

PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBERS
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
REGULAR MEETING AGENDA NO. 23
FEBRUARY 17, 2016
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 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: DIRECTORS JAMES C. LEDFORD, JR., KATHY MAC LAREN, ROBERT ALVARADO, FRED THOMPSON, AND HELEN VELADOR

4. WAIVER OF FULL READING OF RESOLUTION(S).

Motion: Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting. (Voice Vote - Requires a majority to waive.)

5. **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.

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 Calendar and will be considered separately following this portion of the Agenda.

- 6.1 Approve the Receipt and Filing of the Treasurer’s Report for the one month ending January 31, 2016. (Staff Reference: Treasurer/Auditor Williams)
- 6.2 Approve the Minutes from the previous meeting held on January 20, 2016. (Staff Reference: Authority Secretary Smith)
- 6.3 Adopt Resolution No. PRWA 2016-004, a Resolution of the Palmdale Recycled Water Authority repealing Resolution No. PRWA 2013-004 and setting forth the PRWA’s regular meeting date, time and location. (Staff Reference: Assistant Executive Director Mischel)

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

7. ACTION CALENDAR:

- 7.1 Discussion and possible action regarding providing compensation and/or training reimbursement for the Fifth Director. (Staff Reference: Authority Counsel Dunn)

Call for Public Comments

Staff Recommendation: Move to consider Item 7.1 and provide further direction to staff. (**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).

- 7.2 Consideration and possible action regarding the proposed 2016 Budget and adoption of Resolution No. PRWA 2016-005 authorizing the adoption of the PRWA 2016 Budget. (Staff Reference: Executive Director LaMoreaux)

7.2a RESOLUTION NO. PRWA 2016-005, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2016 BUDGET.

Call for Public Comments

Staff Recommendation: Move to Adopt Resolution No. PRWA 2016-005. (**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).

8. **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.
9. **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.

- 10. 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.

- 10.1 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 Board of Directors 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(c). Number of cases – One.

Possible litigation by the Authority regarding a possible civil action which the Authority believes is not yet known to potential defendants.

Closed session is recommended because the Board will assess the merits of this matter and consider the Authority's perspective. Based on existing facts and circumstances it is the opinion of Authority Counsel 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 possible defendants are unaware of possible litigation.

- 11. CLOSED SESSION.**
- 12. ANNOUNCEMENT BY AUTHORITY COUNSEL** of item(s) discussed in Closed Session.
- 13. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.**
- 14. ADJOURNMENT** to March 16, 2016 at 7:00 p.m. at the City of Palmdale Council Chambers 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: February 9, 2016 **February 17, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA
RE: AGENDA ITEM NO 6.1 – TREASURER’S REPORT FOR February 17, 2016

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the one month ending January 31, 2016.

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 January 31, 2016 the PRWA has \$473,583.38 cash in the bank. PRWA earned \$62.17 in interest, received \$1,419.68 in Water Sales, and paid invoices totaling \$18,681.29 in expenditures.

Supporting Documents:

January 31, 2016 Treasurer’s Report.
Balance Sheet for period ending January 31, 2016.
Income Statement for period ending January 31, 2016.

**Palmdale Recycled Water Authority
Treasurer's Report
Month Ended January 31, 2016**

Cash/Funds Available and held at Bank of America:	
Balance, beginning January 1, 2016	\$ 490,782.82
Add: Deposits:	
Interest Earnings	62.17
Water Sales (Received Pymts)	1,419.68
Total	<u>1,481.85</u>
Less: Expenditures	<u>18,681.29</u>
Balance, ending January 31, 2016	473,583.38

Expenditures:

Professional Services-Antelope Valley Engineering	9,475.00
Professional Services-Environmental Science Associates	2,112.57
State Water Resources Control Board (System Fees)	1,530.00
Corstone Contracting, LLC (Closed Acct. - Deposit Refund)	561.58
PAR Electrical Contractors (Closed Acct. - Deposit Refund)	667.75
Rockne Construction (Closed Acct. - Deposit Refund)	1,182.31
WaterUse Association, 2016 Membership Dues	2,552.37
Rackspace, Hosting Service (Monitoring & Firewall to Jan 2016)	599.71
Total Expenditures	<u><u>18,681.29</u></u>

**Palmdale Recycled Water Authority
Balance Sheet
For the One Month Ending 1/31/2016**

	<u>YTD</u>
ASSETS	
Cash	\$473,583
Prepaid Memberships	
Accounts Receivable	
- Water	13,950
- Government Agency	
Total Assets	<u><u>\$487,533</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$25,215
Accrued Expense	13,040
Deposits - Customer	9,500
Total Liabilities	<u>47,756</u>
FUND BALANCE	
Unassigned	439,777
Total Fund Balance	<u>439,777</u>
Total Liabilities and Fund Balance	<u><u>\$487,533</u></u>

**Palmdale Recycled Water Authority
Income Statement - Current and YTD
For the One Month Ending 1/31/2016**

	January	YTD
REVENUES:		
Contributions - Palmdale Water District		
Contributions - City of Palmdale		
Water Sales	16,607	16,607
Interest Earnings	62	62
Total Revenue	\$16,669	\$16,669
 EXPEDITURES:		
General Government		
Memberships	\$2,552	\$2,552
Marketing & Outreach	600	600
Travel & Meeting		
Permits & Fees		
Utilities - Purchased Water		
Materials & Supplies		
Maint. & Repair - Water System		
	3,152	3,152
 Public Resource		
Contracted Services - Professional Svcs		
Contracted Services - Audit		
	\$3,152	\$3,152
 Change in Net Position	 \$13,517	 \$13,517
Net Position - Beginning of Year		426,260
Net Position - End of Year	\$13,517	\$439,777

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: February 04, 2016 February 17, 2016
TO: BOARD OF DIRECTORS Board Meeting
FROM: Mr. Michael Mischel, Assistant Executive Director, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: *AGENDA ITEM NO. 6.3 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. PRWA 2016-004 REGARDING REPEALING RESOLUTION NO. PRWA 2013-004 AND ESTABLISHING THE TIME, DATE AND LOCATION OF REGULAR MEETINGS*

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends adoption of Resolution No. PRWA 2016- 004 repealing PRWA Resolution No. 2013-004 and setting forth the PRWA's regular meeting date, time and location.

Background:

Under PRWA Resolution 2013-004, in pertinent part, the PRWA Board's regular meeting location alternated between the City of Palmdale City Council Chambers and the Palmdale Water District's Board Room. Due to a re-allocation of services performed by the two agencies (e.g. billing/finance functions moved from the City to the District) the staff agreed to have the Palmdale City Clerk continue as PRWA Authority Secretary and re-set the meeting location to the Palmdale City Council Chambers instead of alternating locations. Proposed Resolution PRWA No. 2016-____ would not change the regular meeting date or time, but would set the regular meeting location to the City of Palmdale City Council Chambers for future meetings.

Financial Impact:

No Fiscal Impact.

Supporting Documents:

Proposed Resolution No. PRWA 2016-004

RESOLUTION NO. PRWA 2016-004

**RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY
REPEALING RESOLUTION NO. PRWA 2013-004 AND SETTING FORTH THE
PRWA'S REGULAR MEETING DATE, TIME AND LOCATION**

WHEREAS, Section 4.5 of the "Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" (hereinafter JPA), authorized the Board of the Palmdale Recycled Water Authority, hereinafter the "Board" to adopt a resolution that sets forth the regular meeting dates, times and locations, and

WHEREAS, at its meeting held on February 13, 2013, the Board adopted Resolution No. PRWA 2013-004 setting forth its regular meeting date, time and a location that alternated between the City of Palmdale City Council Chambers and the Palmdale Water District Board Room, and

WHEREAS, a recent re-allocation of duties and responsibilities of the JPA members with regard to finances and billing resulted in an imbalance in the respective workloads with more work being allocated to the Palmdale Water District. To correct this imbalance staff was directed to have the duties of the Authority Secretary, such as, meeting organization, agendas, record keeping, filing officer and the like, allocated solely to the City Clerk for the City of Palmdale and to hold future meetings of the PRWA in the Palmdale City Council Chambers.

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

Section 1. That Resolution No. PRWA 2013-004 is hereby repealed in its entirety.

Section 2. That the regular meetings of the Board of the Palmdale recycled Water Authority be held on the third Wednesday of each month at 7:00 PM.

Section 3. That the regular meeting location of the Board of the Palmdale Recycled Water Authority be held in the Palmdale City Council Chambers located at 38300 Sierra Highway, Suite "B", Palmdale California.

Section 4. That should the Authority Board direct that any given meeting not held for any reason, the Authority may adjourn to any future regular meeting date and provide notice of said adjournment as required by law. The Authority Secretary shall cause the notice of adjournment to be posted at the meeting location in Section 3 and maintain said posting until the date of the next meeting. No other notification shall be required.

Section 5. The Clerk of the Authority shall certify to the passage and adoption of this Resolution and enter it into the official records of the Authority.

PASSED, APPROVED and ADOPTED this 17th day of February, 2016, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

James C. Ledford, Jr.,
Chair

ATTEST:

Rebecca Smith,
Authority Secretary

APPROVED AS TO FORM:

Eric L. Dunn
Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: February 09, 2016
TO: BOARD OF DIRECTORS
FROM: Mr. Eric Dunn, Current Authority Counsel, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

February 17, 2016
Board Meeting

RE: *AGENDA ITEM NO. 7.1 – REPORT REGARDING DISCUSSION AND POSSIBLE ACTION ON PROVIDING COMPENSATION AND/OR TRAINING REIMBURSEMENT FOR THE FIFTH DIRECTOR*

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends that the Board consider the issues below and provide further direction.

Background:

At the PRWA Board meeting on January 20, the Board discussed a proposal to provide compensation for the Fifth Director. The Fifth Director is appointed jointly by the City of Palmdale and the Palmdale Water District, and currently receives no compensation or reimbursement for training (which includes conferences and travel). The consensus of the Board was to request staff to bring back options for the Board to consider. Since that time, the City's City Council has considered the issue and given direction on the City's position. Thus, this staff report presents options within those parameters.

Section 4.11 of the Joint Powers Agreement provides for Director Compensation. Compensation for City members is borne by the City, and compensation for District members is borne by the District. The Board may adopt a policy relating to the reimbursement of expenses incurred by the Directors. Finally, "Members may provide for compensation and/or reimbursement of expenses to the fifth director, as allowed by law."

The direction from the City was for PRWA staff to present a budget to the PRWA Board that includes specific account(s) for training and compensation for the Fifth Director. Any funds are to be paid solely from PRWA revenues and not from City or District revenues. That budget is presented as a separate agenda item.

Legal counsel from the City and the District have agreed that if the Directors wish to proceed with compensation and/or reimbursement for the Fifth Director, this could be accomplished by the City

and the District each adopting resolutions authorizing the PRWA to allocate and pay such funds. An amendment to the Joint Powers Agreement is not necessary.

Financial Impact:

The Fiscal Impact is described in the proposed Budget.

Supporting Documents:

None.

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: February 10, 2016 February 17, 2016
TO: BOARD OF DIRECTORS Board Meeting
FROM: Mr. Michael J. Mischel, Assistant Executive Director, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON
RESOLUTION NO. PRWA 2016-005 AUTHORIZING THE ADOPTION OF THE
PALMDALE RECYCLED WATER AUTHORITY 2016 BUDGET

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends approving the proposed 2016 budget as presented in the 2016 Budget Document and approval of Resolution No. PRWA 2016-005 authorizing the adoption of the Palmdale Recycled Water Authority 2016 Budget.

Background:

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The proposed 2016 Budget highlights revenue from water sales, member contributions, and anticipated projects. The budget also outlines expenditures such as consultant services, training, and recycled water purchases.

As outlined in the Joint Powers Agreement Section 14.11, a line item has been added to the budget for the ability to compensate the 5th board member of the Authority for attendance at regular meetings. This line item will be funded from revenues of recycled water sales.

Financial Impact:

As set forth in the 2016 Budget Document, the fiscal year is projected to result in \$397,260 in unappropriated reserves. Member agency contributions and the projected water sales constitute the 2016 revenue of \$244,500. The projected expenses are \$273,500 which includes \$200,000 in contracted professional services. Approximately \$165,000 of the contracted professional services are encumbrances from 2015.

Supporting Documents:

Resolution No. PRWA 2016-005
2016 Budget Document

PALMDALE RECYCLED WATER AUTHORITY

Proposed Budget - CY 2016

	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 ACTUAL	CY 2016 PROPOSED
Revenues:				
Contribution - Palmdale Water District	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Contribution - City of Palmdale	100,000	100,000	100,000	100,000
Revenue - Water Sales	-	31,625	73,877	40,000
Revenue - Meter Fees	-	-	5,546	3,500
Revenue - Miscellaneous Fees	-	-	708	500
Interest Earnings	35	130	469	500
Total Revenue	\$ 200,035	\$ 231,755	\$ 280,600	\$ 244,500
Expenses:				
Public Representative - Meetings & Travel	\$ -	\$ -	\$ -	\$ 3,000
Insurance	-	-	-	3,000
Memberships	-	-	2,552	3,000
Marketing & Outreach	1,496	7,302	7,341	7,500
Travel & Meetings	-	-	1,859	2,000
Permits & Fees	-	-	3,815	5,000
Purchased Water	9,052	18,077	16,228	20,000
Materials & Supplies	-	-	12,656	10,000
Maint. & Rep. - Water System	-	-	9,393	10,000
Contract Services - Professional Services	58,646	75,141	46,347	200,000
Contract Services - Financial Audit	-	7,500	8,725	10,000
Total Expenses	\$ 69,194	\$ 108,020	\$ 108,916	\$ 273,500
Net Income/(Expense) - Proposed:				(29,000)
Net Position at December 31				
	\$ 130,841	\$ 254,576	\$ 426,260	\$ 397,260

RESOLUTION NO. PRWA 2016-005

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2016 BUDGET

WHEREAS, The Palmdale Recycled Water Authority has identified the need for a 2016 Budget, and

WHEREAS, The Palmdale Recycled Water Authority Board reviewed the proposed Budget for fiscal year 2016, 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 approved a fund reserve for emergency situations such as natural disasters; 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 2016 revenues and expenditures as presented in the fiscal year 2016 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 2016.

SECTION 7: The Budget for fiscal year 2016, as submitted, amended, modified, revised, corrected, adopted, and filed by the Authority shall be the fiscal year 2016 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 17th day of February, 2016, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

James C. Ledford, Jr., Chair

ATTEST:

Rebecca Smith,
Authority Secretary

Approved as to form:

Eric L. Dunn,
Authority Counsel