

PALMDALE RECYCLED WATER AUTHORITY (PRWA)  
HELD AT CITY OF PALMDALE  
CITY HALL COUNCIL CHAMBER  
38300 SIERRA HIGHWAY, SUITE B  
PALMDALE, CALIFORNIA  
ADJOURNED REGULAR MEETING AGENDA NO. 54  
FEBRUARY 27, 2020  
6:00 P.M.  
[www.cityofpalmdale.org](http://www.cityofpalmdale.org)  
[www.palmdalewater.org](http://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 HELEN VELADOR, DIRECTORS KATHY MAC LAREN, VINCENT DINO, AUSTIN BISHOP AND JUAN CARRILLO
  
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 twelve months ending December 31, 2019. (Staff Reference: Treasurer-Auditor Williams)
  - 5.2 Approve receipt and filing of the Investment Report for the quarter ending December 31, 2019. (Staff Reference: Treasurer-Auditor Williams)
  - 5.3 Adopt Resolution No. PRWA 2020-001, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority designating by title and name those officials who are authorized to sign checks and warrants. (Staff Reference: Treasurer-Auditor Williams)
  - 5.4 Adopt Resolution No. PRWA 2020-002, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority establishing its investment policy. (Staff Reference: Treasurer-Auditor Williams)
  - 5.5 Approve the Minutes from the previous meeting held on January 30, 2020. (Staff Reference: Secretary Smith)
  - 5.6 2019 Update to the Antelope Valley Integrated Regional Water Management Plan. (Staff Reference: Executive Director LaMoreaux)

**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. **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.**
7. **REQUESTS FOR NEW AGENDA ITEMS:**
8. **INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.**
9. **ADJOURNMENT** to March 16, 2020 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](http://www.cityofpalmdale.org) or the Palmdale Water District website at [www.palmdalewater.org](http://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: February 19,2020 February 27, 2020  
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 DECEMBER 2019**

**Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the twelve months ending December 31, 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 December 31, 2019, the PRWA has \$2,167,886.78 in cash and investments. PRWA had a market adjustment of \$(2,746.52) in interest, received \$3,607.53 in receivables, and there were \$1,380.16 in expenses and fees paid for the month.

**Supporting Documents:**

Treasurer’s Report for month ending December 31, 2019.  
Balance Sheet for period ending December 31, 2019.  
Income Statement for period ending December 31, 2019.

**Palmdale Recycled Water Authority**  
**Treasurer's Report**  
**Month Ended December 31, 2019**

|   |              |
|---|--------------|
| Cash/Funds Available and held at Bank of America, Citizens Business Bank, & UBS Financial Svcs: |              |
| Bank Balance, beginning December 1, 2019  | 2,168,405.93 |
| Less: Expenses Paid   | (1,380.16)   |
| Less: Bank Fees Paid (Analysis Fees & Credit Card Processing)                                   | -            |
| Add: Deposits Made  | 3,607.53     |
| Add: Interest Earned & Market Adjustment on Investments   | (2,746.52)   |
| Add: Deposit in Transit   | -            |
| Less: Outstanding Check (Ledger Tie-Out)  | -            |
| Bank Balance, ending December 31, 2019  | 2,167,886.78 |
| Less: Accounts Payable  | -            |
| Less: Accrued Purchases   | -            |
| Less: Accrued Payroll Taxes   | -            |
| Less: Deposits - Customer   | (4,000.00)   |
| Add: Accounts Receivable  | 1,837.27     |
| Add: Interest Receivable  | 4,304.78     |
| Adjusted Bank Balance, ending December 31, 2019   | 2,170,028.83 |

**Outstanding Checks (Prior Month(s)):**

**December Checks Issued:**

|  |          |
|--|----------|
| WaterUse Association, 2020 Membership Dues | 3,852.00 |
|--|----------|

|                     |          |
|---------------------|----------|
| Total Checks Issued | 3,852.00 |
|---------------------|----------|

Palmdale Recycled Water Authority  
 Balance Sheet  
 For the Twelve Months Ending 12/31/2019

|   | YTD                |
|---|--------------------|
| <b>ASSETS</b>                             |                    |
| UBS- Investment Funds                     | \$1,625,648        |
| Bank of America - Checking                | \$40,710           |
| Citizens Business Bank - Checking         | \$501,529          |
| Prepaid Memberships                       | 3,852              |
| Prepaid Insurance                         | 1,341              |
| Accounts Receivable                       |                    |
| - Water                                   | 1,837              |
| - Government Agency                       |                    |
| Interest Receivable                       | 4,305              |
| Property, Plant and Equipment, net        | 1,766,884          |
| <b>Total Assets</b>                       | <b>\$3,946,106</b> |
| <br><b>LIABILITIES AND FUND BALANCE</b>   |                    |
| <b>LIABILITIES</b>                        |                    |
| Accounts Payable                          |                    |
| Accrued Expense                           |                    |
| Deposits - Customer                       | 4,000              |
| <b>Total Liabilities</b>                  | <b>4,000</b>       |
| <b>FUND BALANCE</b>                       |                    |
| Unassigned                                | 3,942,106          |
| <b>Total Fund Balance</b>                 | <b>3,942,106</b>   |
| <b>Total Liabilities and Fund Balance</b> | <b>\$3,946,106</b> |

**Palmdale Recycled Water Authority  
Income Statement - Current and YTD  
For the Twelve Months Ending 12/31/2019**

|  | December              | YTD                       |
|--|-----------------------|---------------------------|
| <b>REVENUES:</b>                                       |                       |                           |
| Contributions - Palmdale Water District                |                       | \$300,000.00              |
| Contributions - City of Palmdale                       |                       | 300,000.00                |
| Grant Funds  |                       |                           |
| Water Sales  | 4,238.86              | 52,911.18                 |
| Interest Earnings                                      | 2,851.36              | 20,744.68                 |
| Market Adjustment on Investments                       | (1,293.10)            | 6,157.11                  |
| <b>Total Revenue</b>                                   | <b>\$5,797.12</b>     | <b>\$679,812.97</b>       |
| <br><b>EXPEDITURES:</b>                                |                       |                           |
| <b>General Government</b>                              |                       |                           |
| Public Representative - Payroll Tax Expense (Employer) |                       | 57.38                     |
| Public Representative - Travel & Meeting               |                       | 750.00                    |
| Banking Fees   |                       | 522.79                    |
| Provision for Bad Debt                                 |                       |                           |
| Insurance  | 446.92                | 6,703.28                  |
| Memberships  |                       | 3,129.75                  |
| Operating Supplies                                     |                       |                           |
| Marketing & Outreach                                   |                       |                           |
| Travel & Meeting                                       |                       |                           |
| Permits & Fees   |                       |                           |
| Utilities - Purchased Water                            |                       | 10,485.16                 |
| Materials & Supplies                                   |                       |                           |
| Maint. & Repair - Water System                         |                       |                           |
|  | \$446.92              | \$21,648.36               |
| <br><b>Public Resource</b>                             |                       |                           |
| Contracted Services - Professional Svcs                |                       |                           |
| Contracted Services - Audit                            |                       | 8,000.00                  |
|  |                       | 8,000.00                  |
|  | \$446.92              | \$29,648.36               |
| <br><b>Non-Cash Operating Expense</b>                  |                       |                           |
| Depreciation   |                       | 35,604.72                 |
| <b>Non-Operating Revenue</b>                           |                       |                           |
| Capital Contribution                                   |                       |                           |
|  |                       | (\$35,604.72)             |
| <br><b>Change in Net Position</b>                      | <br><b>\$5,350.20</b> | <br><b>\$614,559.89</b>   |
| <br><b>Net Position - Beginning of Year</b>            |                       | <br>3,327,545.72          |
| <br><b>Net Position - End of Year</b>                  | <br><b>\$5,350.20</b> | <br><b>\$3,942,105.61</b> |

**PALMDALE RECYCLED  
WATER AUTHORITY  
BOARD MEMORANDUM**

**DATE:** February 19, 2020 February 27, 2020  
**TO:** BOARD OF DIRECTORS Board Meeting  
**FROM:** Michael Williams, Treasurer-Auditor, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 5.2 – INVESTMENT REPORT FOR QUARTER ENDING  
DECEMBER 31, 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 December 31, 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 December 31, 2019, the PRWA has \$12,866.91 in cash, \$970,000 in U.S. Treasury Bill and \$640,000 in Certificates of Deposits with UBS Investment Services with accrued interest in the amount of \$4,304.78.

**Supporting Documents:**

Investment Report for quarter ending December 31, 2019

**PALMDALE RECYCLED WATER AUTHORITY**

December 31, 2019

**INVESTMENTS**

December 2019

**UBS Money Market Account (SS 30999)**

Cash \$12,866.91

**US Government Securities**

| CUSIP #   | Issuer           | Maturity Date | Rate  | PAR              | Market Value        |
|-----------|------------------|---------------|-------|------------------|---------------------|
| 912828UL2 | US Treasury Bill | 01/31/2020    | 1.375 | 300,000          | 299,934.00          |
| 9128284C1 | US Treasury Bill | 03/31/2020    | 2.250 | 300,000          | 300,423.00          |
| 912828XY1 | US Treasury Bill | 06/30/2020    | 2.500 | 370,000          | 371,561.40          |
|           |                  |               |       | <u>\$970,000</u> | <u>\$971,918.40</u> |

**Certificates of Deposit**

|   | Issuer             | Maturity Date | Rate  | Face Value       |                     |
|---|--------------------|---------------|-------|------------------|---------------------|
| 1 | Bank OZK AR        | 02/24/2020    | 2.350 | 150,000          | 150,162.00          |
| 2 | Texas Capital Bank | 04/27/2020    | 1.650 | 170,000          | 169,994.90          |
| 3 | UBS Bank           | 05/08/2020    | 3.000 | 150,000          | 150,712.50          |
| 4 | Bank of Baroda NY  | 05/27/2020    | 1.650 | 170,000          | 169,993.20          |
|   |                    |               |       | <u>\$640,000</u> | <u>\$640,862.60</u> |

Acct. Total \$1,625,647.91

Accrued interest \$4,304.78

**TOTAL CASH AND INVESTMENTS** \$1,629,952.69

**PALMDALE RECYCLED  
WATER AUTHORITY  
BOARD MEMORANDUM**

DATE: February 19, 2020 February 27, 2020  
TO: BOARD OF DIRECTORS Board Meeting  
FROM: Michael Williams, Treasurer-Auditor, PRWA  
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: **AGENDA ITEM NO 5.3 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. PRWA 2020-001, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY DESIGNATING BY TITLE AND NAME THOSE OFFICIALS WHO ARE AUTHORIZED TO SIGN CHECKS AND WARRANTS.**

**Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors adopt Resolution No. PRWA 2020-001, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority designating by title and name those officials who are authorized to sign checks and warrants.

**Background:**

Resolution No. PRWA 2020-001 will reflect the appointment or deletion of the following, and add or delete him or her as an authorized signer of checks and warrants for the Palmdale Recycled Water Authority:

Helen Velador – Adding  
Katheryn MacLaren – Adding  
Keith Kang - Adding  
Michael Williams – Retaining  
Dennis Hoffmeyer – Retaining  
Austin Bishop – Deleting  
Juan Carrillo – Deleting  
Karen Johnston – Deleting

**Financial Impact:**

None

**Supporting Documents:**

PRWA Resolution No. 2020-001

RESOLUTION NO. PRWA 2020-001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY DESIGNATING THOSE OFFICIALS WHO ARE AUTHORIZED TO SIGN CHECKS AND WARRANTS, EFFECTIVE FEBRUARY 27, 2020.

WHEREAS, the Palmdale Recycled Water Authority has engaged various financial institutions as depositories of Palmdale Recycled Water Authority moneys and funds administered by the Palmdale Recycled Water Authority Board of Directors; and

WHEREAS, The Board of Directors has, by Resolution, heretofore designated by title certain officials who are authorized to sign checks, drafts, warrants, or other orders for the payment of money drawn in the name of the Palmdale Recycled Water Authority.

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

SECTION 1: For purposes of implementing Section 1 of Resolution No. PRWA 2020-001, the following persons are designated by name and are expressly authorized to sign checks, drafts, warrants or other orders for the payment of money drawn in the name of the Palmdale Recycled Water Authority:

|                     |                  |
|---------------------|------------------|
| Chair               | HELEN VELADOR    |
| Vice-Chair          | KATHY MAC LAREN  |
| Treasurer           | MICHAEL WILLIAMS |
| Assistant Treasurer | KEITH KANG       |
| Assistant Treasurer | DENNIS HOFFMEYER |

SECTION 2: The following persons are no longer authorized to sign checks, drafts, warrants or other orders on behalf of the Palmdale Recycled Water Authority:

|                     |                |
|---------------------|----------------|
| Chair               | AUSTIN BISHOP  |
| Vice-Chair          | JUAN CARRILLO  |
| Assistant Treasurer | KAREN JOHNSTON |

SECTION 3: 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 27<sup>th</sup> day of February, 2020 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

PROPOSED

\_\_\_\_\_  
Helen Velador, Chair

ATTEST:

\_\_\_\_\_  
Rebecca J. Smith,  
Authority Secretary

Approved as to form:

\_\_\_\_\_  
Eric Dunn,  
Authority Counsel



**PALMDALE RECYCLED  
WATER AUTHORITY  
BOARD MEMORANDUM**

**DATE:** February 19, 2020 February 27, 2020  
**TO:** BOARD OF DIRECTORS Board Meeting  
**FROM:** Michael Williams, Treasurer-Auditor, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 5.4 – RESOLUTION NO. PRWA 2020-002 BEING A  
RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY  
ESTABLISHING ITS INVESTMENT POLICY FOR CALENDAR YEAR 2020**

**Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors approve Resolution No. PRWA 2020-002 establishing its Investment Policy for calendar year 2020.

**Background:**

It is required by law for the Authority to adopt an annual Investment Policy. The Policy is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds with the primary objectives of the investment activities being safety, liquidity, and return on investments.

**Financial Impact:**

None

**Supporting Documents:**

Resolution No. PRWA 2020-002

**PALMDALE RECYCLED WATER AUTHORITY  
RESOLUTION NO. PRWA 2020-002**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PALMDALE RECYCLED WATER AUTHORITY  
ESTABLISHING ITS INVESTMENT POLICY**

**1.0 POLICY**

**WHEREAS;** ; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS;** the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS;** the Treasurer/Auditor of the Palmdale Recycled Water Authority (“Authority”) shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, and report same to the be considered by the Board of Directors at a public meeting;

**NOW THEREFORE;** it shall be the policy of the Authority to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and conforming to all statutes governing the investment of Authority funds.

**2.0 SCOPE**

This investment policy applies to all investment activities and financial assets of the Authority. These funds are accounted for in the annual authority audit.

**3.0 PRUDENCE**

The standard of prudence to be used by investment officers shall be the "prudent investor" standard, pursuant to California Government Code 53600.3, and shall be applied in the context of managing an overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Authority, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **4.0 OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the Authority will diversify its investments by investing funds among a variety of securities with independent returns.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a acceptable rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 DELEGATION OF AUTHORITY**

Pursuant to California Government Code 53607, the authority to invest public funds of the Authority is expressly delegated to the Board of Directors of the Authority. The Board re-delegates the investment function to the Board Chairman or Vice Chairman and the Treasurer/Auditor.

The investment of the Authority's monies is annually delegated by the Board of Directors to the Board Chairman or Vice Chairman and Treasurer/Auditor who shall thereafter assume full responsibility for those transactions until the delegation is revoked or expires. The Board Chairman or Vice Chairman shall delegate the day-to-day operations of investing to the Treasurer/Auditor, but not the responsibility for the overall investment program. All transactions will be reviewed by the Board of Directors on a monthly basis to assure compliance with the Investment Policy. (California Government Code Section 53607.)

#### **6.0 ETHICS AND CONFLICTS OF INTEREST**

The Board, officers and employees of the Authority involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

#### **7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Treasurer/Auditor will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers

selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Authority shall select only broker/dealers who are licensed and in good standing with the California Department of Business Oversight, the Securities and Exchange Commission, the Financial Industry Regulatory Authority or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer/Auditor shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Authority's account with that firm has reviewed the Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Authority that are appropriate under the terms and conditions of this Investment Policy.

#### **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The Authority is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the Authority.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 40% of the Authority's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- f. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

The Authority shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

#### 9.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(j)(2).

#### 10.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the Authority shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Authority by book entry, physical delivery or by third party custodial agreement evidence by safekeeping receipts.

#### 11.0 DIVERSIFICATION

The Authority will diversify its investments by security type and institution. Assets shall be diversified to mitigate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

**12.0 REPORTING**

The Treasurer/Auditor shall submit to each member of the Board an investment report at least quarterly. Pursuant to California Government Code 53646, the report shall include 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 Authority by third party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the Authority will meet its expenditure obligations for the next six months. The Treasurer/Auditor shall maintain a complete and timely record of all investment transactions.

**13.0 INVESTMENT POLICY ADOPTION**

This Investment Policy shall be adopted by resolution of the Authority. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board.

PASSED, APPROVED and ADOPTED this 27<sup>th</sup> day of February, 2020 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Helen Velador, Chair

ATTEST:

\_\_\_\_\_  
Rebecca J. Smith,  
Authority Secretary

Approved as to form:

\_\_\_\_\_  
Eric L. Dunn  
Authority Counsel

PROPOSED

# PALMDALE RECYCLED WATER AUTHORITY

## BOARD MEMORANDUM

**DATE:** February 27, 2020  
**TO:** BOARD OF DIRECTORS  
**FROM:** Mr. Dennis LaMoreaux, Executive Director, PRWA  
Mr. Chuck Heffernan, Assistant Executive Director, PRWA  
**RE: AGENDA ITEM NO. 5.6 – 2019 Update to the Antelope Valley Integrated Regional Water Management Plan**

### **Recommendation:**

Staff recommends that the Board review and file the information for its future use. City of Palmdale Resolution No. CC 2020-017 to approve the 2019 Update to the Integrated Regional Water Management Plan for the Antelope Valley (Update to the Plan adopted by the Palmdale City Council on March 3<sup>rd</sup>, 2020).

### **Background:**

In May 2006, the City and other community participants set about developing a broadly supported integrated water resource management plan ("Plan") that defines a meaningful course of action to meet the expected demands for water within the entire Antelope Valley Region between then and 2035. The consensus was to develop this water resource management plan consistent with a State sponsored program (the Integrated Regional Water Management Plan) that makes grant funds available to support coordinated regional water management. As a result, the Regional Water Management Group ("Group"), a coalition of eleven (11) public agencies responsible for various water-related issues, was formed in accordance with Section 10537 of the California Water Code. This Plan was completed and adopted by the Group in 2008 by all members.

In 2012, the Group began development of this subject Update to the Plan to incorporate changes in the Region's water resources that have occurred since 2007. This Plan Also was updated in 2013. The 2019 Update to the IRWM Plan contains information for group action to meet shared objectives to meet long-term water management for the entire region.

The Plan, which fulfills the State requirement for a water resource management plan, is a comprehensive plan for the conservation, use, and reuse of the water resources in the Antelope Valley. It defines a clear vision and direction for the sustainable management of water resources in the Antelope Valley Region for the next twenty-five years, and contains a strategy to provide a wide range of crucial water-related services necessary to support the well-being of people living in this diverse and vibrant region. The reliability of water supplies is especially important in the near term, given the ongoing State Water Project uncertainties and the current overdraft condition of the underground aquifers in

the Antelope Valley. The development of additional water supplies will provide a hedge against future droughts, and will allow for the continued growth and economic development of the Antelope Valley.

Development of the Plan has fostered greater coordination, collaboration and communication among public agencies within the Antelope Valley and other interested stakeholders, and implementation of the Plan has achieved greater water-use efficiencies, enhanced public services, and has built public support for vital projects. This regional collaboration has promoted a more efficient, comprehensive, and effective approach to water resource management while being responsive within a regional context to the needs of individual communities and jurisdictions.

The following is a list of the Antelope Valley Region's stakeholders that have participated in the development of the Plan and its 2019 Update:

State Water Project Contractors: Antelope Valley-East Kern Water Agency (AVEK), Littlerock Creek Irrigation District, and Palmdale Water District.

Retail and Mutual Water Purveyors: Los Angeles County Waterworks District #40, Quartz Hill Water District, Rosamond Community Services District, Antelope Park Mutual Water Company, Edgemont Acres Mutual Water Company, El Dorado Mutual Water Company, Evergreen Mutual Water Company, Golden Valley Mutual Water, Land Projects Mutual Water, Little Baldy Water Company, Palm Ranch Irrigation District, Westside Park Mutual Water Company, and White Fence Farms Mutual Water Company.

Local Jurisdictions / Land-Use Planning Agencies: City of Palmdale, City of Lancaster, City of California City, City of Boron, Los Angeles County Department of Regional Planning, and Kern County Planning Department.

Other Agencies: Lahonton Regional Water Quality Control Board, California Department of Health Services, California State Parks, California State Department of Fish and Game, Los Angeles County Farm Bureau, Kern County Farm Bureau, and County Sanitation District Nos. 14 and 20 of Los Angeles County.

Others: Antelope Valley Resource Conservation District, Sierra Club, Building Industry Association, U.S. Borax, and Edwards Air Force Base.

**Financial Impact:**

No financial impact of this decision.

**Supporting Documents:**

None