

**PALMDALE RECYCLED WATER AUTHORITY (PRWA)  
HELD AT CITY OF PALMDALE  
CITY HALL COUNCIL CHAMBERS  
38300 SIERRA HIGHWAY, SUITE B  
PALMDALE, CALIFORNIA  
REGULAR MEETING  
MONDAY  
OCTOBER 16, 2023  
6:00 P.M.**

[www.palmdalerwa.org](http://www.palmdalerwa.org)

**WELCOME**

**PLEASE NOTE:** You can view this agenda and related items on our website at <https://palmdalerwa.org/>. You can request a copy of this agenda or attachments, if any, by contacting the City Clerk's Office at 661-267-5151.

In general, a **three-minute time limit** will be imposed on all speakers other than staff members, although the chair has the authority to change the amount of time allotted.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

If you require oral Spanish translation, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

**Your courtesy is requested to help our meeting run smoothly. If you will 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 AUSTIN BISHOP, VICE CHAIR ANDREA ALARCÓN, DIRECTORS DON WILSON, VINCENT DINO, AND ZKEYA ANSON**

4. **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.

5. **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.

5.1 Approve the Minutes from the previous meeting held on August 21, 2023. (Staff Reference: Acting Authority Secretary Faber)

5.2 Approve receipt and filing of the Treasurer's Report for the nine months ending September 30, 2023. (Staff Reference: Treasurer-Auditor Hoffmeyer)

5.3 Approve receipt and filing of the Investment Report for the quarter ending September 30, 2023. (Staff Reference: Treasurer-Auditor Hoffmeyer)

5.4 Adopt Resolution No. PRWA 2023-002, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority, updating its investment policy. (Staff Reference: Treasurer-Auditor Hoffmeyer)

5.5 Adopt Resolution NO. PRWA 2023-003, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority Amending the Conflict of Interest Code for the Palmdale Recycled Water Authority. (Staff Reference: Executive Director LaMoreaux)

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

**6. ACTION ITEM(S)**

- 6.1 Consideration and Possible Action On Resolution No. 2023-001 Authorizing The Adoption Of The Palmdale Recycled Water Authority 2024 Annual Budget.

***Call for Public Comments***

**Staff Recommendation:** Move to Adopt Resolution No. 2023-001 the Palmdale Recycled Water Authority 2024 Annual Budget. (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.)

- 6.2 Consideration and Possible Action On Approving The Shared Cost Of The Avenue Q Recycled Water Pipeline. Approximately \$800,000 Budget Impact (PWD Engineering Manager Scott Rogers).

***Call for Public Comments***

**Staff Recommendation:** Move to Approve the Shared Cost Of The Avenue Q Recycled Water Pipeline. (Vote by Roll Call – requires a majority to adopt and/or approve and per Section 4.9(b) of the Authority’s Joint Exercise of Powers Agreement, the affirmative vote of at least one director from each member agency.)

**7. DIRECTOR REQUESTS FOR NEW AGENDA ITEMS**

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

- 9. ADJOURNMENT** to January 16, 2024, at 6:00 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 and Palmdale Water District, 2029 East Avenue Q, Palmdale, California. You can also view the Agenda for the Palmdale Recycled Water Authority on the Authority's website at [www.palmdalerwa.org](http://www.palmdalerwa.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:** October 9, 2023 **October 16, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Dennis J. Hoffmeyer, Treasurer-Auditor, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 5.2 – TREASURER’S REPORT FOR SEPTEMBER 2023**

## **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the nine months ending September 30, 2023.

## **Background:**

To comply with provisions required by Section 4.13 of the Joint Powers of Authority Agreement and the responsibilities of the 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 September 30, 2023, the PRWA has \$ 2,931,798.64 in cash and investments. PRWA had interest and market adjustment of \$9,062.98, received \$6,223.32 in receivables, and there were no expenses and fees paid for the month.

## **Supporting Documents:**

Treasurer’s Report for the month ending September 30, 2023.  
Balance Sheet for the period ending September 30, 2023.  
Income Statement for the period ending September 30, 2023.

**Palmdale Recycled Water Authority  
Treasurer's Report  
Month Ended September 30, 2023**

Cash/Funds Available and held at Bank of America, Citizens Business Bank, & UBS Financial Svcs:

Bank Balance, beginning September 1, 2023	2,916,512.34
Less: Expenses Paid	-
Less: Bank Fees Paid (Analysis Fees & Credit Card Processing)	-
Add: Deposits Made	6,223.32
Add: Interest Earned & Market Adjustment on Investments	9,062.98
Add: Deposit in Transit	-
Less: Outstanding Check (Ledger Tie-Out)	-
	-
Bank Balance, ending September 30, 2023	2,931,798.64
Less: Accounts Payable	-
Less: Accrued Purchases	(1,383.11)
Less: Accrued Payroll Taxes	-
Less: Deposits - Customer	(4,000.00)
Add: Accounts Receivable	4,258.99
Add: Interest Receivable	-
Adjusted Bank Balance, ending September 30, 2023	2,930,674.52

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

**September Checks Issued:**

Total Checks Issued

-  
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**Palmdale Recycled Water Authority**  
**Balance Sheet**  
**For the Nine Months Ending 9/30/2023**

	<b>YTD</b>
<b>ASSETS</b>	
UBS- Investment Funds	\$2,326,059
Bank of America - Checking	\$41,176
Citizens Business Bank - Checking	\$564,563
Prepaid Memberships	
Prepaid Insurance	4,294
Accounts Receivable	
- Water	4,259
- Government Agency	
Interest Receivable	
Property, Plant and Equipment, net	1,548,805
<b>Total Assets</b>	<b>\$4,489,156</b>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts Payable	
Accrued Expense	1,383
Deposits - Customer	4,000
<b>Total Liabilities</b>	<b>5,383</b>
<b>FUND BALANCE</b>	
Unassigned	4,483,773
<b>Total Fund Balance</b>	<b>4,483,773</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$4,489,156</b>

**Palmdale Recycled Water Authority  
Income Statement - Current and YTD  
For the Nine Months Ending 9/30/2023**

	September	YTD
<b>REVENUES:</b>		
Contributions - Palmdale Water District		
Contributions - City of Palmdale		
Grant Funds		
Water Sales	4,129.96	51,003.27
Interest Earnings	3,800.90	32,508.64
Market Adjustment on Investments	5,262.08	41,915.48
<b>Total Revenue</b>	<b>\$13,192.94</b>	<b>\$125,427.39</b>
 <b>EXPEDITURES:</b>		
<b>General Government</b>		
Public Representative - Payroll Tax Expense (Employer)		
Public Representative - Travel & Meeting		
Banking Fees		157.95
Provision for Bad Debt		
Insurance	715.58	6,255.01
Memberships		250.00
Operating Supplies		
Marketing & Outreach		
Travel & Meeting		
Permits & Fees		
Utilities - Purchased Water		
Materials & Supplies		
Maint. & Repair - Water System		
	\$715.58	\$6,662.96
 <b>Public Resource</b>		
Contracted Services - Professional Svcs		
Contracted Services - Audit		8,500.00
		8,500.00
	\$715.58	\$15,162.96
 <b>Non-Cash Operating Expense</b>		
Depreciation	4,450.59	40,055.31
<b>Non-Operating Revenue</b>		
Capital Contribution		
	(\$4,450.59)	(\$40,055.31)
 <b>Change in Net Position</b>	 <b>\$8,026.77</b>	 <b>\$70,209.12</b>
 <b>Net Position - Beginning of Year</b>		 <b>4,413,564.07</b>
 <b>Net Position - End of Year</b>	 <b>\$8,026.77</b>	 <b>\$4,483,773.19</b>

# PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

**DATE:** October 9, 2023 **October 16, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Dennis J. Hoffmeyer, Treasurer-Auditor, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 5.3 – INVESTMENT REPORT FOR THE QUARTER ENDING  
SEPTEMBER 30, 2023**

## **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends to the Board of Directors to receive and file the Investment Report for the quarter ending September 30, 2023.

## **Background:**

To comply with provisions of California Government Code 53646, the attached investment report includes a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values, and the current market values of each component of the portfolio, including funds managed for the Authority by third party contracted managers. The report is hereby submitted to the Board of Directors for ratification.

## **Financial Impact:**

As of September 30, 2023, the PRWA has \$818.09 in cash, \$1,572,021.91 in U.S. Treasury Bill/Note, and \$743,683.14 in Certificates of Deposits with UBS Investment Services with accrued interest in the amount of \$9,536.22.

## **Supporting Documents:**

Investment Report for the quarter ending September 30, 2023.

**PALMDALE RECYCLED WATER AUTHORITY**  
**INVESTMENT REPORT**  
**September 30, 2023**

**UBS Money Market Account (SS 30999)**

Cash **\$818.09**

**US Government Securities**

	<b>CUSIP #</b>	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Face Value</b>	<b>Market Value</b>
1	91282CDM0	US Treasury Note	11/30/2023	0.500	500,000	496,040.00
2	91282CDM0	US Treasury Note	11/30/2023	0.500	500,000	496,040.00
3	91282CEA5	US Treasury Note	02/29/2024	1.500	383,000	376,837.53
4	912828YE4	US Treasury Note	08/31/2024	1.300	211,000	203,104.38
					<b>1,594,000</b>	<b>\$1,572,021.91</b>

**Certificates of Deposit**

	<b>CUSIP #</b>	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Face Value</b>	<b>Market Value</b>
1	38150VHS1	Goldman Sachs Bank	11/20/2023	5.100	121,000	120,928.61
2	22551KBB7	Credit Union of Texas	12/18/2023	5.400	140,000	139,960.80
3	06063HQV8	Bank of Baroda	03/14/2024	5.350	116,000	115,902.56
4	8562834N3	State Bank of India	03/22/2024	5.500	125,000	125,026.25
5	06063HRJ4	Bank of Baroda	04/01/2024	5.500	132,000	132,027.72
5	949764EB6	Wells Fargo Bank	05/01/2024	5.310	110,000	109,837.20
					<b>744,000</b>	<b>\$743,683.14</b>

**Acct. Total** **\$2,316,523.14**

Accrued interest \$9,536.22

**TOTAL CASH AND INVESTMENTS** **\$2,326,059.36**

# PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

**DATE:** October 9, 2023 **October 16, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Dennis J. Hoffmeyer, Treasurer-Auditor, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 5.4 – RESOLUTION NO. PRWA 2023-002 BEING A  
RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY  
ESTABLISHING ITS INVESTMENT POLICY FOR CALENDAR YEAR 2024**

## **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors approve Resolution No. PRWA 2023-002 establishing its Investment Policy for the calendar year 2024.

## **Background:**

It is required by law for the Authority to adopt an annual Investment Policy. The Policy is to invest funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds with the primary objectives of the investment activities being safety, liquidity, and return on investments.

## **Financial Impact:**

None

## **Supporting Documents:**

Resolution No. PRWA 2023-002

**PALMDALE RECYCLED WATER AUTHORITY  
RESOLUTION NO. PRWA 2023-002**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PALMDALE RECYCLED WATER AUTHORITY  
UPDATING ITS INVESTMENT POLICY**

**1.0 POLICY**

**WHEREAS;** ; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS;** the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS;** the Treasurer/Auditor of the Palmdale Recycled Water Authority (“Authority”) shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, and report same to the be considered by the Board of Directors at a public meeting;

**NOW THEREFORE;** it shall be the policy of the Authority to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and conforming to all statutes governing the investment of Authority funds.

**2.0 SCOPE**

This investment policy applies to all investment activities and financial assets of the Authority. These funds are accounted for in the annual authority audit.

**3.0 PRUDENCE**

The standard of prudence to be used by investment officers shall be the "prudent investor" standard, pursuant to California Government Code 53600.3, and shall be applied in the context of managing an overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Authority, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **4.0 OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the Authority will diversify its investments by investing funds among a variety of securities with independent returns.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a acceptable rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 DELEGATION OF AUTHORITY**

Pursuant to California Government Code 53607, the authority to invest public funds of the Authority is expressly delegated to the Board of Directors of the Authority. The Board re-delegates the investment function to the Board Chairman or Vice Chairman and the Treasurer/Auditor.

The investment of the Authority's monies is annually delegated by the Board of Directors to the Board Chairman or Vice Chairman and Treasurer/Auditor who shall thereafter assume full responsibility for those transactions until the delegation is revoked or expires. The Board Chairman or Vice Chairman shall delegate the day-to-day operations of investing to the Treasurer/Auditor, but not the responsibility for the overall investment program. All transactions will be reviewed by the Board of Directors on a monthly basis to assure compliance with the Investment Policy. (California Government Code Section 53607.)

#### **6.0 ETHICS AND CONFLICTS OF INTEREST**

The Board, officers and employees of the Authority involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

#### **7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Treasurer/Auditor will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services

in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Authority shall select only broker/dealers who are licensed and in good standing with the California Department of Business Oversight, the Securities and Exchange Commission, the Financial Industry Regulatory Authority or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer/Auditor shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Authority's account with that firm has reviewed the Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Authority that are appropriate under the terms and conditions of this Investment Policy.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The Authority is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the Authority.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 45% of the Authority's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- f. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

Such investments with a forward settlement date exceeding 45 days from the time of investment shall be prohibited from purchase.

The Authority shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

## **9.0 COLLATERALIZATION**

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(j)(2).

## **10.0 SAFEKEEPING AND CUSTODY**

All security transactions entered into by the Authority shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Authority by book entry, physical delivery or by third party custodial agreement evidence by safekeeping receipts.

## **11.0 DIVERSIFICATION**

The Authority will diversify its investments by security type and institution. Assets shall be diversified to mitigate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

**12.0 REPORTING**

The Treasurer/Auditor shall submit to each member of the Board an investment report at least quarterly. Pursuant to California Government Code 53646, the report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Authority by third party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the Authority will meet its expenditure obligations for the next six months. The Treasurer/Auditor shall maintain a complete and timely record of all investment transactions.

**13.0 INVESTMENT POLICY ADOPTION**

This Investment Policy shall be adopted by resolution of the Authority. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board.

PASSED, APPROVED, and ADOPTED this 16<sup>th</sup> day of October 2023 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Austin Bishop, Chair

ATTEST:

\_\_\_\_\_  
Roxanne Faber  
Acting Authority Secretary

Approved as to form:

\_\_\_\_\_  
William P. Curley, III  
Authority Counsel

# PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

**DATE:** October 10, 2023 **October 16, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Roxanne Faber, Acting Board Secretary, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 5.5 – ADOPTION OF RESOLUTION NO. PRWA 2023-003  
AMENDING THE CONFLICT OF INTEREST CODE FOR THE PALMDALE  
RECYCLED WATER AUTHORITY**

## **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends that the Board of Directors adopt Resolution No. PRWA 2023-003 approving the proposed code amendments and authorizing the submittal of said amendments to the County of Los Angeles Board of Supervisors for adoption.

## **Background:**

The Authority's Code was last amended by the Authority on September 21, 2016 (Resolution No. 2016-008). There were no amendments to the existing code for the 2018 or 2020 Biennial Reviews. On September 29, 2022, during the Biennial Review process, there were a few non-substantive updates that were submitted to Executive Director LaMoreaux for review and later forwarded to the County Board of Supervisors for consideration. On September 28, 2023, the proposed changes were submitted for the Authority's final review and approval. Once approved, the Proposed Code will go before the COI Review Panel on October 25, 2023, and once approved, it will be forwarded to the Los Angeles County Board of Supervisors for adoption at their November meeting.

## **Financial Impact:**

There is no fiscal impact associated with this item.

## **Supporting Documents:**

Resolution No. PRWA 2023-003  
Appendix 1 – Proposed Code  
Exhibit A – Amended Disclosure Categories  
Exhibit B – Amended Designated Positions w/ footnote

**PALMDALE RECYCLED WATER AUTHORITY  
RESOLUTION NO. PRWA 2023-003**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PALMDALE RECYCLED WATER AUTHORITY  
AMENDING THE CONFLICT OF INTEREST CODE  
FOR THE PALMDALE RECYCLED WATER AUTHORITY**

**WHEREAS**, the Political Reform Act (“Act”), Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes; and

**WHEREAS**, under the Act, the Authority must periodically review its internal organization to determine: (1) whether any position that has been added to the Authority constitutes a designated position under the Authority’s Conflict of Interest and Disclosure Code (“Code”); or (2) whether the duties of any existing position that is currently not a designated position have changed such that the position now constitutes a designated position under the Authority’s Code; and

**WHEREAS**, the Authority’s Code was last amended by the Authority on September 21, 2016 (Resolution No. PRWA 2016-008).

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:**

SECTION 1. The Authority hereby adopts as its Conflict of Interest Code the terms of 2 California Code of Regulations Section 18730, and any amendments to it hereafter duly adopted by the Fair Political Practices Commission, in the form attached hereto as Appendix 1.

SECTION 2. Exhibit “A” to the Authority’s Conflict of Interest code shall set forth the disclosure categories for the Authority.

SECTION 3. Exhibit “B” to the Authority’s Conflict of Interest Code shall set forth the designated positions and applicable disclosure categories for each position of the Authority.

SECTION 4: The Executive Director or their designee is authorized to forward the Proposed Code Amendments to the Board of Supervisors for adoption.

PASSED, APPROVED, and ADOPTED this 16<sup>th</sup> day of October, 2023 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Austin Bishop, Chair

ATTEST:

\_\_\_\_\_  
Roxanne Faber,  
Acting Authority Secretary

Approved as to form:

\_\_\_\_\_  
William P. Curley, III  
Authority Counsel

**Appendix 1**

**Conflict of Interest Code**  
**of the**

**PALMDALE RECYCLED WATER AUTHORITY**

**Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference**

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

**Place of Filing of Statements of Economic Interests**

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board of Directors and the Executive Director, and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

# PALMDALE RECYCLED WATER AUTHORITY

## EXHIBIT "A"

### **CATEGORY 1**

Persons in this category shall disclose all interest in real property within the jurisdiction of the Palmdale Recycled Water Authority. Real Property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the Palmdale Recycled Water Authority.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

### **CATEGORY 2**

Persons in this category shall disclose all investments, and all business positions.

### **CATEGORY 3**

Persons in this category shall disclose all income, (including gifts, loans and travel payments).

### **CATEGORY 4**

Persons in this category shall disclose all business positions, investments in, and income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned to this disclosure category.

### **CATEGORY 5**

~~Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.~~

~~In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the executive officer (or head) of the agency. (See footnote in Exhibit "B" for clarification.)~~

**PALMDALE RECYCLED WATER AUTHORITY**

**EXHIBIT "B"**

<b><u>Designated Positions</u></b>	<b><u>Disclosure Categories</u></b>
Board of Directors	1, 2, 3
Executive Director	1, 2, 3
Assistant Executive Director	1, 2, 3
Authority Attorney	1, 2, 3
Assistant Authority Attorney	1, 2, 3
Treasurer/Auditor	2, 3
Consultants/New Positions*	5

\*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and based upon that description, a statement of the extent of disclosure requirements. The Executive Director or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

**Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.**

**EFFECTIVE DATE:**

# PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

**DATE:** October 9, 2023 **October 16, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Dennis Hoffmeyer, Treasurer-Auditor, PRWA  
**VIA:** Mr. Dennis LaMoreaux, Executive Director, PRWA

**RE: AGENDA ITEM NO 6.1 – CONSIDERATION AND POSSIBLE ACTION ON  
RESOLUTION NO. PRWA 2023-001 AUTHORIZING THE ADOPTION OF THE  
PALMDALE RECYCLED WATER AUTHORITY 2024 ANNUAL BUDGET**

## **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends approving the 2024 annual budget as presented in the 2024 Budget Document and approve Resolution No. PRWA 2023-001 authorizing the adoption of the Palmdale Recycled Water Authority 2024 Annual Budget.

## **Background:**

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The 2024 Budget continues with the removal of the contributions by both agencies as it has been determined that contributions this year are not needed. The budget includes fund analysis necessary to move forward with potential cost sharing related to the expansion of the recycled water system in Avenue Q.

## **Financial Impact:**

As set forth in the 2024 Budget Document, the fiscal year is projected to result in \$1,609,351 in unappropriated reserves. Also, shown are the estimated effects to the cash reserves if the Avenue Q cost sharing project is approved by the board.

## **Supporting Documents:**

Resolution No. PRWA 2023-001  
2024 Budget Document (Exhibit A to Resolution No. PRWA 2023-001)

## **RESOLUTION NO. PRWA 2023-001**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE RECYCLED WATER AUTHORITY 2024 BUDGET**

WHEREAS, The Palmdale Recycled Water Authority has identified the need for a 2024 Budget, and

WHEREAS, The Palmdale Recycled Water Authority Board reviewed the Budget for calendar year 2024, 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 2024 revenues and expenditures as presented in the calendar year 2024 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 2024.

SECTION 7: The Budget for calendar year 2024, as submitted, amended, modified, revised, corrected, adopted, and filed by the Authority shall be the calendar year 2024 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 16<sup>th</sup> day of October 2023 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Austin Bishop, Chair

ATTEST:

\_\_\_\_\_  
Roxanne Faber  
Acting Authority Secretary

Approved as to form:

\_\_\_\_\_  
William P. Curley, III  
Authority Counsel

**PALMDALE RECYCLED WATER AUTHORITY**

**Proposed Budget - CY 2024**

Acct. #		CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
		ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROPOSED
<b>Revenues:</b>						
1-00-3100-100	Contribution - Palmdale Water District	\$ 300,000	\$ -	\$ -	\$ -	\$ -
1-00-3100-200	Contribution - City of Palmdale	300,000	-	-	-	-
1-00-3000-000	Revenue - Water Sales	40,172	91,404	59,894	19,800	20,000
1-00-3050-000	Revenue - Meter Fees	16,216	35,873	44,983	41,300	40,000
1-00-3075-000	Revenue - Miscellaneous Fees	605	9,218	709	750	500
1-00-3150-000	Grants	-	-	-	-	-
1-00-3500-000	Interest Earnings	11,814	635	20,633	40,000	35,000
	<b>Total Revenue</b>	<u>\$ 668,807</u>	<u>\$ 137,130</u>	<u>\$ 126,220</u>	<u>\$ 101,850</u>	<u>\$ 95,500</u>
<b>Expenses:</b>						
1-00-4000-000	Public Representative - Meetings & Travel	\$ 1,559	\$ 2,229	\$ 600	\$ 600	\$ 3,000
1-00-4010-000	Payroll Tax Expense (Employer)	69	69	46	50	200
1-00-4500-100	Depreciation-General	53,407	53,407	53,407	53,407	53,407
1-00-5000-000	Banking Fees	662	731	710	450	1,000
1-00-5025-000	Provision for Bad Debt	-	-	-	1,841	350
1-00-5100-000	Insurance	6,457	7,371	7,773	8,400	8,500
1-00-5200-000	Memberships	4,102	4,102	4,293	5,750	6,000
1-00-5300-000	Marketing & Outreach	10,096	6,405	162	-	1,000
1-00-5500-000	Travel & Meetings	-	-	-	-	-
1-00-5600-000	Permits & Fees	-	-	-	-	-
1-00-6000-000	Purchased Water	19,481	31,293	22,007	20,000	20,000
1-00-6500-000	Materials & Supplies	394	13,689	-	500	2,500
1-00-6600-000	Maint. & Rep. - Water System	13,814	2,328	9,258	2,000	7,500
1-00-8000-150	Contract Services - Professional Services	63,614	5,138	-	-	-
1-00-8000-200	Contract Services - Financial Audit	8,500	8,500	8,500	8,500	8,500
	<b>Total Expenses</b>	<u>\$ 182,155</u>	<u>\$ 135,261</u>	<u>\$ 106,756</u>	<u>\$ 101,498</u>	<u>\$ 111,957</u>
					<u>\$ 352</u>	<u>\$ (16,457)</u>
	<b>Change in Net Position at December 31</b>	<u>\$ 1,625,456</u>	<u>\$ 1,627,325</u>	<u>\$ 1,646,789</u>	<u>\$ 1,625,808</u>	<u>\$ 1,609,351</u>
	<b>Cash and Investments Balance (December 31, 2023 - Estimated)</b>					<u>\$ 2,985,000</u>
	Capital Project Expenditure (Cost Sharing)					(800,000)
	Changes in Revenues/(Expenses) for the year (Estimated)					36,950
	<b>Cash and Investments Balance (December 31, 2024 - Estimated)</b>					<u>\$ 2,221,950</u>

**PALMDALE RECYCLED  
WATER AUTHORITY  
BOARD MEMORANDUM**

**DATE:** October 12, 2023 **October 16, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Scott Rogers, Engineering Manager  
**VIA:** Mr. Dennis D. LaMoreaux, Executive Director  
**RE:** ***AGENDA ITEM NO. 6.2 – CONSIDERATION AND POSSIBLE ACTION ON APPROVING THE SHARED COST OF THE AVENUE Q RECYCLED WATER PIPELINE. APPROXIMATELY \$800,000 BUDGET IMPACT (PWD ENGINEERING MANAGER SCOTT ROGERS).***

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**Recommendation:**

Staff recommends that the Board approve funding fifty percent of the Avenue Q Recycled Water Pipeline (Project) actual cost after the IRWP Prop.1 Grant funding is applied with PWD paying the other fifty percent.

**Alternative Options:**

The alternative is for PWD to pay for the Project and own facilities separately from PRWA.

**Impact of Taking No Action:**

The potential impact of taking no action is limiting the use of the Project to Pure Water AV.

**Background:**

The Recycled Water Facilities Plan (Plan) for the Palmdale Recycled Water Authority (PRWA) was developed in 2015 to determine the necessary infrastructure to provide recycled water within the Palmdale area. The Plan was recently amended to include the Project so it can be used for potential customers like Palmdale SOAR High School and construction water sales. The current recycled construction water site will potentially be unusable due to a development project on the corner of Avenue R and 30<sup>th</sup> St E. Additionally, the project will supply tertiary recycled water to the future PWD Pure Water AV Demonstration facility and existing PWD property.

The total estimated cost of the project is shown with Proposition 1, Round 2 grant funding from the Integrated Regional Water Management.

Project Cost Description	Estimated Cost
Engineering, Contract & Construction Administration	\$222,000
Pipeline Construction	\$1,933,000
Total Project Cost	\$2,155,000
IRWM Prop 1, Round 2 Grant	\$587,578
<b>Total Estimate Cost to PRWA</b>	<b>\$1,567,422</b>

The project will be put out for solicitation of bids at the end of October. After receiving and reviewing the bids, the Project will be presented to the PWD Board of Directors to award a contract.

**Budget:**

This item has an estimated budget impact of approximately \$800,000.

**Supporting Documents:**

None.