

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: November 13, 2019 **November 18, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 6.1 – CONSIDERATION AND POSSIBLE ACTION ON
RESOLUTION NO. 2019-004 AUTHORIZING THE ADOPTION OF THE
PALMDALE RECYCLED WATER AUTHORITY 2020 ANNUAL BUDGET**

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends approving the proposed 2020 annual budget as presented in the 2020 Budget Document and approve Resolution No. PRWA 2019-004 authorizing the adoption of the Palmdale Recycled Water Authority 2020 Annual Budget.

Background:

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The proposed 2020 Budget highlights revenue from water sales, and member contributions. The Budget also outlines expenditures such as Contracted Services for the Phase II Pipeline project, Marketing & Outreach, 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 2020 Budget Document, the fiscal year is projected to result in \$1,892,871 in unappropriated reserves. Member agency contributions and the projected water sales constitute the 2020 revenue at \$697,500. The projected expenses are \$334,750 which includes \$200,000 in Contracted Services, \$32,550 in Marketing & Outreach, and \$35,000 in Non-Cash Depreciation.

Supporting Documents:

Resolution No. PRWA 2019-004
2020 Budget Document.

RESOLUTION NO. PRWA 2019-004

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2020 BUDGET

WHEREAS, The Palmdale Recycled Water Authority has identified the need for a 2020 Budget, and

WHEREAS, The Palmdale Recycled Water Authority Board reviewed the Budget for calendar year 2020, and

WHEREAS, the Palmdale Recycled Water Authority considered the 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 raised 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 calendar year 2020 revenues and expenditures as presented in the calendar year 2020 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 calendar year 2020.

SECTION 7: The Budget for calendar year 2020, as submitted, amended, modified, revised, corrected, adopted, and filed by the Authority shall be the calendar year 2020 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 November, 2019, by the following vote:

AYES: _____

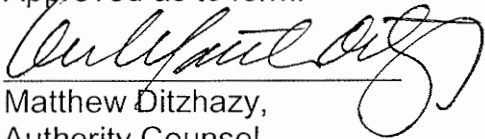
NOES: _____

ABSTAIN: _____ ABSENT: _____

Juan Carrillo, Chair

ATTEST:

Rebecca Smith,
Authority Secretary

Approved as to form:


Matthew Ditzhazy,
Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY

Proposed Budget - CY 2020

Acct. #	Revenues:	CY 2015 ACTUAL	CY 2016 ACTUAL	CY 2017 ACTUAL	CY 2018 ACTUAL	CY 2019 PROJECTED	CY 2020 PROPOSED
1-00-3100-100	Contribution - Palmdale Water District	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000
1-00-3100-200	Contribution - City of Palmdale	100,000	100,000	100,000	300,000	300,000	300,000
1-00-3000-000	Revenue - Water Sales	102,654	59,472	28,748	55,806	30,472	60,000
1-00-3050-000	Revenue - Meter Fees	10,355	31,775	22,812	19,579	16,468	20,000
1-00-3075-000	Revenue - Miscellaneous Fees	708	112	-	578	250	500
1-00-3150-000	Grants	-	19,418	55,582	-	-	-
1-00-3500-000	Interest Earnings	469	1,051	1,667	4,543	15,750	17,000
	Total Revenue	<u>\$ 314,186</u>	<u>\$ 311,828</u>	<u>\$ 308,809</u>	<u>\$ 680,506</u>	<u>\$ 662,939</u>	<u>\$ 697,500</u>
	Expenses:						
1-00-4000-000	Public Representative - Meetings & Travel	\$ -	\$ 750	\$ 1,830	\$ 2,722	\$ 1,100	\$ 3,000
1-00-4010-000	Payroll Tax Expense (Employer)	-	57	82	57	57	200
1-00-4500-100	Depreciation-General	-	-	280,387	53,407	35,600	35,000
1-00-5000-000	Banking Fees	-	-	424	939	550	600
1-00-5025-000	Provision for Bad Debt	-	-	695	-	-	700
1-00-5100-000	Insurance	-	-	-	1,789	4,050	4,500
1-00-5200-000	Memberships	2,552	2,552	2,408	2,996	3,150	3,200
1-00-5300-000	Marketing & Outreach	7,341	5,922	-	-	-	32,550
1-00-5500-000	Travel & Meetings	1,859	-	595	-	-	1,500
1-00-5600-000	Permits & Fees	3,815	-	76	-	-	5,000
1-00-6000-000	Purchased Water	16,228	20,143	14,789	16,631	12,500	20,000
1-00-6500-000	Materials & Supplies	12,656	-	-	7,928	2,500	10,000
1-00-6600-000	Maint. & Rep. - Water System	9,393	-	9,783	-	2,000	10,000
1-00-8000-150	Contract Services - Professional Services	46,347	90,891	22,647	-	-	200,000
1-00-8000-200	Contract Services - Financial Audit	8,725	10,000	9,000	10,225	8,000	8,500
	Total Expenses	<u>\$ 108,916</u>	<u>\$ 130,315</u>	<u>\$ 342,715</u>	<u>\$ 96,694</u>	<u>\$ 69,507</u>	<u>\$ 334,750</u>
						Net Income/(Expense):	<u>\$ 593,432</u>
	Change in Net Position at December 31	<u>\$ 205,270</u>	<u>\$ 386,783</u>	<u>\$ 352,877</u>	<u>\$ 936,689</u>	<u>\$ 1,530,121</u>	<u>\$ 1,892,871</u>