

**PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
REGULAR MEETING
MARCH 17, 2025
6:00 P.M.**

www.palmdalerwa.org

WELCOME

PLEASE NOTE: You can view this agenda and related items on our website at <https://palmdalerwa.org/>. You can request a copy of this agenda or attachments, if any, by contacting the City Clerk's Office at 661-267-5151.

In general, a **three-minute time limit** will be imposed on all speakers other than staff members, although the chair has the authority to change the amount of time allotted.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

If you require oral translation, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

Your courtesy is requested to help our meeting run smoothly. If you will 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 AUSTIN BISHOP, DIRECTORS DON WILSON, SCOTT KELLERMAN, LAURA BETTENCOURT, AND ZAKEYA ANSON

4. **PRESENTATION OF PLAQUE TO OUTGOING DIRECTOR ANSON**

5. **PUBLIC COMMENTS** - If you wish to comment on any item(s) listed 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.

NON-AGENDA PUBLIC COMMENTS - Individuals may also 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.

6. **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 Consent Calendar and will be considered separately following this portion of the agenda.

6.1 Approve the Minutes from the previous meeting held on October 21, 2024. (Staff Reference: Authority Secretary Faber)

6.2 Approve receipt and filing of the Treasurer's Report for the four months ending February 28, 2025. (Staff Reference: Treasurer-Auditor Hoffmeyer)

6.3 Approve receipt and filing of the Investment Report for the quarter ending December 31, 2024. (Staff Reference: Treasurer-Auditor Hoffmeyer)

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

7. **PUBLIC DIRECTOR**

- Interviews
- Recommendation

8. ACTION ITEM(S)

8.1 Election of Chair and Vice Chair pursuant to Article 4.10 of the Joint Exercise of Powers Agreement the term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. (Staff Reference: Executive Director LaMoreaux)

Call for Public Comments

Staff Recommendation: Move to appoint _____ as Chair and _____ as Vice Chair. (Roll Call Vote – Requires a majority to appoint.)

9. DIRECTOR REQUESTS FOR NEW AGENDA ITEMS

10. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR

10.1 Update on the Avenue Q Recycled Water Pipeline, Pure Water AV, and Palmdale Recycled Water Authority. (Staff Reference: Executive Director LaMoreaux)

11. ADJOURNMENT to Monday, April 21, 2025, at 6:00 p.m. at the City of Palmdale City Hall Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

**MINUTES
OCTOBER 21, 2024
PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
6:00 P.M.**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL CHAIR AUSTIN BISHOP, DIRECTORS DON WILSON,
SCOTT KELLERMAN, LAURA BETTENCOURT, AND
ZAKEYA ANSON**

Present: Directors Bishop, Wilson, Kellerman, and Bettencourt
Absent: Director Anson

4. CONSENT CALENDAR – PUBLIC COMMENTS

Public Comments: None.

5. CONSENT CALENDAR:

- 5.1 Approve the Minutes from the previous meeting held on May 20, 2024. (Staff Reference: Authority Secretary Faber)
- 5.2 Approve receipt and filing of the Treasurer’s Report for the nine months ending September 30, 2024. (Staff Reference: Treasurer-Auditor Hoffmeyer)
- 5.3 Approve receipt and filing of the Investment Report for the quarter ending September 30, 2024. (Staff Reference: Treasurer-Auditor Hoffmeyer)
- 5.4 Approve receipt and filing of the annual basic financial statements with independent auditors’ report for year ended December 31, 2023. (Staff Reference: Treasurer-Auditor Hoffmeyer)
- 5.5 Approve Resolution No. PRWA 2024-002 establishing its Investment Policy for the calendar year 2025. (Staff Reference: Treasurer-Auditor Hoffmeyer)

Move to approve the recommendations and findings on all items listed under this Consent Calendar.

Moved by Director Bettencourt, seconded by Director Wilson

Vote: (4-0)

Yes: Directors Bishop, Wilson, Kellerman, and Bettencourt

Absent: Director Anson

6. ACTION ITEM(S)

6.1 Consideration and Possible Action on Resolution No. PRWA 2024-001 Authorizing the Adoption of the Palmdale Recycled Water Authority 2025 Annual Budget.

Treasurer-Auditor Hoffmeyer presented the staff report regarding the Annual Budget. He stated that there were no contributions required from either agency this year. The one big caveat is that we have fewer construction water accounts currently, so water sales are down. Mr. Hoffmeyer stated that there was a slight increase in the 100 af from the County, due to maintenance on the booster pump at that location. He stated that it was approximately \$4,000 more than in prior audits.

Chair Bishop asked if this was the station at 30th and Avenue R. Treasurer-Auditor Hoffmeyer stated it is located with the Sanitation District's property at 30th and Avenue P-8. Executive Director LaMoreaux stated that there is a small temporary pump station at the reclamation plant that pushes water to McAdams Park, and across the street is where contractors would get their water from the recycled water line.

Mr. Hoffmeyer stated that there are currently only 4 active construction accounts, in prior years we had as many as 15.

Move to Adopt Resolution No. PRWA 2024-001 the Palmdale Recycled Water Authority 2025 Annual Budget.

Moved by Director Bettencourt, seconded by Director Wilson

Vote: (4-0)

Yes: Directors Bishop, Wilson, Kellerman, and Bettencourt

Absent: Director Anson

7. DIRECTOR REQUESTS FOR NEW AGENDA ITEMS

Chair Bishop requested an informal report regarding PRWA options moving forward. What money is out there for grants for 25-26.

Authority Counsel Curley spoke about this item and suggested doing some type of marketing for recycled water.

There was additional discussion regarding rate structures and the cost of recycled water.

8. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR

8.1 Update on the Avenue Q Recycled Water Pipeline Project – Construction Status and updated cost share amount.

Palmdale Water District (PWD) Engineering Manager Rogers presented this item.

He stated that PWD approved a contract with American Pipeline Services. They received four (4) bids, American Pipeline was the lowest bid at \$1.4M.

This project is to take the recycled water line from Avenue Q to the existing water line on 30th street to the PWD headquarters. The fill station will be available to contractors to get water without having to get a recycled water meter. We will also be connecting SOAR Academy to the pipeline to irrigate their landscape. We will be using grant funds to pay for that portion.

American Pipeline Services is under contract to have the work completed by December.

Director Bettencourt thanked PWD for their assistance with identifying a leak in her water line.

Chair Bishop mentioned the smart sprinkler controllers. Executive Director LaMoreaux stated that PWD has a \$150 rebate on smart sprinkler controllers and that information on that rebate as well as other programs, is available on the PWD website.

9. ADJOURNMENT

Chair Bishop adjourned the meeting at 6:18 p.m.

PASSED, APPROVED, and ADOPTED this 17th day of March 2025.

Austin Bishop
Chair

ATTEST:

Roxanne Faber
Authority Secretary

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: March 13, 2025 **March 17, 2025**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Dennis J. Hoffmeyer, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO 6.2 – TREASURER’S REPORT FOR FEBRUARY 2025

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the four months ending February 28, 2025.

Background:

To comply with provisions required by Section 4.13 of the Joint Powers of Authority Agreement and the responsibilities of the 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 February 28, 2028, the PRWA has \$ 3,063,665.40 in cash and investments. PRWA had interest and market adjustment of \$8,846.32, received \$1,782.09 in receivables, and there were \$11,591.59 in expenses and fees paid for the month.

Supporting Documents:

Treasurer’s Report for the month ending February 28, 2025.
Balance Sheet for the period ending February 28, 2025.
Income Statement for the period ending February 28, 2025.

**Palmdale Recycled Water Authority
Treasurer's Report
Month Ended February 28, 2025**

Cash/Funds Available and held at Bank of America, Citizens Business Bank, & UBS Financial Svcs:

Bank Balance, beginning February 1, 2025	3,064,628.58
Less: Expenses Paid	(11,591.59)
Less: Bank Fees Paid (Analysis Fees & Credit Card Processing)	-
Add: Deposits Made	1,782.09
Add: Interest Earned & Market Adjustment on Investments	8,846.32
Add: Deposit in Transit	-
Less: Outstanding Check (Ledger Tie-Out)	-
Bank Balance, ending February 28, 2025	3,063,665.40
Less: Accounts Payable	(14,003.05)
Less: Accrued Purchases	-
Less: Accrued Payroll Taxes	-
Less: Deposits - Customer	(3,000.00)
Add: Accounts Receivable	3,887.94
Add: Interest Receivable	-
Adjusted Bank Balance, ending February 28, 2025	3,050,550.29

Outstanding Checks (Prior Month(s)):

Deposit Refund - HHS Communications	589.30
Deposit Refund - RAAM Construction, Inc	601.12

February Checks Issued:

Water Purchases - Sanitation Districts of L.A. County	11,264.91
Plaque - Palmdale Trophy	76.68
2025 Membership - California Association of Mutual Water Companies	250.00

Total Checks Issued	<u><u>11,591.59</u></u>
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**Palmdale Recycled Water Authority
Balance Sheet
For the Two Months Ending 2/28/2025**

	YTD
ASSETS	
UBS- Investment Funds	\$2,489,714
Bank of America - Checking	\$41,642
Citizens Business Bank - Checking	\$532,309
Prepaid Memberships	
Prepaid Insurance	826
Accounts Receivable	
- Water	3,888
- Government Agency	
Interest Receivable	
Property, Plant and Equipment, net	1,473,145
Total Assets	\$4,541,525
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$14,003
Accrued Expense	
Deposits - Customer	3,000
Total Liabilities	17,003
FUND BALANCE	
Unassigned	4,524,522
Total Fund Balance	4,524,522
Total Liabilities and Fund Balance	\$4,541,525

**Palmdale Recycled Water Authority
Income Statement - Current and YTD
For the Two Months Ending 2/28/2025**

	February	YTD
REVENUES:		
Contributions - Palmdale Water District		
Contributions - City of Palmdale		
Grant Funds		
Water Sales	2,710.64	5,881.76
Interest Earnings	4,218.15	9,747.79
Market Adjustment on Investments	4,628.17	6,293.06
Total Revenue	\$11,556.96	\$21,922.61
 EXPEDITURES:		
General Government		
Public Representative - Payroll Tax Expense (Employer)		
Public Representative - Travel & Meeting		
Banking Fees		
Provision for Bad Debt		
Insurance	826.79	1,653.58
Memberships		250.00
Operating Supplies		
Marketing & Outreach	76.68	76.68
Travel & Meeting		
Permits & Fees		
Utilities - Purchased Water	11,264.91	11,264.91
Materials & Supplies		
Maint. & Repair - Water System		
	\$12,168.38	\$13,245.17
 Public Resource		
Contracted Services - Professional Svcs		
Contracted Services - Audit		
	\$12,168.38	\$13,245.17
 Non-Cash Operating Expense		
Depreciation	4,450.59	8,901.18
Non-Operating Revenue		
Capital Contribution		
	(\$4,450.59)	(\$8,901.18)
 Change in Net Position	(\$5,062.01)	(\$223.74)
 Net Position - Beginning of Year		4,524,745.58
 Net Position - End of Year	(\$5,062.01)	\$4,524,521.84

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: March 13, 2025 **March 17, 2025**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Dennis J. Hoffmeyer, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 6.3 – INVESTMENT REPORT FOR THE QUARTER ENDING
DECEMBER 31, 2024**

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends to the Board of Directors to receive and file the Investment Report for the quarter ending December 31, 2024.

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 December 31, 2024, the PRWA has \$293,128.40 in cash, \$235,994.25 in Money Market, \$1,537,550.10 in U.S. Treasury Bill/Note, and \$385,139.70 in Certificates of Deposits with UBS Investment Services with accrued interest in the amount of \$21,889.91.

Supporting Documents:

Investment Report for the quarter ending December 31, 2024.

PALMDALE RECYCLED WATER AUTHORITY
INVESTMENT REPORT
December 31, 2024

UBS Money Market Account (SS 30999)

Cash	\$293,128.40
UBS Select Government Preferred Fund (Money Market)	\$235,994.25

US Government Securities

	CUSIP #	Issuer	Maturity Date	Rate	Face Value	Market Value
1	9128283Z1	US Treasury Note	02/28/2025	2.750	415,000	413,954.20
2	9128284Z0	US Treasury Note	08/31/2025	2.750	500,000	495,095.00
3	9128284Z0	US Treasury Note	08/31/2025	2.750	130,000	128,724.70
4	9128285N6	US Treasury Note	11/30/2025	2.875	500,000	499,776.20
					1,545,000	\$1,537,550.10

Certificates of Deposit

	CUSIP #	Issuer	Maturity Date	Rate	Face Value	Market Value
1	95763PSV4	Western Alliance Bank	01/10/2025	5.250	135,000	135,029.70
2	89788HHU0	Truist Bank	01/25/2025	5.140	250,000	250,110.00
					385,000	\$385,139.70

Acct. Total **\$2,451,812.45**

Accrued interest \$21,889.91

TOTAL CASH AND INVESTMENTS **\$2,473,702.36**

**P A L M D A L E R E C Y C L E D W A T E R
A U T H O R I T Y**

B O A R D M E M O R A N D U M

DATE: March 13, 2025 **March 17, 2025 Board Meeting**
TO: BOARD OF DIRECTORS
FROM: Mr. Dennis D. LaMoreaux, Executive Director
RE: *ITEM NO. 10.1 - INFORMATION ITEMS*

Avenue Q Recycled Water Pipeline Project

This pipeline connects to the recycled water main on 30th Street East and goes west on Avenue Q. It provides a recycled water connection to the SOAR High School near 22nd Street East, a new recycled water dispenser next to the PWD main office, and the Pure Water Antelope Valley (PWAV) Demonstration Facility near the Palmdale Women's Club.

The pipeline construction is nearly complete. It is funded by a State grant through the AV Integrated Regional Water Management Group, PWD, PWD for the PWAV Project, and PRWA. The current cost breakdown is as follows:

Contract awarded to American Pipeline on May 13, 2024;

Total Initial Contract Amount:	\$2,094,670
Change orders as of 3/10/2025:	<u>\$110,788</u>
Total Contract Amount:	\$2,205,458
Cost related to PWAV Demonstration Facility:	(\$654,082)
State Grant Amount:	<u>(\$587,578)</u>
Pipeline cost to be split between PWD & PRWA:	\$963,794
PRWA share of Project (50%):	\$481,897

PWD's Pure Water Antelope Valley (PWAV) Project

This project will purify tertiary-treated recycled water from Los Angeles County Sanitation Districts No. 20 for indirect potable reuse. Advanced water treatment processes will be used to accomplish the purification. The full-scale project will inject the treated purified water into the aquifer for later use as groundwater.

The advanced treatment process will first be proven with the same technology and tertiary water at the PWAV Demonstration Facility. The Demonstration Facility is currently under construction between the PWD main office and the Palmdale Women’s Club. It is expected to be completed in approximately one year and will be completely funded by PWD using bond proceeds and Federal funding.

A unique part of this project is how the brine from the advanced treatment process will be handled. PWD is partnering with Capture6, a carbon capture, climate resilience and industrial decarbonization company, to handle the brine in the Demonstration Facility. Capture6 will process the brine into a chemical to pull and capture carbon from the air.

More information about PWAV can be found at <https://purewaterav.org/project/> including two live construction monitoring cameras that can be viewed at <https://purewaterav.org/construction-cameras/>.

PRWA Status and Future

PRWA was formed as part of a legal settlement between PWD and the City of Palmdale. It allowed the agencies to work cooperatively on recycled water project in the area overlapped by the two entities’ boundaries. Some of the more notable activities related to recycled water sales, “purple pipe” construction, and PWAV by the PRWA Board are as follows:

- August 19, 2015: Resolution No. 2015-006 – Sets recycled water rates at 75% of potable water rates.
- April 19, 2021: Approved suspension of Phase II Recycled Water Pipeline from McAdam Park to Massari Park.
- June 21, 2021: PWAV presentation by PWD
- April 18, 2022: Las Virgenes MWD presentation on its pure water project.
- July 18, 2022; October 17, 2022; and March 20, 2023: PWAV project updates.
- October 16, 2023: Approval to share cost of Avenue Q recycled pipeline.
- October 21, 2024: Approved 2025 Budget with estimated Avenue Q recycled water pipeline contribution of \$550,000.

Based on PRWA’s actions and PWAV, the Avenue Q recycled water pipeline will likely be the last “purple pipe” project. PRWA has accomplished what it was formed to do. Specifically, the two agencies have successfully worked together on recycled water issues for the good of our community. This cooperation is now built into the relationship between our agencies outside of PRWA. In my opinion, PRWA has served its purpose, and the Board may want to consider exercising the termination clauses of the joint powers agreement at a future meeting.