

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.

PALMDALE RECYCLED WATER AUTHORITY

Proposed Budget - CY 2020

		CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Acct. #	Revenues:	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTED	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>
						<u>\$ 593,432</u>	<u>\$ 362,750</u>
	Net Income/(Expense):						
	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>