

# PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

**DATE:** October 14, 2024 **October 21, 2024**  
**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. 2024-001 AUTHORIZING THE ADOPTION OF THE PALMDALE  
RECYCLED WATER AUTHORITY 2025 ANNUAL BUDGET**

## **Recommendation:**

Palmdale Recycled Water Authority (PRWA) staff recommends approving the 2025 annual budget as presented in the 2025 Budget Document and approve Resolution No. PRWA 2024-001 authorizing the adoption of the Palmdale Recycled Water Authority 2025 Annual Budget.

## **Background:**

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The 2025 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 2025 Budget Document, the fiscal year is projected to result in \$1,587,701 in unappropriated reserves. Also, shown are the estimated effects to the cash reserves for the Avenue Q cost sharing project approved by the board.

## **Supporting Documents:**

Resolution No. PRWA 2024-001  
2025 Budget Document (Exhibit A to Resolution No. PRWA 2024-001)

**PALMDALE RECYCLED WATER AUTHORITY  
RESOLUTION NO. PRWA 2024-001**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED  
WATER AUTHORITY AUTHORIZING THE ADOPTION OF THE PALMDALE  
RECYCLED WATER AUTHORITY 2025 BUDGET**

WHEREAS, The Palmdale Recycled Water Authority has identified the need for a 2025 Budget, and

WHEREAS, The Palmdale Recycled Water Authority Board reviewed the Budget for calendar year 2025, 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 2025 revenues and expenditures as presented in the calendar year 2025 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 2025.

SECTION 7: The Budget for calendar year 2025, as submitted, amended, modified, revised, corrected, adopted, and filed by the Authority shall be the calendar year 2025 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 21<sup>st</sup> day of October 2024 by the following vote:

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

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

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

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

ATTEST:

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

Approved as to form:

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

# PALMDALE RECYCLED WATER AUTHORITY

## Proposed Budget - CY 2025

| Acct. #   |   | CY 2021<br>ACTUAL   | CY 2022<br>ACTUAL   | CY 2023<br>ACTUAL            | CY 2024<br>PROJECTED | CY 2025<br>PROPOSED |
|---|---|---------------------|---------------------|------------------------------|----------------------|---------------------|
| <b>Revenues:</b>  |   |                     |                     |                              |                      |                     |
| 1-00-3100-100   | Contribution - Palmdale Water District                  | \$ -                | \$ -                | \$ -                         | \$ -                 | \$ -                |
| 1-00-3100-200   | Contribution - City of Palmdale                         | -                   | -                   | -                            | -                    | -                   |
| 1-00-3000-000   | Revenue - Water Sales                                   | 91,404              | 59,894              | 19,139                       | 18,850               | 20,000              |
| 1-00-3050-000   | Revenue - Meter Fees                                    | 35,873              | 44,983              | 41,454                       | 23,864               | 26,000              |
| 1-00-3075-000   | Revenue - Miscellaneous Fees                            | 9,218               | 709                 | 1,750                        | 300                  | 500                 |
| 1-00-3150-000   | Grants  | -                   | -                   | -                            | -                    | -                   |
| 1-00-3500-000   | Interest Earnings (excludes Market Adj. on Investments) | 635                 | 20,633              | 47,736                       | 73,417               | 50,000              |
|   | <b>Total Revenue</b>                                    | <u>\$ 137,130</u>   | <u>\$ 126,220</u>   | <u>\$ 110,079</u>            | <u>\$ 116,431</u>    | <u>\$ 96,500</u>    |
| <b>Expenses:</b>  |   |                     |                     |                              |                      |                     |
| 1-00-4000-000   | Public Representative - Meetings & Travel               | \$ 2,229            | \$ 600              | \$ 600                       | \$ 450               | \$ 2,500            |
| 1-00-4010-000   | Payroll Tax Expense (Employer)                          | 69                  | 46                  | 46                           | 34                   | 200                 |
| 1-00-4500-100   | Depreciation-General                                    | 53,407              | 53,407              | 53,407                       | 53,407               | 53,407              |
| 1-00-5000-000   | Banking Fees  | 731                 | 710                 | 158                          | 50                   | 350                 |
| 1-00-5025-000   | Provision for Bad Debt                                  | -                   | -                   | 1,841                        | -                    | 500                 |
| 1-00-5100-000   | Insurance   | 7,371               | 7,773               | 8,402                        | 9,588                | 10,000              |
| 1-00-5200-000   | Memberships   | 4,102               | 4,293               | 5,658                        | 6,100                | 6,250               |
| 1-00-5300-000   | Marketing & Outreach                                    | 6,405               | 162                 | -                            | -                    | 500                 |
| 1-00-5500-000   | Travel & Meetings                                       | -                   | -                   | -                            | -                    | -                   |
| 1-00-5600-000   | Permits & Fees  | -                   | -                   | 2,922                        | -                    | -                   |
| 1-00-6000-000   | Purchased Water   | 31,293              | 22,007              | 29,966                       | 33,000               | 35,000              |
| 1-00-6500-000   | Materials & Supplies                                    | 13,689              | -                   | 597                          | 350                  | 1,000               |
| 1-00-6600-000   | Maint. & Rep. - Water System                            | 2,328               | 9,258               | -                            | 13,500               | 7,500               |
| 1-00-8000-150   | Contract Services - Professional Services               | 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>\$ 135,261</u>   | <u>\$ 106,756</u>   | <u>\$ 112,096</u>            | <u>\$ 124,979</u>    | <u>\$ 125,707</u>   |
|   |   |                     |                     | <b>Net Income/(Expense):</b> | <u>\$ (8,548)</u>    | <u>\$ (29,207)</u>  |
|   | <b>Change in Net Position at December 31</b>            | <u>\$ 1,627,325</u> | <u>\$ 1,646,789</u> | <u>\$ 1,644,772</u>          | <u>\$ 1,616,908</u>  | <u>\$ 1,587,701</u> |
| <b>Cash and Investments Balance (December 31, 2024 - Estimated)</b>             |   |                     |                     |                              |                      | <u>\$ 3,064,500</u> |
| Capital Project Expenditure (Cost Sharing Estimate - Avenue Q Pipeline Project) |   |                     |                     |                              |                      | (550,000)           |
| Changes in Revenues/(Expenses) for the year (Estimated)                         |   |                     |                     |                              |                      | 24,200              |
| <b>Cash and Investments Balance (December 31, 2025 - Estimated)</b>             |   |                     |                     |                              |                      | <u>\$ 2,538,700</u> |