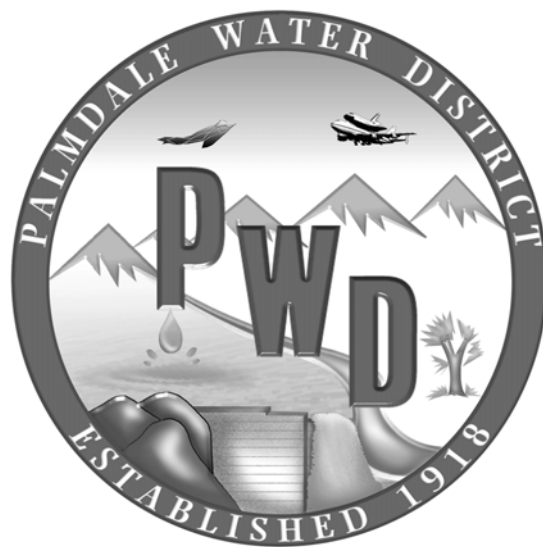


# **PALMDALE WATER DISTRICT**



## **2006 BUDGET**

Approved: December 19, 2005



# PALMDALE WATER DISTRICT

## 2006 BUDGET

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# SECTION I DISTRICT GOALS AND OBJECTIVES

*OVERALL DISTRICT GOALS*

*DEPARTMENTAL DESCRIPTIONS, ACCOMPLISHMENTS, AND  
GOALS*



## PALMDALE WATER DISTRICT

### 2006 BUDGET GOALS AND OBJECTIVES

Palmdale Water District updated and adopted a Mission Statement in 2001 that re-emphasizing our “. . . dedicat[ion] to providing clean, pure. . .

**W**ater system facilities to meet current and future needs;  
**A**ttentive staff committed to customer service;  
**T**reatment and testing to ensure high quality water;  
**E**ducation on water conservation and safety;  
**R**eliable supply and reasonable rates.”

The 2006 Budget provides a guideline for operating the District to accomplish the Mission and goals stated above. The following is a brief overview of the 2006 Budget and a review of the District’s operations in 2005.

#### **Year 2005 Review**

The District began working in several new directions in 2005. These included assessments and planning to improve the internal practices of the District and help clarify its direction into the future. The internal projects included an employee survey, formalizing of practices into policies, evaluating and revising the organization chart, and revising the performance appraisal process. Planning activities included beginning work on the 2006 Master Plan Update and completing the 2005 Urban Water Management Plan. The new planning document begun in 2005 is a five-year strategic plan. The strategic plan is intended to provide a clear focus for the District’s activities through new mission and vision statements, a set of core values, strategic elements and goals, and specific projects meet those goals over the next five years. The plan is expected to be considered for adoption by the Board of Directors in early 2006.

The District also continued addressing energy challenges in 2005. The construction contract for re-equipping the former hydroelectric station at Palmdale Lake was terminated due to non-performance by the contractor. This facility will provide power directly to the District providing both reduced electrical costs and reliable power. It is expected to be completed in 2006. The wind energy conversion project for our water treatment facilities at Palmdale Lake marked its first full year of production. The District received nearly \$1,000,000 from Southern California Edison from the Alternative Energy Incentive Fund in 2005 to offset the construction cost. Both it and the photovoltaics located at the maintenance yard performed well and will help protect the District from planned Southern California Edison rate increases. The District is also continuing its role in the California Energy Commission research grant for the energy bridge at the clearwell booster.

The local rain and snowfall amounts were above normal this year. The District was able to use local surface water and normal deliveries of water through the State Water Project (SWP) to meet our customer's needs. The SWP water allotment was large enough to provide carry-over water into 2006. Additionally, the initial SWP allocation for 2006 is 65%. Both, in addition to our available groundwater supplies and local surface water, are expected to allow the District to meet our customer's demands in 2006.

Operationally, there was an increase of about 589 average active accounts compared to 2004 for a total of approximately 24,717. These were largely newly constructed water services. However, water usage changed very little from 2004. This was likely due to the wet and colder than normal winter. The billed water usage in 2005 is projected to be approximately 23,800 acre-feet or 7.76 billion gallons of water.

The water demand was met mostly by use of available surface water processed through the water treatment plant. Treated surface water accounted for nearly 60% of the total water production. Surface water sources used by the District are the SWP and a local source. Minimum payments are made on both sources regardless of water use. However, water actually delivered by the SWP costs an additional amount. The local surface water source does not. Therefore, local surface water was used to the extent possible before SWP water. The remainder of the water demand was met by groundwater.

The number of water main leaks and "lost" water are good indications about the health of a water distribution system. Water main leaks increased from 98 in 2004 to 122 in 2005. This is about one leak for every three miles of water mains in the District. "Lost" water is the difference between the amount of water produced and put into the distribution system and the amount of water metered at service connections. The November, 2005 12-month average percentage of water loss was 9.20%. This is nearly the same as the November, 2004 percentage of 9.16%. Both indicators show that the District has an efficient and healthy water system.

Both water loss and the number of leaks are typical indications of how a water district is performing. There are several other indicators that can be used. AWWA, American Water Works Association, published a benchmarking survey in 2005 that can be used to assess performance. Participation in the survey included about 150 water agencies of various sizes throughout the country. Appendix "C" shows how the District stands using eight indicators compared with water agencies in three categories: All sizes in western USA; 50,000 to 100,000 population served throughout the USA; and 100,000 to 500,000 population served throughout the USA. Generally, the District is performing near the median of those agencies in the survey. This will be monitored and updated as more information is available

## **2006 Budget**

The District's mission statement includes providing adequate facilities, customer service, water treatment, water testing, water conservation education, a reliable water supply, and reasonable water rates as ways to fulfill our duty. The 2006 Budget provides for accomplishing all of these.

The majority of the budget funds personnel, operations, and maintenance costs. The personnel area includes increased benefit costs, adjustments to salary ranges that enable the District to attract and retain talented people, and additional positions. Operations and maintenance costs are planned for ensuring the water system remains healthy.

The equipment and project inclusions more clearly show the activities planned in 2006. While a number of these can also be considered maintenance, they will continue to upgrade the District's operations. For example, several items deal with the computer systems, replacement vehicles, and improvements to the District office and board room. The District program of installing radio-read water meters has been successful and will continue with approximately 8,000 meters planned for installation. This will reduce the time needed to read water meters and will allow District staff to focus more on customer service.

The 2006 Budget also includes the electrical energy projects of the hydroelectric project and new technology at the clearwell site, mainline and service line replacement projects, continuing the development of the District GIS system, design and environmental work to enclose a portion of Palmdale Ditch under a Proposition 13 grant, environmental work to manage sediment levels in Littlerock Reservoir, construction of Phase I of improvements to the water treatment plant, design and beginning of construction of Phase II improvements to the water treatment plant, design of the future water treatment plant, completing land purchases for future improvements, various capital improvement facilities needed to address growth, and improvements associated with the College Park Palmdale Specific Plan.

Finally, funds are included to continue the District's water conservation and public information programs. This includes continuing with the water conservation garden design and working with the City of Palmdale and Palmdale School District to install weather-controlled irrigation systems. Both of these projects potentially have grant funds available.



## Administration

### Description:

The Administration Department manages the District through the Board of Directors, which sets policy, and the General Manager, who reports to the Board and manages the daily operation of the District. The attorneys and financial advisor positions, which answer to the Board and interact with the staff through the General Manager, are also an integral part of the Administration Department as are the functions of payroll, personnel, insurance management, I.T./I.S. services, public relations, and water conservation programs.

## Business Office

### Description:

The Business Office manages the day-to-day customer service affairs of the Palmdale Water District. This includes billing, meter reading, service applications, customer complaints, accounting related to accounts payable, cost accounting, payment processing, assessment management, and records management.

### 2005 WATER YEAR INDICATORS:

- 1) 3,912 +/- new applications processed. \*
- 2) Responded to 1,348 +/- non-District related or non-application based customer service orders. \*
- 3) Issued 12,931 door tags, 1,018 shutoffs and processed 439 NSF related door tags/shutoffs.
- 4) Processed 236,529 payments - Make up was 148,962 mail payments, 78,978 front counter, 6,766 credit card by telephone and 1,823 online credit cards \*
- 5) 20,723 acre feet of water billed. \*
- 6) 25,032 total active customer accounts on October 31, 2005.
- 7) 25,673 total accounts (active and inactive).

\* All numbers are based on a reporting period of January 1 through October 31, 2005.

### 2005 WATER YEAR ACCOMPLISHMENTS:

- 1) Cross-trained office staff in various areas (accounts payable, billing, image scanning, and mail payments) to enable the office to operate efficiently.
- 2) Activation of the new online account access through the District's website has enabled our customers to be able to access their accounts online at any time to view their bills and make payments via Credit Card or ATM card as well as perform other activities such as: address change request, closing their water service account, establishing a new water service account and the like.
- 3) The Customer Service Management screens have been modified so that we can access not only documents scanned into "DocStar" but also documents brought in from the old document image system. This has enabled us to expedite the look up of ownership, service applications, correspondence and other pertinent information.
- 4) Coordinated the large meter repair and testing program and the replacement of eight large meters to improve accuracy and reliability.
- 5) Trained meter readers to utilize the Itron system, i.e.: using G5 handheld device, mobile collector unit (Itron radio read system) and replacing radio transmitters with Itron radio units.
- 6) Fostered active participation of staff in water awareness, conservation and education functions.
- 7) Pursuant to the District's draft Strategic Plan, we have provided customer service training for all staff so that everyone gains the training necessary to provide better customer service.
- 8) Implemented a revised waste of water procedure so that customers are given a chance to understand the District's policy and how to correct the problem.

2006 OBJECTIVES:

- 1) Continue to promote effective customer service practices/programs to meet the needs of our customers.
- 2) Providing additional bill payment avenues by enabling (activating) the Website payment portal so that customers can pay their bills on-line using eCheck (electronic check) or manual EFT (electronic fund transfers). We are also looking into being able to transact Credit/ATM transactions at each front counter register.
- 3) Finish installing the radio read meters for remaining routes.
- 4) Continue to cross train office personnel in various areas (accounts payable, mail payment handling, scanning, collections and the like) to help the office efficiency.
- 5) Conduct real-time auditing of radio-read routes with new handheld device.
- 6) Continue training meter readers in customer service area (programming transponders, replacing meters, and changing registers).
- 7) Oversee large meter repair, replacement and/or testing.
- 8) Presenting a positive image for the District by having staff members take an active role in the Districts water awareness, conservation and education programs.

## Engineering

### Description:

The Engineering Department's primary responsibilities are planning, project development and management, and quality control. Associated duties include CEQA compliance, permit maintenance, plan checking, construction inspection, updating facility maps, maintaining standard construction specifications, emergency planning, and reporting water production to maintain water rights.

### 2005 WATER YEAR INDICATORS:

- 1) 24 Water improvement projects approved.
- 2) 19 Water improvement projects completed.
- 3) 4 District construction projects completed.
- 4) 63 Inspection work orders actively overseen for completion and closure of the work order.
- 8) 3,153 USA tickets received with 1,230 requiring street marks.

### 2005 WATER YEAR ACCOMPLISHMENTS:

- 1) Provided input and staff time for various state reports.
- 2) Maintained tracking program for equivalent units for the Capital Improvement program annual update.
- 3) Updated water service maps, gate books, and 1000' scale maps.
- 4) Updated total quantification miles of pipe, number of valves, fire hydrants, air vacs, and other facilities.
- 5) Produced monthly water comparison charts and well static and pumping level graphs.
- 6) Developed a new plan check criteria document to aide the developer engineers in the preparation of water system improvement plans that meet the District's requirements.
- 7) Completed survey and related reporting for both Littlerock and Palmdale Dam.
- 8) Acquired additional land for the future Water Treatment Plant.
- 9) Acquired additional land for the future 4MG Tank Site to be located at 45th Street Tank Site.
- 10) Completed the design, award of contract, contract administration, construction, and activation of the new 4MG Tank for the 2850' System Zone.
- 11) Completed the design, award of contract, contract administration, construction, and activation of the new 45th Street Booster Station for the 2850' Storage Tank.
- 12) Completed the design, award of contract, contract administration, construction, and activation of the new 24" Transmission Main for the 2850' Storage Tank.
- 13) Continued providing construction management for the Water Treatment Plant Improvements Phase I.
- 14) Awarded design contract for the Water Treatment Plant Improvements Phase II Project.
- 15) Completed Phase III of the District's GIS mapping system and deployed for staff use.
- 16) Continued working with consultant on the preparation of the District's 2006 Water System Master Plan Update.
- 17) Worked with consultant on the preparation of the 2005 Urban Water Management Plan.
- 18) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS.

## 2005 WATER YEAR ACCOMPLISHMENTS (Continued):

- 19) Continued working with SWRCB and consultants on the preparation of the pipeline design and environmental work associated with the Palmdale Ditch Enclosure Grant.
- 20) Continued working with CEC and consultants on the design and implementation of the Energy Bridge that will be located at the District's Clearwell Booster Station.
- 21) Completed design and advertisement for the construction of two new 4MG Tanks as well as the exterior re-coat of two existing tanks.
- 22) Completed the design for the construction of a new 16" Transmission Water Main that will serve the 2850' System Zone.

## 2005 OBJECTIVES:

- 1) Complete the construction of equipping existing cased wells #34a and #29.
- 2) Complete the design and construction of a new building for well #16.
- 3) Complete the design and construction of the 11th Street East between Palmdale Blvd. and Avenue R.
- 4) Complete the design and construction of the next phase of the meter change-out program.
- 5) Conduct emergency preparedness drills.
- 6) Continue providing QA/QC on the construction of the new tracts, commercial, and city projects which require water system improvements.
- 7) Complete tasks related to the Palmdale Ditch Enclosure Grant and oversee design, CEQA, and construction management for this project.
- 8) Complete 2006 Water System Master Plan and related EIR Update.
- 9) Complete the design of the water main replacement project in the vicinity of Avenue Q, 35th Street East, Palmdale Blvd., and 37th Street East and award construction contract.
- 10) Obtain necessary permits for the Littlerock Reservoir Sediment Removal Project.
- 11) Complete the construction management and installation of the Palmdale Lake Hydro-Electric Station and related transmission lines and switchgear.
- 12) Continue providing construction management for the Water Treatment Plant Improvements Phase I.
- 13) Continue working with consultants on the design and construction of the Water Treatment Plant Improvements Phase II.
- 14) Complete the construction and activation of (2) new 4MG Storage Tanks and re-coating the exterior of (2) existing Storage Tanks.
- 15) Continue working with the CEC and consultants on the design and installation of the Energy Bridge to be located at the District's Clearwell Booster Station.

## Facilities

### Description:

The Facilities Department maintains, services, repairs, and installs all District equipment and facilities with the exception of the Water Treatment Plant. Services include meter exchanges, valve exercises, maintain and repair District well pumps, reservoir and pipeline maintenance, vehicle and equipment repair and maintenance.

### 2005 WATER YEAR INDICATORS:

- 1) 24,998 meters in service.
- 2) 5,401 number of valves in service.
- 3) 359.8 miles of pipes in service.
- 4) 24 wells in service.
- 5) 154 emergencies to which the department responded.

### 2005 WATER YEAR ACCOMPLISHMENTS:

- 1) Completed installation of the Avenue T8 tank on-site pipeline.
- 2) Completed installation of replacement line on 42nd ST E & Palmdale Hills Dr.
- 3) Installation of bentonite in Palmdale Ditch on Barrel Springs & 47th ST E.
- 4) Installation of new 42" gate valve (replacement) at water treatment plant.
- 5) Crew found closed valve on Avenue S causing low tank levels on east side tanks.
- 6) Exchanged 109 meters as of November 7, 2004.
- 7) Exercised less than 20 valves as of November 7, 2004.
- 8) Performed 2,363.5 hours of repair on District vehicles and equipment. \*
- 9) Performed 1,876.0 hours of service and maintenance on tanks, pumps and wells. \*
- 10) 3,671.0 hours spent on leak repairs, valve exercising, and air/vac repair. \*
- 11) Tested 29 large meters for accuracy as part of a meter testing program.
- 12) Flushing program 16,260 C.F. used as of November 7, 2004.
- 13) Total number of leaks 154 (32 SL and 122 ML) as of November 7, 2004.
- 14) 130 Angle stop repaired as of November 7, 2004.
- 15) Performed 361.5 hours of maintenance & repair work at water treatment plant.
- 16) Replaced 46 meter boxes and 79 valve cans and boxes.

\* All numbers are based on a reporting period of January 1 through October 31, 2004.

### 2005 OBJECTIVES:

- 1) Continue large meter testing program
- 2) Continue valve exercising program.
- 3) Continue flushing program
- 4) Continue main line replacement program
- 5) Continue dead end tie-in program.

## Operations and Production

### Description:

The Operations and Production Department operates the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The Operations and Production Department also monitors and maintains operational control of the District's 24 ground water wells, 16 reservoir sites, 16 booster station sites, 16 pressure regulating stations, 7 hydro-pneumatic tanks, and hypo-chlorite disinfection equipment at 32 of the above sites. The Department is also responsible for maintaining compliance with federal, state, and local regulations on water quality standards, updating the watershed sanitary survey, source water protection plan, energy management, and pumping efficiency, as well as handling customer related water quality complaints.

### 2005 WATER YEAR INDICATORS:

- 1) Treated 15,250.0 \* acre feet of surface water, 59.5% of total production.
- 2) Operated Water Treatment Plant 7,511.5 \* hours.
- 3) Received 10,035.2 \* acre feet of State Project Water.
- 4) Received 6,899.9 \* acre feet of water from Littlerock Reservoir.
- 5) Pumped 10,403.3 \* acre feet of ground water, 40.5% of total production.
- 6) Presently maintain 37.2 \*\* million gallons of potable water in distribution reservoir storage with total storage capacity at 44.530 million gallons.
- 7) Presently maintain 4,082.8 acre feet of water in Lake Palmdale at an elevation of 2,812.30 feet above sea level, and approximately 850 acre feet in Littlerock reservoir at an elevation of 3234.41 feet above sea level, (as of October 24, 2005).
- 8) Produced 25,653.3 \* acre feet of potable water from all sources.

\* Water year: October 1, 2004 to September 30, 2005

\*\* Maximum storage for 24-hr. period of November 6 to November 7, 2005.

### 2005 WATER YEAR ACCOMPLISHMENTS:

- 1) Completed Laboratory re-certification including Bacteriological, Inorganic and General Chemistry analysis.
- 2) Continued operation of temporary Carbon Dioxide storage and feed system and refined treatment techniques and chemical dosing, resulting in very low finished water turbidities.
- 3) Completed Sodium Hypochlorite upgrades at various well sites and booster stations are currently under construction at this time.
- 4) Continue Lake monitoring and management plan to control organic precursors and thereby reduce THM's. Complete upgrades, operated and maintained seven solar pond circulators in Palmdale Lake reducing thermal stratification and aeration of the lake to help reduce algal blooms and subsequent chemical treatment.
- 5) Completed work with Northern Digital, Inc to install and test Treatment Plant Automation (SCADA).

2005 WATER YEAR ACCOMPLISHMENTS (Continued):

- 6) Continued to work with Carollo Engineering and Roen Construction to complete upgrades for plant optimization phase I.
- 7) Completed work with Carollo Engineering to identify best technology to reduce DBP's based on outcome of research project.
- 8) Continued to use new water distribution strategies to reduce TTHM levels.
- 9) Complete installation of Salt Silos at wells 4, 25, 30, 33,& 35.
- 10) Completed replacement of soft starts at well 4, 33. & 35.
- 11) Completed upgrade of chemical batch tank at lake-inlet from State Project Water.
- 12) Completed dust and climate control for lab & computer room at the treatment plant.
- 13) Taken an active role with staff participation in all Water Awareness functions.
- 14) Monitored all source water supplies for Lead, Copper, Radioactivity, Giardia, Cryptosporidium, MTBE, and Hexavalent Chromium as well as other constituents required by law.

## 2006 OBJECTIVES:

- 1) Complete treatment plant automation and control via SCADA de-bugging.
- 2) Continue development and execution of an effective lake monitoring program and clean up of Lake Palmdale shoreline.
- 3) Complete Phase I of Plant Optimization Project
- 4) Complete Design, specification and RFP, award contract and begin Phase II Plant Optimization Project.
- 5) Continue jar testing of coagulants to further reduce chemical costs and reduce sludge production and optimize treatment.
- 6) Continue to modify and develop Standard Operating Procedures (SOP's) and routine maintenance schedules to better accomplish preventative maintenance (MP2 program).
- 7) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.
- 8) Complete upgrades at Littlerock Dam Valve house for more accurate metering and vapor proof instrumentation (Mag Meters & walkway).
- 9) Develop and Refine Power Logic programming, including development of a data base for use by SCADA to automatically ensure efficient energy usage. (Radio Upgrade)
- 10) Install Salt Silos at wells 6,10,20,21, & 23
- 11) Replace Soft Start at well's 3 & 14
- 12) Replace 16 inch altitude valve's at 25th St tank site, 5 MG tank site & 12 inch PRV at 40th St.
- 13) Complete Edison maintenance and hydraulic testing on 38 booster pumps.
- 14) Replace 1720D NTU meters with 1720E NTU meters on filters.
- 15) Continue to help promote a positive image of the District by taking an active role in the District's water awareness and water conservation and education programs.
- 16) Continue to promote a higher level of interdepartmental cooperation and communication. Keeping employees informed of progress on, and aware of District goals. Reinforcing the understanding and value of their individual contributions.
- 17) Encourage the continued education and training of all employees with the express intention of promoting a professional attitude among employees and improving overall water quality, customer service, and satisfaction.
- 18) Monitor all source water supplies for Radioactivity, Giardia, Cryptosporidium, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics as well as other constituents required by law. Potentially begin Initial Distribution System Evaluation (IDSE) for stage II D/DBP rule.



# SECTION II SUMMARIES

*2006 BUDGET*

*FOUR YEAR CASH FLOW*

*DEPARTMENTAL STAFFING*



Palmdale Water District  
Budget 2006

	BUDGET 2006	PROJECTED 2005	BUDGET 2005	ADJUSTED BUDGET 2005	ACTUAL 2004	ACTUAL 2003	ACTUAL 2002
<b>Operating Revenue</b>							
Water sales	\$17,300,000	\$15,200,000	\$15,600,000	\$15,600,000	\$15,456,477	\$14,575,736	\$14,175,759
Other	1,300,000	1,300,000	1,300,000	1,300,000	1,343,787	873,291	786,931
	<u>18,600,000</u>	<u>16,500,000</u>	<u>16,900,000</u>	<u>16,900,000</u>	<u>16,800,264</u>	<u>15,449,027</u>	<u>14,962,690</u>
<b>Operating Expenses</b>							
Administration	3,092,500	2,899,250	3,039,300	3,263,300	2,885,066	2,838,147	2,320,377
Business office	1,951,000	2,553,000	3,417,625	3,602,625	1,899,445	1,576,766	1,423,989
Engineering	1,154,500	1,404,500	1,577,000	1,577,000	878,138	979,108	543,835
Facilities	2,721,500	2,996,600	2,569,600	2,569,600	2,637,310	3,088,850	2,893,436
Operations and production	4,465,000	4,172,500	4,426,500	4,426,500	3,880,023	3,782,438	3,538,127
Proposed 2006 Staff Change	725,000						
Water Acquisition Costs	350,000						
Water Purchases	2,150,000	2,250,000	1,900,000	1,900,000	1,897,569	1,359,509	2,840,114
Water Recovery	(120,000)	(345,000)	(250,000)	(250,000)	(292,350)	(1,143,911)	(433,990)
Depreciation	4,400,000	4,600,000	4,700,000	4,700,000	4,572,821	4,565,438	4,887,121
Bad debts		0	5,000	5,000	0	0	30,000
Capitalized construction	(1,300,000)	(965,000)	(700,000)	(700,000)	(1,640,413)	(361,024)	(632,640)
	<u>19,589,500</u>	<u>19,565,850</u>	<u>20,685,025</u>	<u>21,094,025</u>	<u>16,717,609</u>	<u>16,685,321</u>	<u>17,410,369</u>
<b>Operating Loss</b>	<u>(989,500)</u>	<u>(3,065,850)</u>	<u>(3,785,025)</u>	<u>(4,194,025)</u>	<u>82,655</u>	<u>(1,236,294)</u>	<u>(2,447,679)</u>
<b>Non-operating Revenues</b>							
Assessments	2,200,000	2,225,000	1,300,000	1,300,000	2,981,140	2,580,426	3,320,425
Interest	1,200,000	1,680,000	1,640,000	1,640,000	917,708	735,699	1,735,831
Market Adj. on Investments	(120,000)	(250,000)	(100,000)	(100,000)	(443,054)	(362,032)	
Capital improvement fees	2,000,000	4,200,000	1,850,000	1,850,000	3,642,961	2,474,768	559,357
State Grants		0	1,404,000	1,404,000	0	0	0
Other	125,000	150,000	100,000	100,000	135,930	122,601	105,705
	<u>5,405,000</u>	<u>8,005,000</u>	<u>6,194,000</u>	<u>6,194,000</u>	<u>7,234,685</u>	<u>5,551,462</u>	<u>5,721,318</u>
<b>Non-operating Expenses</b>							
Interest Paid & Amortization on long-term debt	2,747,000	2,779,000	2,809,000	2,809,000	1,478,047	1,005,478	1,030,287
Amortization of SWP	959,000	900,000	900,000	900,000	874,956	801,756	741,564
	<u>3,706,000</u>	<u>3,679,000</u>	<u>3,709,000</u>	<u>3,709,000</u>	<u>2,353,003</u>	<u>1,807,234</u>	<u>1,771,851</u>
<b>Net Earnings&lt;Loss&gt;</b>	<u>\$709,500</u>	<u>\$1,260,150</u>	<u>(\$1,300,025)</u>	<u>(\$1,709,025)</u>	<u>\$4,964,337</u>	<u>\$2,507,934</u>	<u>\$1,501,788</u>

**Assumptions:**

Cost of Living possible increase maximum of 3% effective September 1, 2006.  
 Vision insurance coverage will have a decrease of 3.2% in rates for the next year.  
 Health insurance will increase for Kaiser plans by 13.3% over last year's rates.  
 Health insurance will increase for Blue Cross PPO plans by 2.54% over last year's rates.  
 Health insurance will increase for Blue Cross HMO plan by 11.37% over last year's rates.  
 Delta Dental insurance plans will stay the same rates for 2006 year.

Worker's Comp rates are calculated at .0175 for office personnel and .0888 for field personnel.  
 PERS will be calculated at 16.529% compared to the 2004-2005 rate of 12.237%.

Palmdale Water District  
4-Year Cash Flow

	<u>Proposed</u> <u>2006</u>	<u>Projected</u> <u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>					
Operating <Loss> Income	(989,500)	(3,065,850)	82,655	(1,236,294)	(2,447,679)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	4,400,000	4,600,000	4,572,821	4,565,438	4,887,121
Other balance sheet accounts			472,571	1,423,319	(544,796)
Total Adjustments	4,400,000	4,600,000	5,045,392	5,988,757	4,342,325
Net cash provided by operating activities	<u>3,410,500</u>	<u>1,534,150</u>	<u>5,128,047</u>	<u>4,752,463</u>	<u>1,894,646</u>
<b>Cash flows from capital &amp; related financing activities:</b>					
Acquisition of property, plant and equipment	(19,900,000)	(18,384,706)	(6,144,182)	(2,868,392)	(2,860,318)
Payments for participation rights in state water fac.	(1,824,000)	(1,463,082)	(1,597,231)	(1,986,349)	(1,674,000)
Net proceeds from 2004 bonds			38,613,767		
Bond Issuance Cost			(706,104)		
Principal paid on long-term debt	(970,000)	(895,000)	(595,000)	(570,000)	(665,000)
Interest paid on long-term debt	(2,658,536)	(2,690,536)	(1,399,015)	(929,590)	(954,400)
Refund of long-term debt					
Proceeds from property tax assessments levied	2,200,000	2,755,823	2,662,805	3,272,527	3,333,478
Proceeds from capital improvement fees	2,000,000	4,200,000	3,642,961	2,474,768	559,357
Proceeds from state grant funds	0	0	0	0	0
Other	125,000	150,000	132,290	122,601	105,705
Net cash used-capital & related financing activities	<u>(21,027,536)</u>	<u>(16,327,501)</u>	<u>34,610,291</u>	<u>(484,434)</u>	<u>(2,155,178)</u>
<b>Cash flows from investing activities:</b>					
Change in Investments	15,000,000	6,368,017	(38,323,891)	(371,016)	3,307,928
Interest on investments	1,200,000	1,680,000	917,708	735,699	921,288
Market adjustment	(120,000)	(250,000)	(443,054)	(362,032)	
Net cash provided by investing activities	<u>16,080,000</u>	<u>7,798,017</u>	<u>(37,849,237)</u>	<u>2,651</u>	<u>4,229,216</u>
Net increase (decrease) in cash & cash equivalents	<u>(1,537,036)</u>	<u>(6,995,334)</u>	<u>1,889,101</u>	<u>4,270,680</u>	<u>3,968,684</u>
<b>Cash and cash equivalents at beginning of year:</b>	<u>6,062,650</u>	<u>13,057,984</u>	<u>11,168,883</u>	<u>6,898,203</u>	<u>2,929,519</u>
<b>Cash and cash equivalents at end of year:</b>	<u>4,525,614</u>	<u>6,062,650</u>	<u>13,057,984</u>	<u>11,168,883</u>	<u>6,898,203</u>
Invested Funds	<u>38,000,000</u>	<u>53,000,000</u>	<u>59,374,086</u>	<u>21,050,195</u>	<u>20,679,179</u>
<b>Cash and investments at end of year:</b>	<u>42,525,614</u>	<u>59,062,650</u>	<u>72,432,070</u>	<u>32,219,078</u>	<u>27,577,382</u>

Palmdale Water District  
Departmental Staffing

POSITION	2006	2005	2004
<b>ADMINISTRATION:</b>			
Directors	5	5	5
General Manager	1	1	1
Executive Secretary	1	1	1
Financial Advisor	1	1	1
Water Conservation Manager	1	1	1
Water Conservation Aide	1	1	1
Personnel Representative	1	1	1
Information Systems Specialist III	1	1	1
Information Systems Specialist II	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	13	13	13
<b>BUSINESS:</b>			
Office Supervisor	1	1	1
Assistant Office Supervisor	1	1	1
Customer Service Supervisor	1	1	1
Cross Connection Controller	1	1	1
Customer Service Technician	3	3	3
Account Clerks I/II	9	9	9
Meter Readers	3	3	3
Purchasing & Warehouse Technician	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	20	20	20
<b>ENGINEERING:</b>			
Assistant General Manager	1	1	1
Engineering Supervisor	1	1	1
Project Manager	1		
Engineering Aide	3	2	2
Inspectors	3	3	3
USA	1	1	1
Drafters	<u>2</u>	<u>2</u>	<u>2</u>
SUBTOTAL:	12	10	10
<b>FACILITIES:</b>			
Facilities & Operations Manager	1	1	1
Facilities Superintendent	1	1	1
Supervisors	2	2	2
Crew Leaders	3	3	3
Mechanics	4	4	4
Maintenance Worker	1	1	1
Service Workers I/II	<u>7</u>	<u>7</u>	<u>7</u>
SUBTOTAL:	19	19	19
<b>OPERATIONS AND PRODUCTION</b>			
Production & Operations Superintendent	1	1	1
Supervisors	2	2	2
Operators	5	5	5
Pump Operator	2	2	2
Water Quality Specialist	1	1	1
Lab Assistant	2	2	2
Electronic Technician	1	1	1
Electrician I/II	<u>2</u>	<u>2</u>	<u>2</u>
SUBTOTAL:	16	16	16
DISTRICT TOTAL:	80	78	78



# SECTION III

# DEPARTMENTAL BUDGETS

*ADMINISTRATION*

*BUSINESS*

*ENGINEERING*

*FACILITIES*

*OPERATIONS AND PRODUCTION*

*ACCOUNT DEFINITIONS*



**Palmdale Water District  
Budget 2006**

<b><u>Administration</u></b>		BUDGET	PROJECTED	BUDGET	ADJUSTED	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2006	2005	2005	BUDGET	2004	2003	2002
					2005			
1-4000	Salaries	680,000	660,000	660,000	660,000	608,294	559,604	447,545
1-4009	Directors Fees	90,000	79,000	90,000	90,000	83,284	94,188	88,360
	Subtotal (Salaries)	770,000	739,000	750,000	750,000	691,578	653,792	535,905
Employee Benefits								
1-4001	Payroll Taxes	48,500	44,000	45,000	45,000	43,957	39,367	35,346
1-4002	Health Insurance	147,000	128,000	136,500	136,500	123,851	93,192	81,597
1-4003	Pers	** 112,000	80,000	81,000	81,000	54,659	41,574	31,654
1-4004	Worker's Comp	* 280,000	210,000	260,000	260,000	238,651	173,713	130,803
1-4005	Sick Leave & Holidays	275,000	260,000	0	0	234,423	205,225	103,571
	Subtotal (Benefits)	862,500	722,000	522,500	522,500	695,541	553,071	382,971
	Personnel Expenses	1,632,500	1,461,000	1,272,500	1,272,500	1,387,119	1,206,863	918,876
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OPERATING EXPENSES:								
1-4100	Director's Travel	14,000	9,000	16,000	16,000	11,560	11,990	20,378
1-4101	Director's Meetings & Seminars	7,500	4,500	8,000	8,000	5,525	8,110	7,172
1-4102	General Manager's Travel	10,000	7,500	10,000	10,000	7,311	10,752	12,627
1-4103	General Mgr's Meetings & Seminars	6,000	4,750	6,000	6,000	4,929	3,160	3,754
1-4104	Staff Travel	7,500	6,000	7,500	7,500	4,391	529	2,043
1-4105	Staff Meetings & Seminars	7,500	16,000	6,000	6,000	3,997	2,329	13,786
1-4106	Safety Training - OSHA Compliance	75,000	70,000	75,000	75,000	39,495	38,005	30,595
1-4107	Employee Physicals/Safety Related Testing	5,000	5,000	5,000	5,000	5,643	4,275	2,746
1-4111	Employee Expense	30,000	43,000	30,000	30,000	29,491	33,976	36,427
1-4112	Other Operating	25,000	18,500	25,000	25,000	14,397	75,873	20,491
1-4120	Water Awareness Program	90,000	104,000	80,000	80,000	128,900	94,773	78,688
1-4121	Safety Program	7,500	3,500	7,500	7,500	6,102	4,267	3,054
1-4150	Insurance	175,000	132,000	175,000	175,000	127,781	161,258	170,057
1-4151	Bank Charges	65,000	55,000	75,000	75,000	65,264	57,708	72,686
1-4200	Legal Services	240,000	230,000	240,000	240,000	265,276	259,720	212,462
1-4201	Consulting Services	200,000	370,000	150,000	374,000	209,163	237,259	315,473
1-4202	Accounting Services	18,500	16,500	18,500	18,500	17,683	16,530	20,899
1-4203	Contracted Maintenance	220,000	175,000	220,000	220,000	218,278	226,589	179,481
1-4204	Safety Consulting	15,000	14,000	15,000	15,000	13,025	15,450	14,350
1-4205	Collections	8,000	8,000	6,000	6,000	7,609	6,042	4,993
1-4210	Memberships/Subscriptions	75,000	72,000	75,000	75,000	73,644	86,307	67,004
1-4211	Elections	74,000		0	0	62,234	0	48,188
1-4212	Permits	10,000	6,500	10,000	10,000	11,545	7,775	7,246
1-4223	Public Relations - Publications	55,000	51,000	55,000	55,000	52,667		
1-4224	Public Relations - Chamber of Commerce	7,500	5,000	10,000	10,000	7,584		
1-4225	Public Relations - Other	5,000	3,500	6,000	6,000	6,859	59,799	52,602
1-4226	Youth Sponsorship	3,000	2,000	3,000	3,000	3,000	2,000	1,680
1-4227	Advertising	4,000	4,000	2,500	2,500	1,046	2,484	2,619
1-4999	Budget Inclusion Expenses		2,000	429,800	429,800	93,548	204,324	
	Total Operating Expense	1,460,000	1,438,250	1,766,800	1,990,800	1,497,947	1,631,284	1,401,501
	TOTAL:	<u>3,092,500</u>	<u>2,899,250</u>	<u>3,039,300</u>	<u>3,263,300</u>	<u>2,885,066</u>	<u>2,838,147</u>	<u>2,320,377</u>

Palmdale Water District  
Budget 2006

**Business Office**

	BUDGET	PROJECTED	BUDGET	ADJUSTED	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:	2006	2005	2005	BUDGET	2004	2003	2002
				2005			
2-4000 Salaries	1,045,000	1,025,000	1,000,000	1,000,000	925,780	904,293	841,554
Employee Benefits							
2-4001 Payroll Taxes	84,000	74,000	75,000	75,000	72,864	72,647	66,832
2-4002 Health Insurance	193,000	176,000	196,000	196,000	168,014	149,259	120,750
2-4003 Pers **	173,000	126,000	122,500	122,500	86,514	68,073	54,702
Subtotal (Benefits)	450,000	376,000	393,500	393,500	327,392	289,979	242,284
Personnel Expenses	1,495,000	1,401,000	1,393,500	1,393,500	1,253,172	1,194,272	1,083,838

**OPERATING EXPENSES:**

2-4104 Staff Travel	6,000	4,500	6,000	6,000	3,101	5,275	1,653
2-4105 Staff Meetings & Seminars	4,000	3,500	4,000	4,000	3,411	3,031	2,219
2-4213 Postage	38,000	36,000	38,000	38,000	38,017	35,826	28,238
2-4250 Outsourced Processing	200,000	180,000	200,000	200,000	185,183	175,356	163,763
2-4260 Equipment Leasing	2,000	1,000	2,000	2,000	1,414	1,202	698
2-4300 Office Supplies & Fixtures	30,000	27,500	30,000	30,000	25,868	28,035	29,078
2-4301 Computer Supplies & Equipment	15,000	10,000	10,000	10,000	7,393	7,825	6,792
2-4305 Computer Software/Upgrades	20,000	19,000	20,000	20,000	19,369	7,459	5,722
2-4310 Business Forms	12,000	10,500	12,000	12,000	7,573	9,116	11,309
2-4410 Gas - Office Buildings	4,000	3,250	4,000	4,000	2,814	2,551	1,840
2-4411 Electricity - Office Buildings	45,000	42,000	35,000	35,000	30,199	35,366	35,932
2-4412 Telephone - Buildings	27,500	25,250	27,000	27,000	25,080	32,921	28,752
2-4414 Telephone - Pager Services	3,000	3,000	3,000	3,000	2,578		
2-4415 Telephone - Cellular Services	12,500	11,500	12,000	12,000	10,305		
2-4502 Maint. & Repair - Office Buildings	30,000	19,000	35,000	35,000	32,763	35,742	18,366
2-4510 Maint. & Repair - Office Equipment	4,000	3,500	4,000	4,000	2,157	1,332	2,776
2-4512 Maint. & Repair - Computers	3,000	2,500	3,000	3,000	1,335	1,457	3,013
2-4999 Budget Inclusion Expenses		1,750,000	1,579,125	1,764,125	247,713	0	
Total Operating Expense	456,000	2,152,000	2,024,125	2,209,125	646,273	382,494	340,151
TOTAL:	1,951,000	3,553,000	3,417,625	3,602,625	1,899,445	1,576,766	1,423,989

Palmdale Water District  
Budget 2006

**Engineering**

	BUDGET	PROJECTED	BUDGET	ADJUSTED	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:	2006	2005	2005	BUDGET	2004	2003	2002
				2005			
3-4000 Salaries	815,000	946,500	745,000	745,000	669,888	527,857	420,499
Employee Benefits							
3-4001 Payroll Taxes	59,500	56,500	54,000	54,000	46,826	42,042	35,670
3-4002 Health Insurance	128,000	95,000	102,000	102,000	78,901	58,893	51,241
3-4003 Pers **	135,000	90,000	91,000	91,000	54,669	37,807	26,101
Subtotal (Benefits)	322,500	241,500	247,000	247,000	180,396	138,742	113,012
Personnel Expenses	1,137,500	1,188,000	992,000	992,000	850,284	666,599	533,511
<b>OPERATING EXPENSES:</b>							
3-4104 Staff Travel	8,000	8,500	7,000	7,000	4,992	6,571	6,204
3-4105 Staff Meetings & Seminars	5,000	5,000	5,000	5,000	3,896	5,091	3,085
3-4240 Inspection (Non Recovered)	2,500	2,000	1,000	1,000	(1,019)	49	0
3-4510 Maint. & Repair - Office Equipment	1,500	1,000	2,000	2,000	1,279	229	1,035
3-4999 Budget Inclusion Expenses		200,000	570,000	570,000	18,706	300,569	
Total Operating Expense	17,000	216,500	585,000	585,000	27,854	312,509	10,324
TOTAL:	1,154,500	1,404,500	1,577,000	1,577,000	878,138	979,108	543,835

**Palmdale Water District  
Budget 2006**

<b><u>Facilities</u></b>		BUDGET	PROJECTED	BUDGET	ADJUSTED	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2006	2005	2005	BUDGET	2004	2003	2002
					2005			
4-4000	Salaries	1,150,000	1,097,500	1,115,000	1,115,000	1,022,912	1,003,286	868,274
Employee Benefits								
4-4001	Payroll Taxes	91,000	78,000	84,000	84,000	80,400	78,176	69,244
4-4002	Health Insurance	256,000	213,000	227,000	227,000	209,533	179,827	162,150
4-4003	Pers	** 190,000	142,000	163,500	163,500	96,899	74,670	54,671
Subtotal (Benefits)		537,000	433,000	474,500	474,500	386,832	332,673	286,065
Personnel Expenses		1,687,000	1,530,500	1,589,500	1,589,500	1,409,744	1,335,959	1,154,339
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OPERATING EXPENSES:								
4-4104	Staff Travel	10,000	6,500	11,000	11,000	10,506	10,671	7,032
4-4105	Staff Meetings & Seminars	7,500	6,000	9,000	9,000	8,993	4,038	2,683
4-4203	Contracted Maintenance	50,000	48,000	25,000	25,000	20,530		
4-4241	Waste Disposal	70,000	18,000	70,000	70,000	19,550	14,160	14,989
4-4242	Fuel & Lube - Auto	75,000	65,000	60,000	60,000	57,897	50,571	45,599
4-4243	Fuel & Lube - Machinery	30,000	29,000	22,000	22,000	19,403	18,952	11,867
4-4244	Uniforms	22,500	19,000	21,000	21,000	20,252	17,244	14,482
4-4260	Equipment Leasing	7,500	8,000	5,000	5,000	4,962	8,798	3,690
4-4306	Materials & Supplies	90,000	70,000	95,000	95,000	96,293	79,452	45,672
4-4320	New Meters	40,000	253,000	40,000	40,000	(2,961)	55,518	1,079,713
4-4321	Service Costs Construction	35,000	41,000	30,000	30,000	24,860	31,880	29,994
4-4322	Fire Hydrant Repair	1,500	0	1,500	1,500	0	0	1,522
4-4330	Tools	10,000	16,000	10,000	10,000	10,172	8,592	10,522
4-4331	Safety Equipment	7,500	9,000	7,500	7,500	10,775	20,387	3,952
4-4410	Gas - Buildings	3,500	3,000	2,000	2,000	2,496	2,175	1,667
4-4411	Electricity - Buildings	7,500	4,500	12,500	12,500	7,867	13,012	12,750
4-4500	Maint. & Repair - Wells	200,000	490,000	200,000	200,000	605,780	92,344	163,900
4-4501	Maint. & Repair - Boosters	60,000	52,000	60,000	60,000	27,649	52,745	68,320
4-4502	Maint. & Repair - Shop Buildings	10,000	1,000	10,000	10,000	925	9,202	7,271
4-4503	Maint. & Repair - Facilities	25,000	27,000	25,000	25,000	28,812	20,076	6,884
4-4504	Maint. & Repair - Water Lines	75,000	140,000	75,000	75,000	84,296	103,197	41,142
4-4505	Maint. & Repair - Littlerock Dam	25,000	25,000	25,000	25,000	29,514	26,762	9,847
4-4506	Maint. & Repair - Palmdale Dam	10,000	9,000	10,000	10,000	10,255	2,490	683
4-4507	Maint. & Repair - Palmdale Canal	10,000	2,000	10,000	10,000	2,276	872	1,296
4-4510	Maint. & Repair - Office Equipment	2,000	500	2,000	2,000	690	632	225
4-4511	Maint. & Repair - Equipment	10,000	7,000	10,000	10,000	9,583	13,318	10,835
4-4515	Maint. & Repair - Vehicles	50,000	66,000	40,000	40,000	47,211	58,040	29,807
4-4516	Maint. & Repair - Heavy Equipment	25,000	18,000	25,000	25,000	22,876	25,485	26,728
4-4517	Maint. & Repair - Storage Reservoirs	25,000	11,000	25,000	25,000	0	84	67,198
4-4518	Maint. & Repair - Large Meters	25,000	10,000	25,000	25,000	8,866	15,843	4,580
4-4520	Meter Testing	15,000	10,000	15,000	15,000	7,480	1,560	14,247
4-4999	Budget Inclusion Expenses		1,600	1,600	1,600	29,758	994,791	
Total Operating Expense		1,034,500	1,466,100	980,100	980,100	1,227,566	1,752,891	1,739,097
TOTAL:		<u>2,721,500</u>	<u>2,996,600</u>	<u>2,569,600</u>	<u>2,569,600</u>	<u>2,637,310</u>	<u>3,088,850</u>	<u>2,893,436</u>

**Palmdale Water District  
Budget 2006**

<b><u>Operations and Production</u></b>		BUDGET	PROJECTED	BUDGET	ADJUSTED	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2006	2005	2005	BUDGET	2004	2003	2002
					2005			
5-4000	Salaries	1,105,000	1,070,000	1,050,000	1,050,000	881,890	894,952	846,050
	Employee Benefits	145,860						
5-4001	Payroll Taxes	90,000	82,000	80,000	80,000	80,595	72,300	68,291
5-4002	Health Insurance	200,000	160,000	160,000	160,000	161,215	124,052	100,717
5-4003	Pers	** 183,000	135,000	128,500	128,500	92,664	66,220	55,511
	Subtotal (Benefits)	473,000	377,000	368,500	368,500	334,474	262,572	224,519
	Personnel Expenses	1,578,000	1,447,000	1,418,500	1,418,500	1,216,364	1,157,524	1,070,569
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OPERATING EXPENSES:								
5-4104	Staff Travel	7,500	6,000	10,000	10,000	8,326	6,838	12,536
5-4105	Staff Meetings & Seminars	8,000	10,000	8,000	8,000	7,472	8,010	6,859
5-4203	Contracted Maintenance	35,000	27,500	35,000	35,000	21,577		
5-4206	Edison Testing	15,000	0	15,000	15,000	0	4,935	
5-4207	EPA/Regulatory Compliance	20,000	0	20,000	20,000	0	19,163	
5-4212	Permits	50,000	27,500	50,000	50,000	19,726	40,968	8,911
5-4241	Waste Disposal	40,000	45,000	30,000	30,000	39,027	17,233	23,071
5-4244	Uniforms	7,500	7,000	7,000	7,000	6,418	5,559	6,246
5-4245	Outside Lab Work	80,000	75,000	80,000	80,000	52,924	81,041	114,312
5-4260	Equipment Leasing	2,500	8,000	2,500	2,500	240	822	(202)
5-4302	Laboratory Supplies	30,000	32,000	35,000	35,000	26,502	28,810	23,966
5-4303	Telemetry Supplies	4,000	6,500	4,000	4,000	1,319	4,099	0
5-4304	Electrical Supplies	3,000	2,500	3,000	3,000	1,756	2,112	399
5-4306	Materials & Supplies	15,000	34,000	15,000	15,000	13,813	9,489	16,630
5-4307	Hypo Generator Supplies	10,000	2,000	15,000	15,000	18,252	3,733	18,065
5-4330	Tools	5,000	4,500	5,000	5,000	5,400	2,654	1,239
5-4331	Safety Equipment	7,500	14,500	7,500	7,500	4,212	9,593	4,831
5-4350	Chemicals	400,000	380,000	400,000	400,000	325,429	288,543	424,099
5-4400	Gas - Wells & Boosters	400,000	320,000	400,000	400,000	374,320	334,092	196,947
5-4401	Electricity - Wells & Boosters	1,450,000	1,300,000	1,350,000	1,350,000	1,289,043	1,221,504	1,324,888
5-4402	Telephone - Wells & Boosters	3,000	2,000	4,000	4,000	2,041	3,951	4,966
5-4410	Gas - Buildings	4,000	3,500	3,000	3,000	1,911	2,745	1,353
5-4411	Electricity - WTP Buildings	80,000	66,500	80,000	80,000	39,589	59,570	52,987
5-4413	Electricity - Hypo Generator (Removed)		36,500		0	19,847	24,388	31,567
5-4500	Maint. & Repair - Wells	25,000	23,000	25,000	25,000	20,114	50,103	40,972
5-4501	Maint. & Repair - Boosters	35,000	20,000	35,000	35,000	33,512	38,341	17,607
5-4502	Maint. & Repair - Plant Buildings	15,000	16,000	15,000	15,000	6,754	23,776	8,725
5-4503	Maint. & Repair - Facilities	55,000	50,000	55,000	55,000	36,876	79,506	54,074
5-4510	Maint. & Repair - Office Equipment	2,500	1,500	2,500	2,500	1,194	512	359
5-4511	Maint. & Repair - Equipment	15,000	28,000	15,000	15,000	16,872	6,235	4,383
5-4513	Maint. & Repair - Telemetry	5,000	1,500	6,000	6,000	3,308	4,859	5,273
5-4519	Maint. & Repair - Hypo. Generators	7,500	5,000	7,500	7,500	6,357	10,825	4,440
5-4520	Palmdale Lake Management	50,000	20,000	50,000	50,000	48,787	45,045	58,055
5-4999	Budget Inclusion Expenses		150,000	218,000	218,000	210,741	185,860	
	Total Operating Expense	2,887,000	2,725,500	3,008,000	3,008,000	2,663,659	2,624,914	2,467,558
	TOTAL:	4,465,000	4,172,500	4,426,500	4,426,500	3,880,023	3,782,438	3,538,127

Palmdale Water District  
2006 Budget Notes

Balance Sheet Notes:

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Actual 2005 construction in process fees have reached \$4,229,000 due to continued increases in developer's housing construction projects. The budget estimate for 2006 were set at \$2,000,000 based on half of the potential projections for new housing development (tracts) in plan check process. However, the figures will probably be similar to 2005 due to the continuing increase in new residential housing starts due to continuing low interest rates and demand being driven by increased regional housing.

+

Water sales for 2005 were lower than the previous year. This was due in part to decreased usage brought about by increased rainfall. This lasted well into the later months of spring that typically would have shown the start of the summer water usage upswing. Currently we are seeing some additional warm weather patterns during fall that may keep usage up slightly. 2006 water sales should have a slight increase due to the increase in water rates passed in October 2005. Early indications also show the possibility of slightly above normal rainfall for the 2006 water year. We will also most likely see additional increases due to the continuation of new housing developments.

Departmental Budget Notes:

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5-4411 and 5-4413 are combined for the 2005 since the electric accounts at the treatment plant were combined for net metering account. This was brought on by the installation of the the 952 megawatt wind turbine.

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These accounts were split apart to define the overall costs better. Costs were identified based on the vendors providing the rendered services.

\*

Worker's Comp Rates have increased due to modification factor increases versus claims against units. Majority of this increase has been due in part to claims filed by employees within the field worker class.

\*\*

Currently the PERS rate is 12.237% Employer/Employee combined. PERS calculates new rates at the start of the fiscal year and an adjustment maybe required in July.

Budget Inclusion Notes:

(CO) This flag at the end of the descriptions stands for 2005 carry-over items.

(O & M) This item will be handled through a one time approved amount in the standard operations and maintenance budget.

## Account Definitions

These definitions are provided as a guideline for the submission of invoices for payment. These are also provided to so the Board of Directors and general public can see what the potential expenditures could entail for a specific ledger account.

### General

**SALARIES:** Includes all salaries, overtime, and Director Fees listed for positions authorized in the Personnel Budget. Board action on this item sets the authorized staffing level for this department unless amended by future Board action. This line item also includes payment for vacation and bereavement leave. Worker's Comp., sick leave and holidays are non-departmental expenses shown in the administration budget sheet.

**EMPLOYEE BENEFITS:** Includes all District provided benefits for employees and their eligible dependents including Health, Dental, Vision, PERS, and employer tax liability.

All departments contain these accounts for departmental breakdown purposes and they start at X-4000 through X-4009 (X represents the department number be reviewed).

### Administration

**1-4100: DIRECTOR'S TRAVEL** - Includes all transportation, lodging and meal expenses for directors to attend meetings, conferences, etc.

**1-4101: DIRECTOR'S MEETINGS & SEMINARS** – Includes all costs associated with approved conferences, meetings, and training seminars.

**1-4102: GENERAL MANAGER'S TRAVEL** - Includes all transportation, lodging and meal expenses for the general manager to attend meetings, conferences, etc.

**1-4103: GENERAL MANAGER'S MEETINGS & SEMINARS** - Includes all costs associated with approved conferences, meetings, professional development and training seminars.

**1-4104: STAFF TRAVEL** - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc.

**1-4105: STAFF MEETINGS & SEMINARS** - Includes all costs associated with approved conferences, meetings, professional development and training seminars related to employees classified as being part of the administration department.

**1-4106: SAFETY TRAINING (OSHA COMPLIANCE)** - Includes all District training related to safety in the work place such as hazmat, crane and backhoe training, CPR, first responder, etc.

**1-4107: EMPLOYEE PHYSICALS / SAFETY RELATED TESTING** - Includes all physicals for new hires, DMV physicals required for Class A renewals, and drug testing. It includes all items that are related to the safety training testing also. Includes both personnel and equipment.

**1-4111: EMPLOYEE EXPENSE** - Any expense that is paid by the District referred to in Employee Manual such as job-related classes, class licenses, etc.

**1-4112: OTHER OPERATING** - Includes all miscellaneous expenses not shown in other District accounts.

**1-4120: WATER AWARENESS PROGRAM** - Expenses for resource and promotional materials to promote water awareness in schools and community events, also includes expenses related to perform contests, community activities, etc.

**1-4121: SAFETY PROGRAM** - Expenses for educational materials such as safety videos, books, and resource materials for use in the District. It also includes costs associated with the employee safety bingo program.

**1-4150: INSURANCE** - Liability, Board, Dam Insurance, and Auto Insurance for all District vehicles. All insurance is included here except worker's compensation, employee health, dental and vision.

Administration (continued):

**1-4151: BANK CHARGES** - Charges incurred on checking, savings, and merchant accounts (service charges, returned check fees, etc.).

**1-4200: LEGAL SERVICES** - Includes all legal fees for services provided by the District's legal counsel. Also, it does not include the work of District staff in support of counsel.

**1-4201: CONSULTING SERVICES** - Non-reoccurring, non-capital services which are performed under contract for all departments. This includes consultants for special studies, surveys, etc.

**1-4202: ACCOUNTING SERVICES** - Audit services. Does not include salary for the Financial Advisor.

**1-4203: CONTRACTED MAINTENANCE** - All maintenance that is contracted for the year such as computer, HVAC, cleaning, security, etc. This account excludes the facilities or operations and production portions.

**1-4204: SAFETY CONSULTING** – Outside services related to overseeing safety issues.

**1-4205: COLLECTIONS** - Collection agency fees for all accounts submitted. Includes provision for bad debt.

**1-4210: MEMBERSHIPS/SUBSCRIPTIONS** - Includes District memberships in professional organizations such as the Association of California Water Agencies, the American Water Works Association, the California Special District Association, and others. Also includes District paid memberships for individual employees to professional organizations that furthers the mission of the District. Subscriptions include all District paid subscriptions to professional publications that further the mission of the District.

**1-4211: ELECTIONS** - The District held its election for three of the directors in the fall of 2005. However the payment will not be due until the spring of 2006.

**1-4212: PERMITS** - All licenses and permit fees such as Air Quality Management District, etc. This account excludes the permits to operate the water treatment plant

**1-4223: PUBLIC RELATIONS – PUBLICATIONS** – Includes the cost of District newsletters and consumer confidence reports.

**1-4224: PUBLIC RELATIONS – CHAMBER OF COMMERCE** – Includes the cost of the District's participation in Chamber of Commerce events and ad campaigns.

**1-4225: PUBLIC RELATIONS – OTHER** Includes the cost of photographs, and all other public relations activities with the exception of those related to the Littlerock Dam project, water awareness and youth sponsorship and not covered in accounts 1-4223 and 1-4224.

*Administration (continued):*

**1-4226: YOUTH SPONSORSHIP** - Includes sponsorship of youth sports, school organizations, etc.

**1-4227: ADVERTISING** - Includes all items related to advertise pipeline projects, public notices, sale of declared surplus, etc.

**Business Office**

**2-4104: STAFF TRAVEL** - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc.

**2-4105: STAFF MEETINGS & SEMINARS** - Includes all costs associated with approved conferences, meetings, professional development and training seminars related to employees classified as being part of the business office department.

**2-4213: POSTAGE** - All postage including billing, daily mail, ups and federal express.

**2-4250: OUTSOURCED PROCESSING** – This account is for services such as bill printing services that is done through contracts.

**2-4260: EQUIPMENT LEASING** - Includes existing leases on office equipment. Also any rented during the year to be used in conjunction with office projects.

**2-4300: OFFICE SUPPLIES & FIXTURES** - Pens, paper, envelopes, and non-computer related expenditures except for toner/ink. Also includes minor office equipment that is not depreciable.

**2-4301: COMPUTER SUPPLIES & EQUIPMENT** - All supplies and new equipment needed for computer services. This does not include toner/ink, forms and paper, which are included in 2-4300.

**2-4305: COMPUTER SOFTWARE/UPGRADES** - Account for tracking all new software purchases and upgrades of existing software outside of standard maintenance and service contracts.

**2-4310: BUSINESS FORMS** - All forms used in billing and front office to see actual expenses. Includes door-tags, bills, checks (payables and payroll), complaint form, etc.

**2-4410: GAS - OFFICE BUILDING** - All utility bills for gas service to main office located at 2029 E Avenue Q.

**2-4411: ELECTRICITY - OFFICE BUILDINGS** - All utility bills for electric service to main office located at 2029 E Avenue Q.

**2-4412: TELEPHONE - OFFICE** - All utility bills for telephone service and backbone connection to the Internet to main office and shop buildings located at 2029 E Avenue Q.

**2-4414: TELEPHONE – PAGER SERVICES** - All billing associated with pager services provided to employees for on-call. This includes the costs associated with the District's after hours service provider.

**2-4415: TELEPHONE – CELLULAR SERVICES** - All billing associated with cellular services provided to employees.

**Business Office (continued):**

**2-4502: MAINT. & REPAIR - OFFICE BUILDINGS** - Includes all materials used for maintenance done on the main office building. Also covers anything that is not covered under maintenance contracts.

**2-4510: MAINT. & REPAIR - OFFICE EQUIPMENT** - Includes upkeep and minor additions to existing office equipment not covered by contracted maintenance.

**2-4512: MAINT. & REPAIR - COMPUTERS** - Covers any equipment items that are upgraded or have failed during the year and items not specifically covered under service contracts.

*Engineering*

**3-4104: STAFF TRAVEL** - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc.

**3-4105: STAFF MEETINGS & SEMINARS** - Includes all costs associated with approved conferences, meetings, professional development and training seminars related to employees classified as being part of the engineering department.

**3-4240: INSPECTION** - Includes lost salary time for District inspectors on developer projects that have become defunct or no chargeable contractor/developer.

**3-4510: MAINT. & REPAIR - OFFICE EQUIPMENT** - Includes upkeep and minor additions to existing office equipment not covered by contracted maintenance.

## Facilities

**4-4104: STAFF TRAVEL** - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc.

**4-4105: STAFF MEETINGS & SEMINARS** - Includes all costs associated with approved conferences, meetings, professional development and training seminars related to employees classified as being part of the facilities department.

**4-4203: CONTRACTED MAINTENANCE** - All maintenance that is contracted for the year such as computer, HVAC, building cleaning, security, etc. and only includes the facilities department.

**4-4241: WASTE DISPOSAL** - Removal of any by-products from maintenance of vehicles, wells, etc. Such as waste oil, anti-freeze, etc. Also disposal of excess materials from excavation of water lines for repair.

**4-4242: FUEL & LUBE - AUTO** - Gasoline and lubricants used on District vehicles including those used by other departments.

**4-4243: FUEL & LUBE - MACHINERY** - Gasoline and lubricants used on District equipment other than vehicles. Such as heavy equipment, small equipment wells and boosters.

**4-424-4: UNIFORMS** - Provision and cleaning of all District provided uniforms for the business office, engineering department and facilities department. This account excludes the uniform charges of the operation and production department.

**4-4260: EQUIPMENT LEASING** - Lease payments for equipment leased by the District for use in maintaining the District's facilities. Does not include office equipment or equipment specifically listed in other accounts or departments.

**4-4306: MATERIALS & SUPPLIES** - Includes all materials purchased for the purpose of maintaining the District's distribution system and District property over and above the standard maintenance and repair. Excludes items that are covered under other accounts.

**4-4320: NEW METERS** - Purchase of new meters for the District's on-going meter exchange program for the regular replacement of non-functioning meters. This account is also used for the purchasing of developer meters, which are offset by meter deposit fees.

**4-4321: SERVICE COSTS CONSTRUCTION** - Materials and equipment used on construction projects, fire hydrants, meters, and check valves not covered by a specific work order. Does not include inspection or contractor expenses.

**4-4322: FIRE HYDRANT REPAIR** - Any repairs done to fire hydrants when an accident occurs or to maintain proper fire protection. Accident related charges that are re-imbursed by insurance companies will offset the charges in this account.

**Facilities (continued):**

**4-4330: TOOLS** - All tools that are purchased for use in the shop or out in the field for use during the maintenance of existing equipment, facilities (pipelines, valves, etc.) or buildings.

**4-4331: SAFETY EQUIPMENT** - Purchase of safety equipment such as: gloves, boots, goggles, traffic signs, cones, delineators, etc. to maintain the safety of employees in the field.

**4-4410: GAS - OFFICE BUILDING** - All utility bills for gas service to shop building and back office.

**4-4411: ELECTRICITY - OFFICE BUILDINGS** - All utility bills for electric service to shop building and back office.

**4-4500: MAINT. & REPAIR - WELLS** - All materials and supplies necessary for the proper operation of District wells including pipes, motors, fencing, etc. Excludes items done by the Operations and Production Dept.

**4-4501: MAINT. & REPAIR - BOOSTERS** - All materials and supplies necessary for the proper operation of District boosters including pipes, motors, fencing, etc. Excludes items done by the Operations and Production Dept.

**4-4502: MAINT. & REPAIR - SHOP BUILDINGS** - All materials and supplies necessary for upkeep on shop buildings and back office building. Excludes main offices and treatment plant buildings.

**4-4503: MAINT. & REPAIR - FACILITIES** - All materials and supplies necessary for the proper operations of District facilities such as the District yard, etc. Includes all facilities not specifically covered by other accounts.

**4-4504: MAINT. & REPAIR - WATER LINES** - Includes all maintenance done to water lines such as leaks, service lines, valves, etc. Does not include major improvement projects which are performed under contract.

**4-4505: MAINT. & REPAIR - LITTLEROCK DAM** - All materials needed to maintain the safety and integrity of the dam. Includes monies for the start of a silt removal program.

**4-4506: MAINT. & REPAIR - PALMDALE DAM** - All materials needed to maintain the safety and integrity of the earthen dam at the East end of Palmdale Lake for water storage.

**4-4507: MAINT. & REPAIR - PALMDALE CANAL** - All materials and supplies necessary to maintain the canal for the transportation of water from Littlerock Dam to Palmdale Lake.

**4-4510: MAINT. & REPAIR - OFFICE EQUIPMENT** - Includes upkeep and minor additions to existing office equipment not covered by contracted maintenance.

**Facilities (continued):**

**4-4511: MAINT. & REPAIR - EQUIPMENT** - All materials necessary for the proper operation of the District's equipment. Includes all equipment other than office and treatment plant equipment, which is itemized separately, also, equipment covered by other accounts.

**4-4515: MAINT. & REPAIR - VEHICLES** - All materials for the repair of District vehicles including those used by other departments.

**4-4516: MAINT. & REPAIR - HEAVY EQUIPMENT** - All materials for the repair of District heavy equipment including those used by other departments. Includes the backhoes, dump trucks, cranes, trailers, etc.

**4-4517: MAINT. & REPAIR – STORAGE RESERVOIRS** – All materials for the repair of District storage reservoirs related to cathodic protection.

**4-4518: MAINT. & REPAIR – LARGE METERS** – This is the expense account to track associated costs for the repair of large meters. These meters have been identified for repair by the meter testing program. Maintenance charges are taken in to offset these expenses and the funds show up in other operating revenue.

**4-4520: METER TESTING** - Testing, calibration, and rebuilding of large meters.

## *Operations and Production*

**5-4104: STAFF TRAVEL** - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc.

**5-4105: STAFF MEETINGS & SEMINARS** - Includes all costs associated with approved conferences, meetings, professional development and training seminars related to employees classified as being part of the facilities department.

**5-4203: CONTRACTED MAINTENANCE** - All maintenance that is contracted for the year such as computer, HVAC, building cleaning, security, etc. and only includes the operations and production department.

**5-4206: EDISON TESTING** – This account is for the charges related to the preventative maintenance testing that Edison performs. The charges will be based on testing the wells one year and the boosters the following on a rotating schedule.

**5-4212: PERMITS** - All licenses and permit fees to operate the water treatment plant.

**5-4241: WASTE DISPOSAL** - Hauling of the sediment removed during the water treatment process.

**5-4244: UNIFORMS** - Provision and cleaning of all District provided uniforms for the operation and production department. This account excludes the uniform charges of the business office, engineering department and facilities department.

**5-425-4: OUTSIDE LAB WORK** - Provides for laboratory work beyond the capability of the Water Treatment Plant. Increased amount is largely due to Title 22 requirements which require that certain testing be performed every third year.

**5-4260: EQUIPMENT LEASING** - Lease payments for equipment leased by the District for use in maintaining the District's water treatment plant. Does not include office equipment or equipment specifically listed in other accounts or departments.

**5-4302: LABORATORY SUPPLIES** - Laboratory supplies for in-plant testing including solutions, reagents, bottles, burets, flasks, etc.

**5-4303: TELEMETRY SUPPLIES** - Supplies needed for the day-to-day operation of the telemetry equipment.

**5-4304: ELECTRICAL SUPPLIES** - Supplies for stock on hand in case of emergencies due to parts failure.

**5-4306: MATERIALS & SUPPLIES** - Materials used in the operation of the Water Treatment Plant and well site operations (does not include well site maintenance which is performed under other accounts and depts.).

**Operations and Production (continued):**

**5-4330: TOOLS** - All tools that are purchased for use at the water treatment plant or out in the field for use during the maintenance of existing equipment, facilities (pipelines, valves, etc.) or buildings by the operations and production department.

**5-4331: SAFETY EQUIPMENT** - Equipment used for the safety of District employees or visitors to the water treatment plant.

**5-4350: CHEMICALS** - Chemicals used in water treatment and source, including but not limited to, Chlorine, Aluminum Sulfate, Carbon, Copper Sulfate, Polymers, Potassium Permanganate, and Zinc Orthophosphate.

**5-4400: GAS - WELLS & BOOSTERS** - All utility bills for gas service to gas-powered well and booster sites.

**5-4401: ELECTRICITY - WELLS & BOOSTERS** - All utility bills for electric services for the District's distribution system (well sites, boosters and Littlerock Dam).

**5-4402: TELEPHONE - WELLS & BOOSTERS** - All utility bills for telephone services for the District's distribution system (well sites, boosters and Littlerock Dam).

**5-4410: GAS - OFFICE BUILDING** - All utility bills for gas service to water treatment plant.

**5-4411: ELECTRICITY – WATER TREATMENT PLANT** - All utility bills for electric service to water treatment plant including the hypo generator. This account will also contain any credits issued related to the running of the wind turbine.

**5-4500: MAINT. & REPAIR - WELLS** - All materials and supplies necessary for the proper operation of District wells electrical, chlorination systems, etc. Excludes items done by the facilities department.

**5-4501: MAINT. & REPAIR - BOOSTERS** - All materials and supplies necessary for the proper operation of District boosters electrical, chlorination systems, etc. Excludes items done by the facilities department

**5-4502: MAINT. & REPAIR - PLANT BUILDINGS** - All materials and supplies necessary for upkeep on water treatment plant buildings and back shop building. Excludes main offices and shop buildings.

**5-4503: MAINT. & REPAIR - FACILITIES** - Maintenance of all facilities and land at the Water Treatment Plant and Lake Palmdale. Excludes items covered under other accounts.

**5-4510: MAINT. & REPAIR - OFFICE EQUIPMENT** - Includes upkeep and minor additions to existing office equipment not covered by contracted maintenance.

**Operations and Production (continued):**

**5-4511: MAINT. & REPAIR - EQUIPMENT** - All materials necessary for the proper operation of the District's equipment. Includes all equipment other than office and facilities equipment which is itemized separately, also equipment covered by other accounts.

**5-4513: MAINT. & REPAIR - TELEMETRY** - Covers any equipment items that are upgraded during the year at the treatment plant, well sites and booster sites.

**5-4519: MAINT. & REPAIR – HYPO. GENERATORS** – All materials necessary to repair and maintain the sodium hypo-chlorite generators. This is over and above costs not associated with generation systems still under warranty.

**5-4520: PALMDALE LAKE MANAGEMENT** - Covers the costs associated with excess debris removal around Palmdale Lake. It will however exclude any chemical costs for spraying.



# SECTION IV INDIVIDUAL BUDGET REQUESTS

*EQUIPMENT BUDGET REQUESTS*

*GENERAL FUND PROJECT REQUESTS*

*CAPITAL IMPROVEMENT FUND PROJECT REQUESTS*



Palmdale Water District  
Budget 2006  
Equipment Inclusions

REQ #	DESCRIPTION	AMOUNT	GEN MNGR RECOMMEND.	BOARD ACTION	INCLUSION TYPE
<u>Administration Dept.</u>					
1E01	Storage containers for water awareness materials	6,200	6,200		Expense
1E02	Bottled Water for 2006 & 2007	8,500	8,500		Expense
1E03	Replacement Monitors	25,000	12,500		Depreciable
1E04	New Computers	9,000	9,000		Depreciable
1E05	Laptop Systems for Training and Staff seminar Attendance	20,000	20,000		Depreciable
1E06	Upgrade to Internet Backbone and Hardware	35,000	35,000		Depreciable
1E07	Upgrade to Content Management Server (Completed)		Removed from 2006 budget		
1E08	Display System for Boardroom	200,000	200,000		Depreciable
	Dept Subtotal:	303,700	291,200	0	
<u>Business Office Dept.</u>					
2E01	Check Transport Machine (Backup)	5,000	5,000		Depreciable
	Dept Subtotal:	5,000	5,000	0	
<u>Engineering Dept.</u>					
3E01	Pressure Recorders/Loggers	2,000	2,000		Depreciable
3E02	Large Scale Copier	15,000	HOLD		Depreciable
3E03	GPS (Global Positioning System) Unit	3,500	3,500		Depreciable
	Dept Subtotal:	20,500	5,500	0	
<u>Facilities Dept.</u>					
4E01	2006 1/2-Ton Truck (Replacement Tk #1)	24,000	24,000		Depreciable
4E02	2006 1/2-Ton Truck (Replacement Tk #36)	24,000	0		Depreciable
4E03	2006 1/2-Ton Truck (Replacement Tk #42)	24,000	24,000		Depreciable
4E04	2006 1/2-Ton Truck (Replacement Tk #53)	24,000	0		Depreciable
4E05	2006 1/2-Ton Truck (Replacement Tk #54)	24,000	24,000		Depreciable
4E06	2006 1/2-Ton Truck (Replacement Tk #55)	24,000	0		Depreciable
4E07	2006 1/2-Ton Truck (Replacement Tk #56)	24,000	0		Depreciable
4E08	2006 1/2-Ton Truck (Replacement Tk #62)	24,000	0		Depreciable
4E09	2006 Super-Duty Truck (Replacement Tk #28)	45,000	45,000		Depreciable
4E10	2006 Super-Duty Truck (Replacement Tk #19)	68,000	68,000		Depreciable
4E11	2006 1/2-Ton Truck (New - WTP)	28,000	0		Depreciable
4E12	2006 Medium-Duty Truck w/Crane (New)	110,000	110,000		Depreciable
4E13	New passenger vehicle for District travel	30,000	0		Depreciable
4E14	2006 Backhoe (New)	87,000	87,000		Depreciable
4E15	Mechanics Tool Set	10,000	10,000		Expense
4E16	Laptop Computer and HD Data link	8,000	8,000		Depreciable
	Dept Subtotal:	578,000	400,000	0	
<u>Operation and Production Dept.</u>					
5E01	Controllable Security Camera and Monitors at WTP	6,500	6,500		Depreciable
5E02	Portable 6" Diesel Powered Trash Pump	30,000	0		Depreciable
5E03	Replacement of 1720d Filter NTU Meters	32,000	32,000		Depreciable
	Dept Subtotal:	68,500	38,500	0	
	District Total:	975,700	734,700	0	

Palmdale Water District  
Budget 2006  
General Fund Project Inclusions

REQ. #	DESCRIPTION	AMOUNT	GEN. MNGR. RECOMMEND.	BOARD ACTION	INCLUSION TYPE
<u>Administration Dept.</u>					
1GP01	Water Conservation Garden Park (CO)	320,000	HOLD		Expense
1GP02	Weather Reach Irrigation System (CO)	132,000	132,000		Depreciable
1GP03	Main Office - Front Entry Re-Model (CO)	125,000	125,000		Expense
1GP04	Landscape Series for the Web (CO)	5,000	5,000		Expense
1GP05	Software for water conservation BMP program tracking	25,000	25,000		Expense
1GP06	Intranet Portal	35,000	35,000		Expense
1GP07	Additional Financial Software Modules	35,000	35,000		Expense
1GP08	DocStar Upgrade	30,000	30,000		Expense
1GP09	GIS Controls	50,000	50,000		Expense
	Dept Subtotal:	757,000	437,000	0	
<u>Business Dept.</u>					
2GP01	Radio-Read Meters Installation (CO)	482,000	482,000		Expense
2GP02	Encoder Registers & Itron ERTs	136,000	136,000		Expense
	Dept Subtotal:	618,000	618,000	0	
<u>Engineering Dept.</u>					
3GP01	Well 16 - Building (CO)	100,000	100,000		Depreciable
3GP02	Palmdale Lake Hydro-Electric Station (CO)	1,500,000	1,500,000		Depreciable
3GP03	Replacement Water Main (11th Street East) (CO)	700,000	700,000		Depreciable
3GP04	Water Storage Tank Recoatings (CO)	400,000	250,000		Depreciable
3GP05	Water Treatment Plant Improvements (Phase I) (CO)	6,500,000	6,500,000		Depreciable
3GP06	Palmdale Ditch Enclosure (CO)	700,000	50,000		Depreciable
3GP07	WTP Improvements - DBP/Filter Upgrades (Phase II) (CO)	6,000,000	6,000,000		Depreciable
3GP08	Mainline Replacements and Distribution System Upgrades (CO)	200,000	200,000		Depreciable
3GP09	Well 15 - Building (CO)	100,000	100,000		Depreciable
3GP10	Water Main Replacement (35th ST E) (CO)	650,000	175,000		Depreciable
3GP11	CEC Energy Bridge Project (CO)	400,000	200,000		Depreciable
	Dept Subtotal:	17,250,000	15,775,000	0	

Palmdale Water District  
 Budget 2006  
 General Fund Project Inclusions (Continued)

REQ. #	DESCRIPTION	AMOUNT	GEN. MNGR. RECOMMEND.	BOARD ACTION	INCLUSION TYPE
<u>Facilities Dept.</u>					
4GP01	Main Office - Yard Lighting for Shop Area	30,000	HOLD		Depreciable
4GP02	Fleet Maintenance Software	15,000	0		Expense
	Dept Subtotal:	45,000	0	0	
<u>Operation and Production Dept.</u>					
5GP01	Replacement soft starter Well 3 (CO)	50,000	50,000		Expense
5GP02	Maintenance Management and Scheduling Program (CO)	110,000	HOLD		Depreciable
5GP03	CyberLock Security System - Alternative (CO)	60,000	0		Depreciable
5GP04	Replacement of Littlerock dam cone valve flow meters. (CO)	20,000	20,000		Depreciable
5GP05	Distribution System Telemetry (Hardware Upgrade) (CO)	180,000	HOLD		Depreciable
5GP06	Improve Exfiltration pumping system.	0	HOLD		Depreciable
5GP07	Restroom improvement at treatment plant.	1,500	1,500		Expense
5GP08	WaterTrax Water Sampling Planner	16,500	16,500		Expense
5GP09	Soft Start Replacement at Well 14	21,000	21,000		Expense
5GP10	Salt Silo's	215,000	0		Depreciable
5GP11	5M Tank Site - Replacement of 16"Altitude Valve	16,000	16,000		Expense
5GP12	25th St. Tank Site - Replacement of 16"Altitude Valve	16,000	16,000		Expense
5GP13	Littlerock dam valve house access walkway. (CO)	3,000	3,000		Expense
5GP14	Initial Distribution System Evaluation (IDSE) (CO)	50,000	HOLD		Expense
5GP15	PLC Upgrade for Treatment Plant NaOCl Generator (CO)	20,000	20,000		Depreciable
	Dept Subtotal:	779,000	164,000	0	
	District Total:	19,449,000	16,994,000	0	

Palmdale Water District  
Budget 2006  
Capital Improvement Project Inclusions

REQ. #	DESCRIPTION	AMOUNT	GEN. MNGR. RECOMMEND.	BOARD ACTION	INCLUSION TYPE
<u>Engineering Dept.</u>					
3CP01	Well No. 34A (CO)	440,000	440,000		Depreciable
3CP02	Acquisition of land for future Water Treatment Plant (CO)	30,000	95,000		Depreciable
3CP03	4-MG Storage Tank - 50th St E and Avenue T8 (CO)	1,700,000	1,700,000		Depreciable
3CP04	2850' Zone 16" Transmission Main (CO)	1,200,000	1,200,000		Depreciable
3CP05	Well No. 29 (CO)	440,000	440,000		Depreciable
3CP06	New Lancaster Subbasin Well (2800' Zone) (CO)	833,000	HOLD		Depreciable
3CP07	New WTP and Related Facilities (Design) (CO)	1,500,000	1,500,000		Depreciable
3CP08	New Water Quality Laboratory Building (CO)	3,250,000	HOLD		Depreciable
3CP09	4 MG Storage Tank - 45th Street Tank Site (CO)	1,600,000	1,600,000		Depreciable
3CP10	2006 Water System Master Plan Update and Related EIR (CO)	350,000	350,000		Depreciable
3CP11	New Facilities Dept Building (CO)	250,000	250,000		Depreciable
3CP12	Replacement Lancaster Subbasin Well (Well No. 24) (CO)	880,000	HOLD		Depreciable
3CP13	Littlerock Reservoir Sediment Removal EIS/EIR (CO)	150,000	150,000		Expense
	Section 1 Subtotal:	<u>12,623,000</u>	<u>7,725,000</u>	<u>0</u>	
3CP14	3 MG Tank - College Park (CO)	200,000	200,000		Depreciable
3CP15	175 hp Booster Station - 47th Street Tank Site (CO)	120,000	120,000		Depreciable
3CP16	16" Trans. Main - Booster Stn to College Park Tank (CO)	176,000	176,000		Depreciable
3CP17	2 MG Tank - Mt. Emma Road (CO)	150,000	150,000		Depreciable
3CP18	55 hp Booster Station - College Park Tank (CO)	50,000	50,000		Depreciable
3CP19	16" Trans. Main - Booster Stn to Mt. Emma Tank (CO)	200,000	200,000		Depreciable
	Section 2 Subtotal:	<u>896,000</u>	<u>896,000</u>	<u>0</u>	
	District Total:	<u><u>13,519,000</u></u>	<u><u>8,621,000</u></u>	<u><u>0</u></u>	

Section 2 is dependent on the development of the College Park project and is only the design portion of the work.

# APPENDIXES

*APPENDIX A  
BUDGET CONTROL GUIDELINES*

*APPENDIX B  
DISTRICT INFORMATION*

*APPENDIX C  
REQUEST FOR INCLUSION FORMS*



*APPENDIX A*  
*BUDGET CONTROL GUIDELINES*



# **APPENDIX A**

## **BUDGET CONTROL GUIDELINES**

The 2006 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes a number of individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in recent years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2006 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the Summary.



***APPENDIX B***  
***DISTRICT INFORMATION***



**Palmdale Water District**  
Yearly Memberships and Subscriptions  
2006

**Memberships:**

1. A.C.W.A.
2. A.C.W.A. USA
3. A.W.W.A.
4. A.W.W.A. Research Foundation
5. Agricultural Energy Consumers Association
6. Antelope Valley Board of Trade
7. Antelope Valley State Water Contractors Association
8. Association of State Dam Safety Officials
9. C.S.D.A. annual membership
10. California Municipal Treasures Association
11. California Rural Water Association
12. California Utilities Emergency Association
13. California Water Awareness Campaign
14. Foundation for Cross-Connection Control & Hydraulic Research
15. Greater Antelope Valley Economic Alliance
16. High Desert Mountain Water Association
17. National Association of Corrosion Engineers
18. National Notary Association
19. Palmdale Chamber of Commerce
20. Palmdale Sheriff Boosters
21. State Water Contractors
22. SWC – Bay Delta Fund
23. Underground Service Alert
24. Water Education Foundation

**Palmdale Water District**  
Yearly Memberships and Subscriptions  
2006  
(Continued)

Subscriptions:

1. A.W.W.A. magazine
2. A.W.W.A. Safe Drinking Water updates
3. Antelope Valley Press
4. B.N.I. Building News (Standard Spec. Books)
5. Bentley System - Software updates
6. Blue Book software updates
7. Daily News
8. Engineering News Record
9. Environmental Compliance Alert
10. First American Restate Solutions – Property Data Information (Win2Data)
11. Micro-Station Manager
12. Newsletter Services, Inc. – “Ideas Unlimited for Editors”
13. Ragans – “Leadership” brochure
14. Regional Planning Agenda subscription
15. TCI – Credit Reporting System
16. U.S. Water News
17. Water Engineering and Management
18. West Publishing – Calif. Water Codes update

*APPENDIX C*  
*BENCHMARKING COMPARISONS*



## Palmdale Water District Benchmarking Comparisons

Performance Indicator			PWD		Western USA (All Sizes)			
Description	Desirable	Location*	Calculation	Result	25th per.	Median	75th per.	
Customer Accounts/Employees	Higher	61	25,032 / 76	329	292	X 385	595	
Average MGD/Employee	Higher	61	21.63 MGD / 76	0.28	0.20	X 0.29	0.50	
Customer Service Cost/Account	Lower	107	767,944 / 24,152**	31.8	22.7	X 35.9	51.5	
12-month Water Loss Percentage	Lower	136	(Loss/Production)x100	9.2	4.1	6.2 X	11.5	
Water System Integrity (Leaks/Mile)	Lower	139	[122/370]x100	33.0	16.9	X 36.4	59.6	
O & M Cost/Account	Lower	142	11,578k / 24,152**	479	244	387 X	621	
O & M Cost/MG Billed	Lower	142	11,578k / 7,895 MG**	1,466	860	1,441 X	2,239	
Water Treatment Cost / MG	Lower	142	(\$0.1466/un.)(1,366.7 un./MG)**	196	85	X 310	517	

Performance Indicator			PWD		50k - 100k Pop. Nationwide			
Description	Desirable	Location*	Calculation	Result	25th per.	Median	75th per.	
Customer Accounts/Employees	Higher	61	25,032 / 76	329	X 384	485	609	
Average MGD/Employee	Higher	61	21.63 MGD / 76	0.28	0.18	0.23 X	0.36	
Customer Service Cost/Account	Lower	107	767,944 / 24,152**	31.8	28.7	X 37.1	61.4	
12-month Water Loss Percentage	Lower	136	(Loss/Production)x100	9.2	6.6	X 9.6	13.1	
Water System Integrity (Leaks/Mile)	Lower	139	[122/370]x100	33.0	30.2	X 37.8	57.3	
O & M Cost/Account	Lower	142	11,578k / 24,152**	479	168	224	362 X	
O & M Cost/MG Billed	Lower	142	11,578k / 7,895 MG**	1,466	883	X 1,531	2,088	
Water Treatment Cost / MG	Lower	142	(\$0.1466/un.)(1,366.7 un./MG)**	196	X 317	602	816	

Performance Indicator			PWD		100k - 500k Pop. Nationwide			
Description	Desirable	Location*	Calculation	Result	25th per.	Median	75th per.	
Customer Accounts/Employees	Higher	61	25,032 / 76	329	X 351	498	677	
Average MGD/Employee	Higher	61	21.63 MGD / 76	0.28	0.20	X 0.28 X	0.51	
Customer Service Cost/Account	Lower	107	767,944 / 24,152**	31.8	23.0	X 34.7	49.9	
12-month Water Loss Percentage	Lower	136	(Loss/Production)x100	9.2	4.1	7.0 X	11.2	
Water System Integrity (Leaks/Mile)	Lower	139	[122/370]x100	33.0	27.7	X 52.1	94.2	
O & M Cost/Account	Lower	142	11,578k / 24,152**	479	184	290	X 532	
O & M Cost/MG Billed	Lower	142	11,578k / 7,895 MG**	1,466	862	1,308 X	1,989	
Water Treatment Cost / MG	Lower	142	(\$0.1466/un.)(1,366.7 un./MG)**	196	X 212	369	539	

\*Page Number in AWWA Benchmarking Performance Indicators for Water and Wastewater Utilities: Survey Data and Analysis Report  
 \*\*2004 Costs, Average Customer Accounts, or Water Production