Document and approve Resolution No. PRWA 2019-004 authorizing the adoption of the Palmdale Recycled Water Authority 2020 Annual Budget.

Background:

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The proposed 2020 Budget highlights revenue from water sales, and member contributions. The Budget also outlines expenditures such as Contracted Services for the Phase II Pipeline project, Marketing & Outreach, training, recycled water purchases, and general operation.

As outlined in the Joint Powers Agreement Section 14.11, a line item has been included for the ability to compensate the 5th Board Member of the Authority for attendance at regular meetings. This line item is funded from revenues generated from recycled water sales.

Financial Impact:

As set forth in the 2020 Budget Document, the fiscal year is projected to result in \$1,892,871 in unappropriated reserves. Member agency contributions and the projected water sales constitute the 2020 revenue at \$697,500. The projected expenses are \$334,750 which includes \$200,000 in Contracted Services, \$32,550 in Marketing & Outreach, and \$35,000 in Non-Cash Depreciation.

Supporting Documents:

Resolution No. PRWA 2019-004
2020 Budget Document.

RESOLUTION NO. PRWA 2019-004

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED
WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE
RECYCLED WATER AUTHORITY 2020 BUDGET**

WHEREAS, The Palmdale Recycled Water Authority has identified the need for a 2020 Budget, and

WHEREAS, The Palmdale Recycled Water Authority Board reviewed the Budget for calendar year 2020, and

WHEREAS, the Palmdale Recycled Water Authority considered the budget as submitted and made all changes and amendments thereto which said Authority, desired to make therein; and

WHEREAS, individual project costs have been proportionately budgeted to the respective project areas based upon the benefit attributable to the targeted project area including improving inadequate public improvements and public facilities, improving and correcting depreciated values; and,

WHEREAS, the Palmdale Recycled Water Authority has heretofore raised sufficient revenues to finance and balance said budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Recycled Water Authority:

SECTION 1: The original of the Budget of the Palmdale Recycled Water Authority shall be placed on file in the office of the Authority Clerk and shall be open to public inspection.

SECTION 2: The Palmdale Recycled Water Authority hereby approves all of the adjustments to the calendar year 2020 revenues and expenditures as presented in the calendar year 2020 budget document.

SECTION 3: The Budget of the Palmdale Recycled Water Authority is hereby approved and adopted. In adopting said budget the Authority Board approved the specified amounts for each of the various programs and accounts set forth.

SECTION 4: The Authority Treasurer is hereby authorized and instructed to take all steps necessary to implement this resolution in accordance with the provisions of the budget document.

SECTION 5: Without prior approval of the Authority Board, the Executive Director shall have authority to transfer up to \$25,000 from program to program, except for shifts in appropriations relating to personnel. Any transfer of more than such amount shall be approved by the Authority Board.

SECTION 6: The Authority Treasurer, with the approval of the Executive Director shall approve the Encumbrances and Continuing Appropriations from the Authority's budget for calendar year 2020.

SECTION 7: The Budget for calendar year 2020, as submitted, amended, modified, revised, corrected, adopted, and filed by the Authority shall be the calendar year 2020 Budget for the Palmdale Recycled Water Authority. The Budget is subject to the requirements of Article XIII B of the California Constitution.

SECTION 8: The Clerk of the Authority shall certify to the adoption of this Resolution and enter it into the official records of the Authority.

PASSED, APPROVED and ADOPTED this 18th day of November, 2019, by the following vote:

AYES: _____

NOES: _____

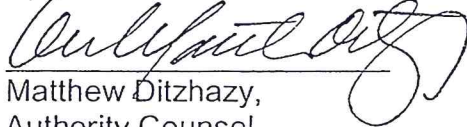
ABSTAIN: _____ ABSENT: _____

Juan Carrillo, Chair

ATTEST:

Rebecca Smith,
Authority Secretary

Approved as to form:



Matthew Ditzhazy,
Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY

Proposed Budget - CY 2020

Acct. #		CY 2015 ACTUAL	CY 2016 ACTUAL	CY 2017 ACTUAL	CY 2018 ACTUAL	CY 2019 PROJECTED	CY 2020 PROPOSED
Revenues:							
1-00-3100-100	Contribution - Palmdale Water District	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000
1-00-3100-200	Contribution - City of Palmdale	100,000	100,000	100,000	300,000	300,000	300,000
1-00-3000-000	Revenue - Water Sales	102,654	59,472	28,748	55,806	30,472	60,000
1-00-3050-000	Revenue - Meter Fees	10,355	31,775	22,812	19,579	16,468	20,000
1-00-3075-000	Revenue - Miscellaneous Fees	708	112	-	578	250	500
1-00-3150-000	Grants	-	19,418	55,582	-	-	-
1-00-3500-000	Interest Earnings	469	1,051	1,667	4,543	15,750	17,000
	Total Revenue	<u>\$ 314,186</u>	<u>\$ 311,828</u>	<u>\$ 308,809</u>	<u>\$ 680,506</u>	<u>\$ 662,939</u>	<u>\$ 697,500</u>
Expenses:							
1-00-4000-000	Public Representative - Meetings & Travel	\$ -	\$ 750	\$ 1,830	\$ 2,722	\$ 1,100	\$ 3,000
1-00-4010-000	Payroll Tax Expense (Employer)	-	57	82	57	57	200
1-00-4500-100	Depreciation-General	-	-	280,387	53,407	35,600	35,000
1-00-5000-000	Banking Fees	-	-	424	939	550	600
1-00-5025-000	Provision for Bad Debt	-	-	695	-	-	700
1-00-5100-000	Insurance	-	-	-	1,789	4,050	4,500
1-00-5200-000	Memberships	2,552	2,552	2,408	2,996	3,150	3,200
1-00-5300-000	Marketing & Outreach	7,341	5,922	-	-	-	32,550
1-00-5500-000	Travel & Meetings	1,859	-	595	-	-	1,500
1-00-5600-000	Permits & Fees	3,815	-	76	-	-	5,000
1-00-6000-000	Purchased Water	16,228	20,143	14,789	16,631	12,500	20,000
1-00-6500-000	Materials & Supplies	12,656	-	-	7,928	2,500	10,000
1-00-6600-000	Maint. & Rep. - Water System	9,393	-	9,783	-	2,000	10,000
1-00-8000-150	Contract Services - Professional Services	46,347	90,891	22,647	-	-	200,000
1-00-8000-200	Contract Services - Financial Audit	8,725	10,000	9,000	10,225	8,000	8,500
	Total Expenses	<u>\$ 108,916</u>	<u>\$ 130,315</u>	<u>\$ 342,715</u>	<u>\$ 96,694</u>	<u>\$ 69,507</u>	<u>\$ 334,750</u>
Net Income/(Expense):						<u>\$ 593,432</u>	<u>\$ 362,750</u>
Change in Net Position at December 31		<u>\$ 205,270</u>	<u>\$ 386,783</u>	<u>\$ 352,877</u>	<u>\$ 936,689</u>	<u>\$ 1,530,121</u>	<u>\$ 1,892,871</u>

**THERE IS NO
STAFF REPORT
FOR THIS ITEM**