

# 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. #	Revenues:	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
		ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROPOSED
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>
				<b>Net Income/(Expense):</b>	<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>