

**PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBERS
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
SPECIAL MEETING AGENDA NO. 37
DECEMBER 18, 2017
6:00 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 Palmdale Water District 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 KATHY MAC LAREN AND DIRECTORS VINCENT DINO, JUAN CARRILLO, AUSTIN BISHOP, AND HELEN VELADOR**

4. **ADMINISTRATION OF OATH OF OFFICE OF JOE ESTES (IF NEEDED).**
(Staff Reference: Authority Secretary Smith).

5. **WORKSHOP:**

5.1 Discussion between Authority members and staff regarding policies needed to proceed with the Phase II construction. (Executive Director LaMoreaux and Assistant Executive Director Swain)

There is no staff report for this item

6. **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.

7. **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.

7.1 Approve the Minutes from the previous meeting held on September 18, 2017. (Staff Reference: Secretary Smith)

7.2 Approve receipt and filing of the Treasurer's Report for the ten months ending October 31, 2017. (Staff Reference: Treasurer-Auditor Michael Williams)

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

8. ACTION CALENDAR:

- 8.1 ADOPT RESOLUTION NO. PRWA 2017-003, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2018 BUDGET. (Staff Reference: Treasurer-Auditor Michael Williams)

Call for Public Comments

Staff Recommendation: Move to Adopt Resolution No. PRWA 2017-003. (**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).

9. SPECIAL REPORT:

- 9.1 Update on the amendment to the JPA regarding the increase in funding for the PRWA. (Staff Reference: Authority Counsel Wm. Matthew Ditzhazy)

There is no staff report for this item

10. NEW BUSINESS:

- 10.1 Discussion regarding rescheduling the Jan 15th and February 19th meetings due to holiday conflicts. (Staff Reference: Executive Director Director LaMoreaux)

Call for Public Comments

- 11. 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.

- 12. CLOSED SESSION – PUBLIC COMMENTS ONLY:** If you wish to comment on any Closed Session item 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.

- 13. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:** A closed session will be held, pursuant to Government Code §54956.9 (d)(4) because the Authority is considering whether to initiate litigation in one case.

- 13.1 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the Authority's legal counsel and to receive direction from the Authority Board regarding the possible initiation of litigation in one matter.

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d) (4). Number of cases – One.

Based on existing facts and circumstances, the Authority needs to decide whether to initiate litigation. Counsel believes the possible litigation is not yet known to the potential defendant(s).

Closed session is recommended because the Authority will assess the merits of this matter and consider its perspective. Based on existing facts and circumstances it is my opinion that it would prejudice the position of the Authority to discuss these matters in public or to disclose further the circumstances in this potential case; such disclosure may harm other efforts to resolve the matter and, it is believed the possible defendant(s) is unaware of this possible litigation.

- 14. CLOSED SESSION.**

- 15. ANNOUNCEMENT BY AUTHORITY COUNSEL of item(s) discussed in Closed Session.**

- 16. DIRECTOR'S REQUESTS FOR NEW AGENDA ITEMS:**

- 17. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.**

18. **ADJOURNMENT** to _____, 2018 at 7:00 p.m. at the City of Palmdale City Hall Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California.
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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.

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

**PALMDALE RECYCLED
WATER AUTHORITY
BOARD MEMORANDUM**

DATE: December 11, 2017 **December 18, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO 7.2 – TREASURER’S REPORT FOR OCTOBER 31, 2017

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the ten months ending October 31, 2017.

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 October 31, 2017 the PRWA has \$907,582.83 cash in the bank. PRWA earned \$155.78 in interest, received \$7,599.86 in receivables, and paid invoices totaling \$138.52.

Supporting Documents:

Treasurer’s Report for month ending October 31, 2017
Balance Sheet for period ending October 31, 2017.
Income Statement for period ending October 31, 2017.

**Palmdale Recycled Water Authority
Treasurer's Report
Month Ended October 31, 2017**

Cash/Funds Available and held at Bank of America:	
Bank Balance, beginning October 1, 2017	913,060.37
Less: Expenses Paid	(1,222.61)
Less: Bank Fees Paid (Credit Card Processing)	-
Add: Deposits Made	7,599.86
Add: Interest Earned	155.78
Outstanding Check (Ledger Tie-Out)	(138.52)
Bank Balance, ending October 31, 2017	919,454.88
Less: Accounts Payable	-
Less: Accrued Purchases	(7,864.42)
Less: Accrued Payroll Taxes	-
Less: Deposits - Customer	(5,000.00)
Add: Accounts Receivable (Related to Credits on Customer Accounts)	992.37
Adjusted Bank Balance, ending October 31, 2017	907,582.83

Outstanding Expenses (Prior Month(s)):

Director Pay - Meetings & Business Expense Reimbursement	138.52
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October Expenses:

Total Expenses	<hr/> <hr/>
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**Palmdale Recycled Water Authority
Balance Sheet
For the Ten Months Ending 10/31/2017**

	<u>YTD</u>
ASSETS	
Cash	\$919,455
Prepaid Memberships	
Accounts Receivable	
- Water	992
- Government Agency	
Total Assets	<u><u>\$920,447</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	
Accrued Expense	7,864
Deposits - Customer	5,000
Total Liabilities	<u>12,864</u>
FUND BALANCE	
Unassigned	907,583
Total Fund Balance	<u>907,583</u>
Total Liabilities and Fund Balance	<u><u>\$920,447</u></u>

**Palmdale Recycled Water Authority
Income Statement - Current and YTD
For the Ten Months Ending 10/31/2017**

	October	YTD
REVENUES:		
Contributions - Palmdale Water District		\$100,000.00
Contributions - City of Palmdale		100,000.00
Grant Funds		55,582.00
Water Sales	3,549.52	45,204.12
Interest Earnings	155.78	1,358.29
Total Revenue	\$3,705.30	\$302,144.41
EXPEDITURES:		
General Government		
Public Representative - Payroll Tax Expense (Employer)		80.33
Public Representative - Travel & Meeting		1,829.84
Banking Fees		283.55
Provision for Bad Debt		694.56
Memberships		2,407.50
Marketing & Outreach		
Travel & Meeting		500.00
Permits & Fees		
Utilities - Purchased Water		
Materials & Supplies		
Maint. & Repair - Water System		
		\$5,795.78
Public Resource		
Contracted Services - Professional Svcs		21,125.00
Contracted Services - Audit		9,000.00
		30,125.00
		\$35,920.78
Change in Net Position	\$3,705.30	\$266,223.63
Net Position - Beginning of Year		641,359.20
Net Position - End of Year	\$3,705.30	\$907,582.83

**PALMDALE RECYCLED
WATER AUTHORITY
BOARD MEMORANDUM**

DATE: December 11, 2017 **December 18, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 8.1 – CONSIDERATION AND POSSIBLE ACTION ON
RESOLUTION NO. PRWA 2017-003 AUTHORIZING THE ADOPTION OF THE
PALMDALE RECYCLED WATER AUTHORITY 2018 BUDGET**

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends approving the proposed 2018 budget as presented in the 2018 Budget Document and approve Resolution No. PRWA 2017-003 authorizing the adoption of the Palmdale Recycled Water Authority 2018 Budget.

Background:

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The proposed 2018 Budget highlights revenue from water sales, and member contributions. The Budget also outlines expenditures such as consulting services, 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 2018 Budget Document, the fiscal year is projected to result in \$906,796 in unappropriated reserves. Member agency contributions and the projected water sales constitute the 2018 revenue at \$646,000. The projected expenses are \$199,050 which includes \$125,000 in contracted professional services. Most of those services are carryover from 2017.

Supporting Documents:

Resolution No. PRWA 2017-003
2018 Budget Document.

RESOLUTION NO. PRWA 2017-003

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2018 BUDGET

WHEREAS, The Palmdale Recycled Water Authority has identified the need for a 2018 Budget; and

WHEREAS, The Palmdale Recycled Water Authority Board reviewed the proposed Budget for fiscal year 2018; and

WHEREAS, the Palmdale Recycled Water Authority considered the proposed 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, or hereafter will, raise 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 fiscal year 2018 revenues and expenditures as presented in the fiscal year 2018 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 fiscal year 2018.

SECTION 7: The Budget for fiscal year 2018, as submitted, amended, modified, revised, corrected, adopted, and filed by the Authority shall be the fiscal year 2018 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 December, 2017, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

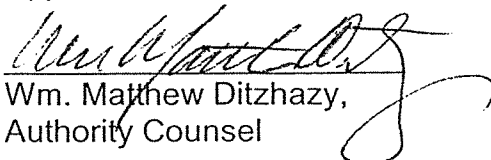
PROPOSED

Kathy Mac Laren, Chair

ATTEST:

Rebecca Smith,
Authority Secretary

Approved as to form:



Wm. Matthew Ditzhazy,
Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY

Proposed Budget - CY 2018

	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 ACTUAL	CY 2016 ACTUAL	CY 2017 PROJECTED	CY 2018 PROPOSED
Revenues:						
Contribution - Palmdale Water District	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000
Contribution - City of Palmdale	100,000	100,000	100,000	100,000	100,000	300,000
Revenue - Water Sales	-	31,625	102,654	59,472	27,000	25,000
Revenue - Meter Fees	-	-	10,355	31,775	21,000	18,500
Revenue - Miscellaneous Fees	-	-	708	112	-	500
Grants	-	-	-	19,418	55,582	-
Interest Earnings	35	130	469	1,051	1,500	2,000
Total Revenue	\$ 200,035	\$ 231,755	\$ 314,186	\$ 311,828	\$ 305,082	\$ 646,000
Expenses:						
Public Representative - Meetings & Travel	\$ -	\$ -	\$ -	\$ 750	\$ 1,830	\$ 3,000
Payroll Tax Expense (Employer)	-	-	-	57	125	250
Banking Fees	-	-	-	-	300	300
Provision for Bad Debt	-	-	-	-	700	-
Insurance	-	-	-	-	-	3,000
Memberships	-	-	2,552	2,552	5,404	6,000
Marketing & Outreach	1,496	7,302	7,341	5,922	-	5,000
Travel & Meetings	-	-	1,859	-	500	1,500
Permits & Fees	-	-	3,815	-	-	5,000
Purchased Water	9,052	18,077	16,228	20,143	15,000	20,000
Materials & Supplies	-	-	12,656	-	8,150	10,000
Maint. & Rep. - Water System	-	-	9,393	-	3,350	10,000
Contract Services - Professional Services	58,646	75,141	46,347	90,891	21,125	125,000
Contract Services - Financial Audit	-	7,500	8,725	10,000	9,000	10,000
Total Expenses	\$ 69,194	\$ 108,020	\$ 108,916	\$ 130,315	\$ 65,483	\$ 199,050
Net Income/(Expense) - Proposed:						
	\$ 130,841	\$ 254,576	\$ 459,846	\$ 641,359	\$ 880,958	\$ 906,796
Net Position at December 31						
	\$ 130,841	\$ 254,576	\$ 459,846	\$ 641,359	\$ 880,958	\$ 906,796

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