

PALMDALE RECYCLED WATER AUTHORITY (PRWA)  
HELD AT CITY OF PALMDALE  
CITY HALL COUNCIL CHAMBER  
38300 SIERRA HIGHWAY, SUITE B  
PALMDALE, CALIFORNIA  
REGULAR MEETING AGENDA NO. 47  
APRIL 15, 2019  
7:00 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 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 JUAN CARRILLO, DIRECTORS VINCENT DINO, KATHY MAC LAREN, AUSTIN BISHOP AND HELEN VELADOR
4. **ADMINISTRATION OF OATH OF OFFICE.** (Staff Reference: Authority Secretary Smith).
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 Minutes from the previous meeting held on February 21, 2019 (7pm). (Staff Reference: Authority Secretary Smith)
  - 6.2 Approve receipt and filing of the Treasurer's Report for the two months ending February 28, 2019. (Staff Reference: Treasurer-Auditor 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.)

7. **ACTION CALENDAR:**
  - 7.1 Discussion and possible action regarding changing the Palmdale Recycled Water Authority (PRWA) meeting date and time. (Staff Reference: Executive Director LaMoreaux)

*There is no staff report for this item*

*Call for Public Comments*

**Attachment:** Board of Directors Survey and Council Chamber Scheduled Events Calendar

**Staff Recommendation:** Possible action to change meeting date/time to \_\_\_\_\_. (Voice Vote - Requires a majority to approve.)

**8. SPECIAL REPORT:**

8.1 Informational report on possible financing option for Phase 2 through IBANK (California Infrastructure and Economic Development Bank). (Staff Reference: Treasurer-Auditor Williams)

**9. 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.

**10. REQUESTS FOR NEW AGENDA ITEMS:**

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

**12. ADJOURNMENT.**

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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](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: April 9, 2019 April 15, 2019  
TO: BOARD OF DIRECTORS Board Meeting  
FROM: Michael Williams, Treasurer-Auditor, PRWA  
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO 6.2 – TREASURER’S REPORT FOR FEBRUARY 2019

### **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the two months ending February 28, 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 February 28, 2019, the PRWA has \$1,559,067.78 in cash and investments. PRWA earned \$1,363.11 in interest, received \$4,268.21 in receivables, paid out \$4,854.34 in expenses, and there were \$52.65 in expenses and fees paid for the month.

### **Supporting Documents:**

Treasurer’s Report for month ending February 28, 2019.  
Balance Sheet for period ending February 28, 2019.  
Income Statement for period ending February 28, 2019.

**Palmdale Recycled Water Authority  
Treasurer's Report  
Month Ended February 28, 2019**

Cash/Funds Available and held at Bank of America, Citizens Business Bank, & UBS Financial Svcs:	
Bank Balance, beginning February 1, 2019	1,558,343.45
Less: Expenses Paid	-
Less: Bank Fees Paid (Analysis Fees & Credit Card Processing)	(52.65)
Add: Deposits Made	4,268.21
Add: Interest Earned & Market Adjustment on Investments	1,363.11
Add: Deposit in Transit	-
Outstanding Check (Ledger Tie-Out)	(4,854.34)
Bank Balance, ending February 28, 2019	1,559,067.78
Less: Accounts Payable	-
Less: Accrued Purchases	(29,058.93)
Less: Accrued Payroll Taxes	-
Less: Deposits - Customer	(3,000.00)
Add: Accounts Receivable	1,268.21
Add: Interest Receivable	-
Adjusted Bank Balance, ending February 28, 2019	1,528,277.06

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

**February Checks Issued:**

Palmdale Water District - 2018 Expenses (Director Conference & Repairs)	4,854.34
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Total Checks Issued	<u><u>4,854.34</u></u>
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**Palmdale Recycled Water Authority**  
**Balance Sheet**  
**For the Two Months Ending 2/28/2019**

	<u>YTD</u>
<b>ASSETS</b>	
UBS- Investmetn Funds	\$1,005,882
Bank of America - Checking	\$40,664
Citizens Business Bank - Checking	\$512,521
Prepaid Memberships	
Prepaid Insurance	527
Accounts Receivable	
- Water	358
- Government Agency	
Interest Receivable	
Property, Plant and Equipment, net	<u>1,793,588</u>
<b>Total Assets</b>	<u><b>\$3,353,540</b></u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>	
Accounts Payable	
Accrued Expense	29,059
Deposits - Customer	<u>5,000</u>
<b>Total Liabilities</b>	<u><b>34,059</b></u>
<b>FUND BALANCE</b>	
Unassigned	<u>3,319,482</u>
<b>Total Fund Balance</b>	<u><b>3,319,482</b></u>
<b>Total Liabilities and Fund Balance</b>	<u><u><b>\$3,353,540</b></u></u>

**Palmdale Recycled Water Authority  
Income Statement - Current and YTD  
For the Two Months Ending 2/28/2019**

	<u>February</u>	<u>YTD</u>
<b>REVENUES:</b>		
Contributions - Palmdale Water District		
Contributions - City of Palmdale		
Grant Funds		
Water Sales	1,358.11	2,626.32
Interest Earnings	515.61	1,023.20
Market Adjustment on Investments	847.50	1,739.62
<b>Total Revenue</b>	<b>\$2,721.22</b>	<b>\$5,389.14</b>
<b>EXPEDITURES:</b>		
<b>General Government</b>		
Public Representative - Payroll Tax Expense (Employer)		11.48
Public Representative - Travel & Meeting		150.00
Banking Fees	52.65	206.89
Provision for Bad Debt		
Insurance	527.00	1,054.00
Memberships		3,129.75
Operating Supplies		
Marketing & Outreach		
Travel & Meeting		
Permits & Fees		
Utilities - Purchased Water		
Materials & Supplies		
Maint. & Repair - Water System		
	<u>\$579.65</u>	<u>\$4,552.12</u>
<b>Public Resource</b>		
Contracted Services - Professional Svcs		
Contracted Services - Audit		
	<u>\$579.65</u>	<u>\$4,552.12</u>
<b>Non-Cash Operating Expense</b>		
Depreciation	4,450.59	8,901.18
<b>Non-Operating Revenue</b>		
Capital Contribution		
	<u>(\$4,450.59)</u>	<u>(\$8,901.18)</u>
<b>Change in Net Position</b>	<b><u>(\$2,309.02)</u></b>	<b><u>(\$8,064.16)</u></b>
<b>Net Position - Beginning of Year</b>		<b>3,327,545.72</b>
<b>Net Position - End of Year</b>	<b><u>(\$2,309.02)</u></b>	<b><u>\$3,319,481.56</u></b>

The following regular meeting  
time survey results are provided  
to assist with discussing the  
potential change for the  
Palmdale Recycled Water  
Authority Regular Meeting.



Board of Directors Survey and Council Chamber Scheduled Events Calendar for PRWA Possible Meeting Date/Time Change

**DIRECTOR ALVARADO**

	Monday	Tuesday	Wednesday	Thursday
1 <sup>st</sup> Week	YES	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	YES	
2 <sup>nd</sup> Week	NO	Council Chamber Scheduled Event: Library Board Meeting 5:00pm – 7:00pm	YES	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm Planning Commission Meeting 6:00pm – 12:00am YES
3 <sup>rd</sup> Week	Council Chamber Scheduled Event: PRWA Meeting 7:00pm – 11:00pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	YES	
4 <sup>th</sup> Week	NO		YES	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm

Board of Directors Survey and Council Chamber Scheduled Events Calendar for PRWA Possible Meeting Date/Time Change

**DIRECTOR CARRILLO**

	Monday	Tuesday	Wednesday	Thursday
1 <sup>st</sup> Week		Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm		
2 <sup>nd</sup> Week		Council Chamber Scheduled Event: Library Board Meeting 5:00pm – 7:00pm		Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm Planning Commission Meeting 6:00pm – 12:00am
3 <sup>rd</sup> Week	Council Chamber Scheduled Event: PRWA Meeting 7:00pm – 11:00pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm		YES 5:00pm or 6:00pm
4 <sup>th</sup> Week				Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm

Board of Directors Survey and Council Chamber Scheduled Events Calendar for PRWA Possible Meeting Date/Time Change

DIRECTOR MAC LAREN

	Monday	Tuesday	Wednesday	Thursday
1 <sup>st</sup> Week	PREFER THIS DAY – CAN MEET ANYTIME	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	OKAY ANY TIME	NO
2 <sup>nd</sup> Week	NO PWD BOARD MEETING 6 P.M.	Council Chamber Scheduled Event: Library Board Meeting 5:00pm – 7:00pm	OKAY ANY TIME	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm Planning Commission Meeting 6:00pm – 12:00am
3 <sup>rd</sup> Week	Council Chamber Scheduled Event: PRWA Meeting 7:00pm – 11:00pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	OKAY ANY TIME	NO
4 <sup>th</sup> Week	NO PWD BOARD MEETING 6 P.M.		NO	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm

Board of Directors Survey and Council Chamber Scheduled Events Calendar for PRWA Possible Meeting Date/Time Change

**DIRECTOR VELADOR**

	Monday	Tuesday	Wednesday	Thursday
1 <sup>st</sup> Week	Yes – 6pm or 7pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	Yes – 6pm or 7pm	No
2 <sup>nd</sup> Week	Yes – 6pm or 7pm	Council Chamber Scheduled Event: Library Board Meeting 5:00pm – 7:00pm	Yes – 6pm or 7pm	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm Planning Commission Meeting 6:00pm – 12:00am
3 <sup>rd</sup> Week	Council Chamber Scheduled Event: PRWA Meeting 7:00pm – 11:00pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	Yes – 6pm or 7pm	No
4 <sup>th</sup> Week	Yes – 6pm or 7pm	No	Yes – 6pm or 7pm	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm



Board of Directors Survey and Council Chamber Scheduled Events Calendar for PRWA Possible Meeting Date/Time Change

**DIRECTOR BISHOP**

	Monday	Tuesday	Wednesday	Thursday
1 <sup>st</sup> Week	Yes – 5pm, 6pm, or 7pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	Yes – 5pm, 6pm, or 7pm	Yes – 5pm, 6pm, or 7pm
2 <sup>nd</sup> Week	Yes – 5pm, 6pm, or 7pm	Council Chamber Scheduled Event: Library Board Meeting 5:00pm – 7:00pm	Yes – 5pm, 6pm, or 7pm	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm Planning Commission Meeting 6:00pm – 12:00am
3 <sup>rd</sup> Week	Council Chamber Scheduled Event: PRWA Meeting 7:00pm – 11:00pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	Yes – 5pm, 6pm, or 7pm	Yes – 5pm, 6pm, or 7pm
4 <sup>th</sup> Week	Yes – 5pm, 6pm, or 7pm	No	Yes – 5pm, 6pm, or 7pm	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm

**NOTE** – Director Bishop stated that he is flexible regarding the date and the time.

Board of Directors Survey and Council Chamber Scheduled Events Calendar for PRWA Possible Meeting Date/Time Change

**DIRECTOR DINO**

	Monday	Tuesday	Wednesday	Thursday
1 <sup>st</sup> Week	OK AFTER 4PM	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	No	No
2 <sup>nd</sup> Week	No PWD Board Meeting 6pm	Council Chamber Scheduled Event: Library Board Meeting 5:00pm – 7:00pm	No	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm Planning Commission Meeting 6:00pm – 12:00am
3 <sup>rd</sup> Week	Council Chamber Scheduled Event: PRWA Meeting 7:00pm – 11:00pm	Council Chamber Scheduled Event: City Council Meeting 5:00pm – 11:00pm	No	No
4 <sup>th</sup> Week	No PWD Board Meeting 6pm	No Meeting at 6:30pm	No	Council Chamber Scheduled Event: Site Plan Review 3:00pm – 4:30 pm

# PALMDALE RECYCLED WATER AUTHORITY

## BOARD MEMORANDUM

**DATE:** April 9, 2019 **April 15, 2019**  
**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 – INFORMATION ON POSSIBLE FINANCING OPTION  
FOR PHASE 2 THROUGH IBANK (CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK)**

### **Background:**

The Authority has been looking for financing to complete Phase 2 of the recycled water infrastructure system. The project as described below is estimated to cost approximately \$7,000,000.

The proposed Recycled Water Line Phase 2 project would consist of the following components:

- Construction of approximately 16,000 linear feet of 24-inch recycled water main trunk line pipe connecting to the existing main at Avenue R and 30th Street East then south in 30th Street East to Avenue R-8, then east in Avenue R-8 to 55th Street East
- Construction of approximately 7,800 linear feet of either 6-inch, 8-inch, or 12-inch lateral line pipe to provide service to Palmdale Oasis Park, Yellen Park, and Domenic Massari Park located near Avenue S & 40th Street East, Avenue S & 52nd Street East, and Avenue R-4 & 55th Street East, respectively

The project would deliver tertiary-treated recycled water to three categories of end uses: irrigation for Schools, Parks, and Others (SPO); irrigation for Landscape Maintenance Districts (LMDs) that are common landscaped areas irrigated from a single connection in residential areas; and groundwater recharge. The project will serve 15 Landscape Maintenance Districts (LMDs), four (4) schools and three (3) parks. The annual deliveries of recycled water would amount to about 500 acre-feet annually.

A preliminary review of the project, audited financials for the past five years, and a five-year cash flow projection which included the increased water sales from the completion of the project by IBank has resulted in a favorable opinion with a couple of exceptions.

The Joint Powers Agreement between the City of Palmdale (City) and the Palmdale Water District (District) will need to be amended to extend the term of the agreement to the end of the lending period. Currently the agreement is set to terminate at the end of 10 years from the date of signing which would be 2022. Also, the City and District will need to co-sign on the loan.



**Financial Impact:**

The loan amount is \$7,000,000 for a 30-year term. IBank charges a 1% loan origination fee at the time of funding and a 0.3% annual fee on the unpaid balance, declining each year, to cover their overhead costs. The current rate as of April 3<sup>rd</sup> is 3.45% so with the annual fee the total rate is 3.75%. IBank does not allow financing to be paid early in the first 10-years. In year 11, the financing may be paid early with a fee based on 2% of the principal balance, in year 12 it is a 1% fee. In year 13 and after there is no fee to retire the debt.

**Conclusion:**

The preliminary review by Mr. Tom Dear at IBank is completed and he has submitted his recommendation to his manager to authorize an invitation to apply, which is the formal application process. Once the formal application is submitted It takes about 60-90 days to prepare a transaction to go to IBank's Board. IBank's Board is the approval process. By working with a preliminary review, it eliminates about 30 days from the preparation time estimate. IBank's approval will generally provide 90-120 days for the borrower to act on the transaction, however, the borrower may request to go faster. With the Board approval it takes (a minimum) about 15-30 days to put together a financing agreement.