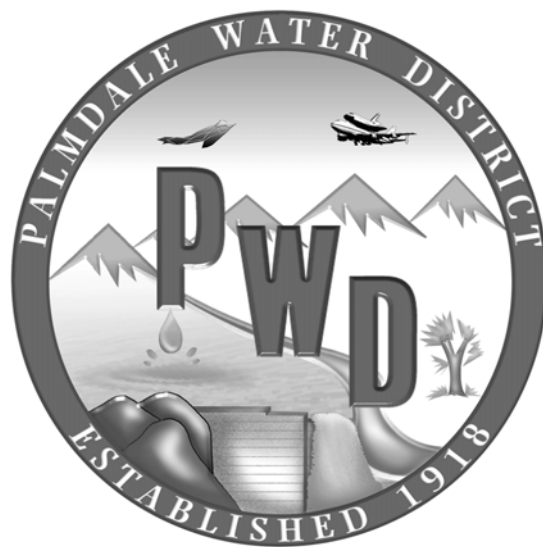


PALMDALE WATER DISTRICT



2008 BUDGET

Release: December 26, 2007

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**PALMDALE WATER DISTRICT
2008 BUDGET
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SECTION I DISTRICT GOALS AND OBJECTIVES

OVERALL DISTRICT GOALS

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Palmdale Water District

2008 BUDGET OVERVIEW

Palmdale Water District updated and adopted a new Mission Statement in 2006 that re-emphasizes its focus:

The Mission of the Palmdale Water District is to provide high quality water to our current and future customers at a reasonable cost.

The 2008 Budget provides a basis for operating the District to accomplish the Mission stated above. The following is a brief overview of the 2008 Budget and a review of the District's operations in 2007.

Year 2007 Review

The District started the year by adopting an update to the 'Strategic Plan for the Palmdale Water District' in January. This document identifies the District's Mission and Vision Statements, Core Values, and Strategic Elements and Goals. The Core Values and Strategic Elements and Goals show how the District intends to conduct itself while fulfilling its mission and vision. These Core Values and Strategic Elements are important and bear being repeated here as follows:

Core Values

Efficiency Fiscal Responsibility Natural Resources Management
Integrity Customer Service Water Conservation
Continuous Improvement Stakeholder Trust
A Safe, Productive, and Rewarding Workplace

Strategic Elements

Regulatory Compliance Natural Resources Management
Infrastructure Management Personnel Management
Administrative Management Financial Management
Customer Service

The update consisted of removing items that were completed, adding new items, reclassifying items such as the Water Conservation Garden Park, a rewriting of Strategic Element 6 – Financial Management, and the inclusion of an overall customer service plan under Strategic Element 7 – Customer Service. This document allows the public and District staff to see the direction of the District determined by the Board and related goals and objectives on issues ranging from water supply and reliability to workplace health and environment.

Other planning activities included continuing work on the 2007 Master Plan Update and participating in the Antelope Valley Integrated Regional Water Management Plan. The District also continued working on internal projects. These included completing an Employee Manual update and revision, formalizing of practices into policies, and implementing the organization chart approved in December, 2005, and the Employee Communication Plan adopted in June, 2006.

The District also continued addressing energy challenges in 2007. The construction of the new hydroelectric station at Palmdale Lake was recently completed and is ready for testing. This facility will provide power directly to the District's largest booster station providing both reduced electrical costs and reliable power. The wind energy conversion project for our water treatment facilities at Palmdale Lake marked its third full year of production. The turbine performed well again by producing over 90% of the power needed to operate the water treatment plant. 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 "Energy Bridge" itself is a demonstration project for future commercial production. The product will be able to provide power to the booster station when power is interrupted until backup power systems are brought online. The associated control system will coordinate power supplied by the new hydroelectric generator, a fully-permitted natural gas engine, an emergency diesel-powered backup generator, and Southern California Edison. The equipment was installed in early December, 2007 with testing and full implementation to be completed in early 2008.

The local rain and snowfall amounts were very low this year. Due to the dry year, no local surface water was available to help meet water demands. The State Water Project (SWP) was also limited due to a below average precipitation year in northern California and legal problems moving water through the Bay-Delta Region. The SWP water allotment was 60%. The District was able to use a limited amount of SWP water carried over from 2006, a small amount of interruptible water, and a small amount of water redistributed by other SWP Contractors. These limitations in water supply led to the District requesting a 15% voluntary water use reduction by its customers in May to match the available water supplies. This continued through the summer months. However, the 15% reductions did not occur and the District negotiated a water exchange with West Kern Water District to meet water demands. The District also adopted a water emergency resolution calling for an overall reduction of 10% through the implementation and enforcement of water use regulations. These are expected to continue into 2008.

The initial SWP allocation for 2008 is 25% and is not expected to increase significantly due to operational constraints imposed by the Federal Court on pumping operations in the Bay-Delta. Also, little additional local precipitation is expected to provide local surface water to help meet our customer's water demands. While the available groundwater supplies will be

maximized, the total amount of water supplies available are not expected to meet our customer's demands in 2008 without additional surface water supplies. The District is involved in a SWP Contractor's-sponsored Dry Year Program and several independent negotiations for the additional water supply needs of 2008 and next two years.

Operationally, there was an increase of about 722 average active accounts compared to 2006 for a total of approximately 26,357. These were largely newly constructed water services. Water usage increased from 2006 by approximately 3% through November, 30th despite the District's water conservation efforts. This was likely due to the number of new connections and drier year than 2006. The billed water usage in 2007 is projected to be approximately 26,200 acre-feet or 8.54 billion gallons of water.

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 122 in 2006 to 271 in 2007. This is about one leak for every 1.5 miles of water mains in the District. The increase is likely due to changes in the water flow through the water distribution system due to activation of new services and changes in operations to meet the water demands. "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, 2007 12-month average percentage of water loss was 7.0%. This is lower than the November, 2006 percentage of 8.4%. Despite the increase of repaired leaks, the water distribution system performed better than a year ago and reduced the amount of "lost" water by nearly 11%.

2008 Budget

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

The 2008 Budget shows the new departments of Finance & Services and Water Conservation. Both were formerly part of the Administrative Department, but have been redefined and separated to complete the December, 2005 approved organization chart implementation and better address the needs of our customers.

The equipment and project inclusions more clearly show the activities planned in 2008. 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 maintenance yard. The District program of installing radio-read water meters has been successful and more early, non-performing systems will be replaced in 2008. A similar amount of replacements will be requested in 2009

to complete the District's conversion to a reliable radio-read system. This will reduce the time needed to read water meters and will allow District staff to focus more on customer service.

The 2008 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 upon securing the necessary permits, environmental work to manage sediment levels in Littlerock Reservoir, construction of Phase II improvements to the water treatment plant, design of the future water treatment plant, completing land purchases for future improvements, and various capital improvement facilities needed to address growth.

Finally, funds are included to continue the District's water conservation and public information programs. This includes new proposed rebate programs to assist customers in purchasing E/T controllers, improve the efficiency of their existing irrigation controllers, and change from grass to more drought-tolerant landscaping.

SECTION II SUMMARIES

2008 BUDGET

FOUR YEAR CASH FLOW

DEPARTMENTAL STAFFING

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**Palmdale Water District
2008 Budget**

	PROJECTED		BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	BUDGET	FINAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2008	2007	2007	2006	2005	2004	2003
Operating Revenue							
Water sales	18,500,000	19,501,000	19,000,000	18,485,862	15,227,000	15,456,000	14,575,736
Other	1,710,000	1,577,600	1,600,000	1,658,818	1,286,000	1,344,000	873,291
	<u>20,210,000</u>	<u>21,078,600</u>	<u>20,600,000</u>	<u>20,144,680</u>	<u>16,513,000</u>	<u>16,800,000</u>	<u>15,449,027</u>
Operating Expenses							
Administration	3,081,000	3,990,160	6,129,800	3,161,149	3,397,000	2,885,000	2,838,147
Customer Service	1,986,900	2,376,000	1,810,500	2,922,515	1,897,000	1,899,000	1,576,766
Engineering	1,702,300	1,585,000	1,123,200	1,526,076	1,459,000	878,000	979,108
Facilities	6,000,700	3,273,300	3,385,500	4,143,514	2,866,000	2,637,000	3,088,850
Production	2,523,250	4,368,900	4,597,350	4,721,997	4,033,000	3,880,000	3,782,438
Finance & Services	1,510,600	0	0	0	0	0	0
Water Conservation	1,036,400	0	0	0	0	0	0
Water Purchases	3,500,000	3,362,000	2,000,000	1,921,629	2,285,000	1,897,000	1,359,509
Water Recovery	(129,100)	(83,220)	(100,000)	(188,213)	(424,000)	(292,000)	(1,143,911)
Depreciation	5,225,000	5,125,000	4,600,000	5,148,086	4,658,000	4,573,000	4,565,438
Bad debts	35,000	0	0	69,378	0	0	0
Capitalized construction	(1,255,000)	(1,250,000)	(1,100,000)	(938,891)	(724,000)	(1,640,000)	(361,024)
	<u>25,217,050</u>	<u>22,747,140</u>	<u>22,446,350</u>	<u>22,487,240</u>	<u>19,447,000</u>	<u>16,717,000</u>	<u>16,685,321</u>
Operating Loss	(5,007,050)	(1,668,540)	(1,846,350)	(2,342,560)	(2,934,000)	83,000	(1,236,294)
Non-operating Revenues							
Assessments	3,800,000	3,725,000	4,000,000	4,161,462	3,540,000	2,981,000	2,580,426
Interest	1,750,000	2,000,000	1,500,000	1,819,772	1,765,000	917,000	735,699
Market Adj. on Investments	(50,000)	(120,000)	(100,000)	54,407	(204,000)	(443,000)	(362,032)
Capital improvement fees	3,725,000	3,700,000	8,000,000	9,089,539	4,517,000	3,643,000	2,474,768
State Grants	1,480,000	130,000	1,500,000	18,565	0	0	0
Sale of Real Property	0	900,000	0	0	0	0	0
Other	250,000	275,000	150,000	220,845	170,000	136,000	122,601
	<u>10,955,000</u>	<u>10,610,000</u>	<u>15,050,000</u>	<u>15,364,590</u>	<u>9,788,000</u>	<u>7,234,000</u>	<u>5,551,462</u>
Non-operating Expenses							
Interest Paid & Amortization on long-term debt	2,674,000	2,712,000	2,712,000	2,746,923	2,779,000	1,478,000	1,005,478
Amortization of SWP	1,095,000	1,019,000	1,004,000	959,020	898,000	875,000	801,756
	<u>3,769,000</u>	<u>3,731,000</u>	<u>3,716,000</u>	<u>3,705,943</u>	<u>3,677,000</u>	<u>2,353,000</u>	<u>1,807,234</u>
Net Earnings<Loss>	\$2,178,950	\$5,210,460	9,487,650	\$9,316,087	\$3,177,000	\$4,964,000	\$2,507,934

Percentage Change From Previous Year

	BUDGET	PROJECTED	ACTUAL	ACTUAL	ACTUAL
Operating Revenue	-1.89%	4.64%	21.99%	-1.71%	8.74%
Operating Expenses	12.34%	1.16%	15.63%	16.33%	0.19%
Non-operating Revenues	-27.21%	-30.95%	56.97%	35.31%	30.31%
Non-operating Expenses	1.43%	0.68%	0.79%	56.27%	30.20%

**Palmdale Water District
4-Year Cash Flow**

	<u>Proposed 2008</u>	<u>Projected Final 2007</u>	<u>Final 2006</u>	<u>Final 2005</u>	<u>Final 2004</u>
Cash flows from operating activities:					
Net earnings	2,178,950	5,210,460	9,316,087	3,177,000	4,964,000
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	5,225,000	5,125,000	5,148,086	4,658,000	4,573,000
Amortization of State Water Project	1,095,000	1,019,000	959,020	898,000	875,000
Change in current assets and liabilities	500,000	500,000	1,551,931	(268,425)	154,236
 Total Adjustments	 <u>6,820,000</u>	 <u>6,644,000</u>	 <u>7,659,037</u>	 <u>5,287,575</u>	 <u>5,602,236</u>
 Net cash provided by operating activities	 <u>8,998,950</u>	 <u>11,854,460</u>	 <u>16,975,124</u>	 <u>8,464,575</u>	 <u>10,566,236</u>
Cash flows from investment activities:					
Acquisition of property, plant and equipment - Project	(27,581,200)	(23,198,300)	(10,950,298)	(8,543,040)	0
- Other	(1,672,900)	(216,700)	(7,541,314)	(8,217,514)	(6,147,822)
Payments for participation rights in state water facility	(2,141,015)	(1,755,700)	(1,824,566)	(1,462,324)	(1,597,231)
 Net cash used by investment activities	 <u>(31,395,115)</u>	 <u>(25,170,700)</u>	 <u>(20,316,178)</u>	 <u>(18,222,878)</u>	 <u>(7,745,053)</u>
Cash flows from financing activities:					
Proceeds 2008 bonds	40,000,000	0	0	0	0
Proceeds 2004 bonds	0	0	0	0	38,613,767
Principal paid on long-term debt	(1,040,000)	(1,005,000)	(970,000)	(895,000)	(595,000)
Bond premium	0	0	0	50,572	58,791
Bond issuance costs amortization	88,466	88,466	88,466	37,894	(685,863)
 Net cash provided (used) by financing activities	 <u>39,048,466</u>	 <u>(916,534)</u>	 <u>(881,534)</u>	 <u>(806,534)</u>	 <u>37,391,695</u>
 Net increase (decrease) in cash & cash equivalents	 16,652,301	 (14,232,774)	 (4,222,589)	 (10,564,837)	 40,212,878
Cash and cash equivalents at beginning of year:	<u>43,411,756</u>	<u>57,644,530</u>	<u>61,867,118</u>	<u>72,431,956</u>	<u>32,219,078</u>
Cash and cash equivalents at end of period:	60,064,057	43,411,756	57,644,530	61,867,118	72,431,956

Palmdale Water District
2008 Departmental Staffing Budget

POSITION	2008	2007	2006
ADMINISTRATION:			
Directors	5	5	5
Financial Advisor	1	1	1
General Manager	1	1	1
Executive Secretary	1	1	1
Assistant General Manager	1	1	1
Water & Energy Resources Director	1	1	0
Communications Director	1	0	0
Human Resources Director	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	12	11	10
CUSTOMER SERVICE:			
Customer Service Manager	1	1	1
Assistant Customer Service Manager	1	1	1
Field Service Supervisor	1	1	1
Lead Field Service Technician	1	1	0
Field Service Technician I/II	3	3	3
Customer Service Representative I/II	9	7	9
Customer Account Clerk I/II	1	1	0
Meter Reader	<u>3</u>	<u>3</u>	<u>3</u>
SUBTOTAL:	20	18	18
ENGINEERING:			
Engineering Manager	1	1	1
Project Manager	1	1	1
Engineering Aide I/II	3	3	3
Construction Inspector	3	3	3
CAD/GIS Specialist I/II	2	2	2
USA	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	11	11	11
FACILITIES:			
Facilities & Operations Manager	0	1	1
Facilities Manager	1	1	1
Construction Supervisor	1	1	1
Crew Leaders	3	3	3
Service Workers I/II	10	8	7
Maintenance Supervisor	1	3	3
Lead Equipment Mechanic	1	1	0
Equipment Mechanic	4	4	4
Maintenance Worker	1	1	1
Pump Operator I/II	3	2	2
Electrician I/II	2	2	2
Electronic Technician I/II	<u>2</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	29	28	26
OPERATIONS AND PRODUCTION:			
Production Manager	1	1	1
Treatment Supervisor	1	1	1
Plant Operators I/II	7	7	5
Water Quality Supervisor	1	1	1
Lab Analyst	2	2	2
WTP Maintenance Worker	1	1	0
Production Analyst	<u>1</u>	<u>1</u>	<u>0</u>
SUBTOTAL:	14	14	10

Palmdale Water District
2008 Departmental Staffing Budget (continued)

POSITION	2008	2007	2006
FINANCE AND SERVICES:			
Finance & Services Manager	1	1	1
Account Clerk I/II	1	1	2
Payroll & Finance Specialist	1	1	0
Cross Connection Controller	1	1	1
Information Systems Specialist III	1	1	1
Information Systems Specialist II	1	1	1
Purchasing & Warehouse Technician	1	1	1
Assistant Purchasing & Warehouse Technician	1	1	0
Risk Management/Safety Officer	<u>1</u>	<u>1</u>	<u>0</u>
SUBTOTAL:	9	9	7
WATER CONSERVATION:			
Water Conservation Manager	1	1	1
Water Conservation Aide	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL	2	2	2
DISTRICT TOTAL:	97	93	84

SECTION III
DEPARTMENTAL BUDGETS

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ADMINISTRATION DEPARTMENT

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. The positions of Assistant General Manager, Human Resources Director, Executive Secretary, & Water and Energy Resources Director also operate out of the Administration Department.

Palmdale Water District Budget 2008

	PROJECTED		BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	BUDGET	FINAL					
<u>Administration</u>	2008	2007	2007	2006	2005	2004	2003
PERSONNEL BUDGET:							
1-4000 Salaries	762,400	1,365,500	1,459,000	706,870	622,616	608,294	559,604
1-4009 Directors Fees	90,000	66,270	90,000	76,614	78,188	83,284	94,188
Subtotal (Salaries)	852,400	1,431,770	1,549,000	783,484	700,804	691,578	653,792
Employee Benefits							
1-4001 Payroll Taxes	52,000	98,100	99,000	51,518	45,148	43,957	39,367
1-4002 Health Insurance*	164,000	290,000	267,000	144,297	128,520	123,851	93,192
1-4003 Pers	129,600	207,500	243,000	105,121	80,012	54,659	41,574
1-4004 Worker's Comp	205,000	156,300	200,000	197,981	198,067	238,651	173,713
1-4005 Vacation Benefit Expense	(25,000)	(14,500)	-	311,901	267,900	234,423	205,225
1-4006 Life Insurance	3,400	3,400	-	1,305	-	-	-
Subtotal (Benefits)	529,000	740,800	809,000	812,123	719,647	695,541	553,071
Personnel Expenses	1,381,400	2,172,570	2,358,000	1,595,607	1,420,451	1,387,119	1,206,863
OPERATING EXPENSES:							
1-4099 Association Committee Appointments	5,000	3,200	5,000 +	-	-	-	-
1-4100 Director's Travel	28,000	6,800	18,000	28,828	8,337	11,560	11,990
1-4101 Director's Meetings & Seminars	14,000	6,100	7,500	17,571	4,045	5,525	8,110
1-4102 General Manager's Travel	11,000	9,800	10,000	14,551	7,380	7,311	10,752
1-4103 General Mgr's Meetings & Seminars	8,000	4,900	8,000	9,620	4,685	4,929	3,160
1-4104 Staff Travel	7,800	25,200	7,500	15,220	6,085	4,391	529
1-4105 Staff Meetings & Seminars	5,200	17,600	7,500	9,794	15,919	3,997	2,329
1-4106 Safety Training - OSHA Compliance	-	52,200	75,000	54,748	66,155	39,495	38,005
1-4107 Employee Physicals/Safety Related Testing	-	3,200	5,000	6,836	5,469	5,643	4,275
1-4111 Employee Expense	24,000	46,200	20,000	30,360	44,446	29,491	33,976
1-4112 Other Operating	46,000	140,700	25,000	10,206	59,528	14,397	75,873
1-4115 Retirement Benefits	49,500	-	-	-	-	-	-
1-4120 Water Awareness Program	-	133,800	125,000	117,515	104,384	128,900	94,773
1-4121 Safety Program	-	5,100	10,000	5,372	3,321	6,102	4,267
1-4122 Temporary Staffing	23,000	-	-	-	-	-	-
1-4123 Employee Recruitment	10,400	-	-	-	-	-	-
1-4124 Employee Retention	3,500	-	-	-	-	-	-
1-4125 Employee Relations	5,700	-	-	-	-	-	-
1-4150 Insurance	148,000	158,500	192,000	160,373	133,254	127,781	161,258
1-4151 Bank Charges	61,000	54,900	65,000	73,273	53,169	65,264	57,708
1-4199 Groundwater Adjudication	330,000	277,300	-	-	-	-	-
1-4200 Legal Services	266,000	251,500	350,000	302,653	256,879	265,276	259,720
1-4201 Consulting Services	250,000	252,300	292,000 +	208,992	409,198	209,163	237,259
1-4202 Accounting Services	20,000	21,900	17,000	17,020	16,952	17,683	16,530
1-4203 Contracted Maintenance	40,000	130,100	250,000	203,934	168,453	218,278	226,589
1-4204 Safety Consulting	-	10,200	15,000	13,975	13,800	13,025	15,450
1-4205 Collections	10,000	(10)	10,000	(10)	7,024	7,609	6,042
1-4210 Memberships/Subscriptions	52,000	95,200	75,000	102,095	77,572	73,644	86,307
1-4211 Elections	53,000	-	-	37,317	-	62,234	-
1-4212 Permits	15,000	19,800	15,000	12,404	11,433	11,545	7,775

Continued next page

**Palmdale Water District
Budget 2008
Administration Continued**

1-4213	Postage	45,000	-	-	-	-	-	-
1-4223	Public Relations - Publications	57,000	48,200	55,000	38,737	51,237	52,667	-
1-4224	Public Relations - Chamber of Commerce	-	4,000	7,000	7,600	5,131	7,584	-
1-4225	Public Relations - Other	3,000	23,900	26,300	4,252	3,854	6,859	59,799
1-4226	Youth Sponsorship	2,000	2,000	3,000	2,600	1,500	3,000	2,000
1-4227	Advertising	5,000	1,000	5,000	8,227	3,919	1,046	2,484
1-4300	Office Supplies	30,000	-	-	-	-	-	-
1-4410	Natural Gas - Office Building	3,500	-	-	-	-	-	-
1-4411	Electricity - Office Building	38,000	-	-	-	-	-	-
1-4502	Maintenance & Repair - Office Building	30,000	-	-	-	-	-	-
1-4999	Budget Inclusion Expenses	-	15,200	2,071,000	51,480	2,847	93,548	204,324
	Total Operating Expense	1,699,600	1,817,590	3,771,800	1,565,543	1,545,976	1,497,947	1,631,284
	TOTAL	<u>3,081,000</u>	<u>3,990,160</u>	<u>6,129,800</u>	<u>3,161,150</u>	<u>2,966,427</u>	<u>2,885,066</u>	<u>2,838,147</u>

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008

Health insurance is calculated at 19.42% of payroll. Includes cost of Health, Dental & Vision

Worker's Comp rates are calculated at .0114 for office personnel and .0576 for field personnel.

PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

* Portion Estimated for Directors \$68,600

+ Budget Amendment 02/23/07

+ Budget Amendment 05/23/07

+ Budget Amendment 08/08/07

Account Definitions-Administration

1-4099: ASSOCIATION COMMITTEE APOINTMENT – All costs associated with Directors serving on the Association Committee(s).

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.

1-4111: EMPLOYEE EXPENSE - Any expense that is paid by the District on behalf of employees such as; Certifications, Tuition Reimbursements, coffee service, PWD employee shirts, Hot-Tap & Top-Op’s competitions, etc.

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

1-4115: RETIREMENT BENEFITS – Covers the cost of providing medical benefits for retired employees as described in the Personnel Rules and Regulations.

1-4122: TEMPORARY STAFFING¹ - Covers the cost of using temporary staffing services during staffing shortages due to vacations, sick time, recruitment, etc., District wide.

1-4123: EMPLOYEE RECRUITMENT¹: - Covers costs associated with advertising, background checks, and pre-employment physicals.

1-4124: EMPLOYEE RETENTION¹ - Covers costs associated with meetings, audiovisual rentals, and supplies.

1-4125: EMPLOYEE RELATIONS¹ – Covers costs associated with teambuilding, service awards, training incentives, special events, employee appreciation, etc.

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.

Account Definitions-Administration (continued)

¹ Line items 1-4122; 1-4123; 1-4124; 1-4125 are implementations of the District’s Strategic Plan element 4.6 “Design a workplace health implementation program”

- 1-4151: BANK CHARGES** - Charges incurred on checking, savings, and merchant accounts (service charges, returned check fees, etc.).
- 1-4199: A.V. ADJUDICATION²** – All charges related to the groundwater adjudication case.
- 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. 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 associated with the general operation of the District such as, HVAC, janitorial, security, landscape, elevators, postage machines, etc.
- 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 2007. However the payment will not be due until the spring of 2008.
- 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.
- 1-4213: POSTAGE** – Provides for the cost of bulk mail permit on items such as Water News. Also covers costs associated with mailing of accounts payable, District letters from all departments, and FedEx charges.
- 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.
- 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.

Account Definitions-Administration (continued)

² Expenses to date for the A.V. Adjudication is \$412,502

1-4300: OFFICE SUPPLIES - Pens, paper, envelopes, business cards, etc. and toner/ink for all departments. Also includes minor office equipment (under \$500.00).

1-4410: NATURAL GAS – OFFICE BUILDING - All utility bills for gas service to main office buildings.

1-4411: ELECTRICITY - OFFICE BUILDING - All utility bills for electric service to main office buildings.

1-4502: MAINTENANCE & REPAIR – OFFICE BUILDING - Includes all materials used for maintenance and repair to the main office building. Also covers anything that is not covered under maintenance contracts.

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CUSTOMER SERVICE DEPARTMENT

Customer Service

DESCRIPTION:

The Customer Service Department manages the day-to-day customer service affairs of the Palmdale Water District. This includes billing, meter reading, new service applications, customer complaints, payment processing, collections, assessment management, and records management.

2007 WATER YEAR INDICATORS:

- 1) 2960 +/- Account Transfers (New Applications).*
- 2) Responded to 1988 +/- non-District related or non-application based customer service orders.*
- 3) Issued 17,663 door tags, 1,993 shutoffs, and processed 522 returned check (NSF) related door tags/shutoffs.*
- 4) Processed 218,355 payments: Make up was 129,720 mail payments, 66,391 front counter, 12,784 credit card by telephone and 9,460 online credit cards
- 5) 20,698 acre feet of water billed.*
- 6) 26,423 total active customer accounts*.
- 7) 27,369 total customers (active and inactive).

* All numbers are based on a reporting period of January 1 through September 30, 2007.

2007 WATER YEAR ACCOMPLISHMENTS:

- 1) Cross training of office staff in various areas (billing, image scanning, collections, cash handling and mail payments) to enable the office to operate efficiently.
- 2) Continuing to let customers know about our website enabling more of 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) Coordinating the large meter repair, and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
- 4) Training 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.
- 5) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes.
- 6) Encouraging staff to participate in water awareness, conservation and education functions.
- 7) We have developed a customer service plan. We also as a team reviewed the importance of providing good customer service through skills and practices.

2008 OBJECTIVES:

- 1) Provide Customer Service staff with additional training/education to promote effective customer service practices/programs to meet the changing needs of our customers.
- 2) Enabling additional bill payment avenues by activating other Website payment activities so that customers can pay their bills on-line using eCheck (electronic check) or EFT (electronic fund transfers).
- 3) Upgrading existing telephone system with an IVR (interactive voice recognition) system so that customers can call in, inquire about balances on their accounts and pay their bills at any time. This system will also allow us to quickly contact customers in specific areas in case of emergency shut downs.
- 4) Cross training office personnel in various areas (mail payment handling, scanning, collections, cash handling, and the like) to help the office efficiency.
- 5) Continue to maintain the radio read meters through out the District to maintain billing accuracy and efficiency.
- 6) Continue to conduct real-time auditing of radio-read routes at least twice a year to ensure that the radio read units operate effectively.
- 7) Provide refresher training for meter readers in using the Itron Mobile Collector units as well as how to use G5 handheld devise.
- 8) Continue to test, repair, or replace existing radio read infrastructure.
- 9) Oversee large meter repair, replacement and/or testing.

Promoting a positive image for the District by having staff members take an active role in the Districts water awareness, conservation and education programs.

Palmdale Water District Budget 2008

PALMDALE WATER DISTRICT 2008 BUDGET

<u>Customer Service</u>		BUDGET	PROJECTED FINAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2008	2007	2007	2006	2005	2004	2003
2-4000	Salaries	1,074,200	952,500	946,000	1,029,376	934,159	925,780	904,293
Employee Benefits								
2-4001	Payroll Taxes	76,200	72,800	61,000	81,875	77,118	72,864	72,647
2-4002	Health Insurance	235,900	205,300	174,000	197,986	175,443	168,014	149,259
2-4003	Pers	182,600	146,000	158,000	157,131	128,290	86,514	68,073
	Subtotal (Benefits)	494,700	424,100	393,000	436,992	380,851	327,392	289,979
	Personnel Expenses	1,568,900	1,376,600	1,339,000	1,466,368	1,315,009	1,253,172	1,194,272
OPERATING EXPENSES:								
2-4104	Staff Travel	10,000	10,200	6,000	6,023	4,014	3,101	5,275
2-4105	Staff Meetings & Seminars	5,000	5,200	4,000	4,390	3,528	3,411	3,031
2-4107	Training	4,000	-	-	-	-	-	-
2-4203	Contract Services	11,000	-	-	-	-	-	-
2-4213	Postage	-	45,000	40,000	39,559	33,353	38,017	35,826
2-4250	Outsourced Processing	210,000	178,600	200,000	194,002	182,691	185,183	175,356
2-4260	Equipment Leasing	2,000	1,100	2,000	1,840	1,286	1,414	1,202
2-4300	Office Supplies & Fixtures	-	30,700	30,000	37,089	28,105	25,868	28,035
2-4301	Computer Supplies & Equipment	-	12,700	15,000	12,688	9,947	7,393	7,825
2-4305	Computer Software/Upgrades	-	12,600	25,000	24,492	26,326	19,369	7,459
2-4310	Business Forms	9,500	9,100	13,000	13,951	10,653	7,573	9,116
2-4410	Gas - Office Buildings	-	1,700	3,000	3,392	2,220	2,814	2,551
2-4411	Electricity - Office Buildings	-	38,100	50,000	46,023	34,491	30,199	35,366
2-4412	Telephone - Buildings	24,000	24,300	28,000	26,177	25,353	25,080	32,921
2-4414	Telephone - Pager Services	-	3,100	3,000	5,934	3,158	2,578	-
2-4415	Telephone - Cellular Services	-	8,800	10,000	8,549	11,463	10,305	-
2-4502	Maint. & Repair - Office Buildings	-	29,400	35,000	47,326	22,394	32,763	35,742
2-4510	Maint. & Repair - Office Equipment	-	3,500	5,000	3,924	3,096	2,157	1,332
2-4512	Maint. & Repair - Computers	-	1,000	2,500	3,245	1,911	1,335	1,457
2-4518	Maint. & Repair - Large Meters	22,500	-	-	-	-	-	-
2-4520	Meter Testing	22,500	-	-	-	-	-	-
2-4999	Budget Inclusion Expenses	97,500	584,300	-	977,544	-	247,713	-
	Total Operating Expense	418,000	999,400	471,500	1,456,148	403,990	646,273	382,494
	TOTAL	1,986,900	2,376,000	1,810,500	2,922,516	1,718,999	1,899,445	1,576,766

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008
 Health insurance is calculated at 20.67% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

Account Definitions-Customer Service

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.

2-4107: TRAINING – Covers the costs associated with specialized training with regards to Hand-Held Radio Meter Readers.

2-4203: CONTRACT SERVICES – Covers the cost of annual maintenance and support for the hand-held meter reading devices, docking stations and software. Also covers the monthly service costs associated with customer credit reports.

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.

2-4310: 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.

2-4518: 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.

2-4520: METER TESTING - Testing, calibration, and rebuilding of large meters.

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ENGINEERING DEPARTMENT

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.

2007 WATER YEAR INDICATORS:

- 1) 22 Water improvement projects approved.
- 2) 19 Water improvement projects completed.
- 3) 5 District construction projects completed.
- 4) 52 Inspection work orders actively being overseen for completion and closure of the work order.
- 5) 3,228 USA tickets received with 1,452 requiring street marks.

2007 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) Completed survey and related reporting for both Littlerock and Palmdale Dam.
- 7) Completed the contract administration, construction, and activation of two new 4MG Tanks.
- 8) Continued providing construction management and oversight for the Water Treatment Plant Improvements Phase I.
- 9) Continued providing construction management and oversight for the Water Treatment Plant Improvements Phase II.
- 10) Continued working with consultant on the preparation of the District's 2007 Water System Master Plan Update.
- 11) Awarded contract for the preparation of the 2007 Master Plan EIR.
- 12) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS.
- 13) Awarded contract for the design of the Grade Control Structure at Littlerock Reservoir.
- 14) Continued working with SWRCB and consultants on the preparation of the pipeline design and environmental work associated with the Palmdale Ditch Enclosure Grant.
- 15) Completed the construction of the hydro-electric facility at Lake Palmdale.
- 16) Awarded contract for the construction of the water main replacement in 11th Street East between Avenue Q and Avenue R.
- 17) Awarded contract for the re-coating and maintenance for various storage tanks.
- 18) Completed construction and activation of Well No. 29
- 19) Awarded contract for the implementation of the Distribution System SCADA Upgrade project.
- 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.

2007 OBJECTIVES:

- 1) Complete the construction of equipping existing cased Well #34a.
- 2) Complete the design and construction of a new building for Well #16.
- 3) Complete the design and construction of the 16-inch transmission water main in Avenue R-11 and R-12.
- 4) Complete the design and construction of the next phase of the meter change-out program.
- 5) Continue providing QA/QC on the construction of the new tracts, commercial, and city projects which require water system improvements.
- 6) Complete tasks related to the Palmdale Ditch Enclosure Grant and oversee design, CEQA, and construction management for this project.
- 7) Complete 2007 Water System Master Plan and related EIR Update.
- 8) Complete the design and construction of the water main replacement project in the vicinity of Avenue Q, 35th Street East, Palmdale Blvd., and 37th Street East.
- 9) Obtain necessary permits for the Littlerock Reservoir Sediment Removal Project.
- 10) Complete the design and award a contract for the construction of the Grade Control Structure at Littlerock Dam.
- 11) Continue providing construction management for the Water Treatment Plant Improvements Phase I and Phase II.
- 12) 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.
- 13) Complete design and award a contract for the construction of a new perimeter fence around the Lake Palmdale property.
- 14) Continue ensuring that all water storage tanks are properly maintained and coated.
- 15) Continue improving the District's new GIS mapping tools and software.
- 16) Design and construct new Well No. 15 Building.
- 17) Continue working on the design of new Eastside WTP.
- 18) Investigate, design, and award a contract for the construction and activation of new District production wells.
- 19) Complete the design and award a contract for the construction of various CIP water main projects.
- 20) Continue working with consultants on the design of a new facilities headquarters building.
- 21) Complete the design of a new storage tank to serve the 2950' system zone.
- 22) Complete the design and award a contract for the construction of the water main replacement in 30th Street East south of Palmdale Boulevard.

Palmdale Water District Budget 2008

<u>Engineering</u>		PROJECTED		BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
		BUDGET	FINAL					
PERSONNEL BUDGET:		2008	2007	2007	2006	2005	2004	2003
3-4000	Salaries	797,000	851,000	748,000	888,935	803,086	669,888	527,857
Employee Benefits								
3-4001	Payroll Taxes	60,900	64,500	48,000	68,436	57,766	46,826	42,042
3-4002	Health Insurance	144,300	155,500	137,000	144,494	99,269	78,901	58,893
3-4003	Pers	135,800	129,700	125,000	126,992	93,303	54,669	37,807
	Subtotal (Benefits)	341,000	349,700	310,000	339,922	250,338	180,396	138,742
	Personnel Expenses	1,138,000	1,200,700	1,058,000	1,228,857	1,053,424	850,284	666,599
OPERATING EXPENSES:								
3-4104	Staff Travel	9,000	8,900	8,000	10,567	8,178	4,992	6,571
3-4105	Staff Meetings & Seminars	7,000	9,800	5,500	7,907	5,016	3,896	5,091
3-4210	Membership/Subscriptions	5,000	-	-	-	-	-	-
3-4240	Inspection (Non Recovered)	-	-	1,500	945	1,435	(1,019)	49
3-4304	Software Maintenance/Support	22,300						
3-4510	Maint. & Repair - Office Equipment	1,000	200	1,000	1,086	913	1,279	229
3-4999	Budget Inclusion Expenses	520,000	365,400	49,200	+ 276,714	-	18,706	300,569
	Total Operating Expense	564,300	384,300	65,200	297,219	15,543	27,854	312,509
	TOTAL	1,702,300	1,585,000	1,123,200	1,526,076	1,068,967	878,138	979,108

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008
 Health insurance is calculated at 18.1% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

+ Budget Amendment 03/09/07

Account Definitions-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.

3-4210: MEMBERSHIP/SUBSCRIPTIONS - Includes memberships in professional organizations for individual employees. Subscriptions include all departmental related paid subscriptions to professional publications and services that further the mission of the department.

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

3-4304: SOFTWARE MAINTENANCE/SUPPORT – Covers the cost of annual support agreements and maintenance contracts for all hardware and software departmental related. (CAD, GIS, & Arcview)

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

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FACILITIES DEPARTMENT

2007 WATER YEAR INDICATORS

- 1) 26,622 Meters in service
- 2) 8972 System Valves in service
- 3) 403.6 Miles of pipe in service
- 4) 254 Emergencies to which the department responded

2007 WATER YEAR ACCOMPLISHMENTS (FACILITIES) 10-3-07

1. Completed (12") drain line at T-8 & 50th.st. E. Tank Site
2. Replaced 10' section of 12" ductile iron pipe damaged by contractor on firethorn St.
3. Replaced 5' section of 12" steel pipe at Av. Q-5 & 15th.st.E.damaged by Contractor.
4. During January Freeze Repaired 19 Sample Stations, 5 Air Vac Replacements, and repaired 54 angle stops.
5. Replaced 6' section of 8" ductile iron pipe damaged by contractor.
6. Relocated 2" blow off due to new construction.
7. Dropped in 14"x 8" Flanged Tee w/ 14" B.F.V. & 14"x 6" Flanged Tee w/ 6" gate vane on existing line for tie in at 15th.st.E. & Ave. P.
8. Installed 21 new services.
9. District contractor installed 1036-5/8 meters, 438-1" meters, 35-1½" meters and 24 2" meters Total = 1533
10. As of 10-1-07 Replaced 230 angle stops
11. Exercised less than 70 valves as of 10-3-07
12. Tested 15 large meters for accuracy as part of a meter testing program.
13. Total number of leaks repaired as of 10-1-07 271 (43 SL and 228 ML)
14. Performed 1058 hours of Building and Grounds Maintenance.
15. Performed 252 hours of Treatment Plant Maintenance (mechanics)
16. Performed 1853 hours of Vehicle and Equipment Maintenance.(mechanics)
17. Performed 1438 hours of Maintenance on Wells, Boosters and Tank Facilities.
(Including out of Frame Overhaul to Well 11 Waukesha Engine, electric motor removal, replacement at Well 4, the replacement of the electric motor on the submersible pump at Well 32 and the replacement of the chlorine building roof at Well 15.(mechanics)
18. Performed 126 hours of Treatment Plant Maintenance & Repair work.
19. Performed 198 hours of Meter Repair & Maintenance.
20. Flushing Program 83,345 C.F flushed as of 10-1-07
21. Fabricated Cat Walk for access to plumbing in Littlerock Pump House.
22. Performed 1645 hours on Daily tank Inspection
23. Repaired 10' section of 12" Ductile Iron Pipe damaged by Contractor Rayburn & Av R.
24. Relocated 5 services on Ave. S Due to Road improvements

2008 OBJECTIVES

- 1) Continue large meter testing program / continue with spreadsheet updates for better record keeping and upgrade compound meters on low side flow rates to increase accuracy.
- 2) Continue valve exercising program and implement new software for better record keeping.
- 3) Continue flushing program.
- 4) Continue mainline replacement.
- 5) Continue dead end tie-in program.
- 6) Continue to upgrade piping and plumbing, painting and maintenance at all Well sites.

Palmdale Water District Budget 2008

Facilities		PROJECTED						
PERSONNEL BUDGET:		BUDGET	FINAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	
		2008	2007	2007	2006	2005	2004	2003
4-4000	Salaries	1,799,200	1,516,000	1,630,000	920,093	1,010,394	1,022,912	1,003,286
Employee Benefits								
4-4001	Payroll Taxes	134,400	114,500	105,000	73,422	80,370	80,400	78,176
4-4002	Health Insurance	403,900	332,000	299,000	210,617	206,978	209,533	179,827
4-4003	Pers	305,900	202,400	272,000	146,781	135,840	96,899	74,670
	Subtotal (Benefits)	844,200	648,900	676,000	430,820	423,188	386,832	332,673
	Personnel Expenses	2,643,400	2,164,900	2,306,000	1,350,913	1,433,582	1,409,744	1,335,959
OPERATING EXPENSES:								
4-4104	Staff Travel	19,000	10,500	12,000	14,231	6,225	10,506	10,671
4-4105	Staff Meetings & Seminars	11,000	17,700	6,000	13,150	5,775	8,993	4,038
4-4107	Training	17,000	-	-	-	-	-	-
4-4203	Contracted Maintenance	49,000	44,700	45,000	47,309	47,185	20,530	-
4-4241	Waste Disposal	50,000	17,700	50,000	39,354	17,781	19,550	14,160
4-4242	Fuel & Lube - Auto	80,000	91,800	85,000	74,628	65,240	57,897	50,571
4-4243	Fuel & Lube - Machinery	45,000	26,800	45,000	43,283	29,471	19,403	18,952
4-4244	Uniforms	33,000	25,900	23,000	22,094	19,983	20,252	17,244
4-4260	Equipment Leasing	9,000	7,200	8,000	8,653	8,955	4,962	8,798
4-4303	Telemetry Supplies	20,000	-	-	-	-	-	-
4-4304	Electrical Supplies	24,000	-	-	-	-	-	-
4-4306	Materials & Supplies	137,000	97,800	95,000	103,477	71,480	96,293	79,452
4-4307	Hypo Generator Supplies	25,000	-	-	-	-	-	-
4-4320	New Meters	-	-	10,000	1,141,427	173,044	(2,961)	55,518
4-4321	Service Costs Construction	45,000	67,700	45,000	65,560	46,302	24,860	31,880
4-4322	Fire Hydrant Repair	1,000	-	1,000	-	-	-	-
4-4330	Tools	8,000	6,500	4,000	5,461	15,387	10,172	8,592
4-4331	Safety Equipment	24,000	7,000	5,000	3,847	9,084	10,775	20,387
4-4400	Gas - Wells & Boosters	550,000	-	-	-	-	-	-
4-4401	Electricity - Wells & Boosters	1,500,000	-	-	-	-	-	-
4-4402	Telephone - Wells & Boosters	2,500	-	-	-	-	-	-
4-4410	Gas - Buildings	3,000	2,000	2,500	2,409	2,437	2,496	2,175
4-4411	Electricity - Buildings	4,000	2,800	5,000	5,297	5,144	7,867	13,012
4-4500	Maint. & Repair - Wells	265,000	152,300	250,000	492,571	491,264	605,780	92,344
4-4501	Maint. & Repair - Boosters	90,000	81,600	75,000	113,063	57,793	27,649	52,745
4-4502	Maint. & Repair - Shop Buildings	5,000	5,300	5,000	2,218	814	925	9,202
4-4503	Maint. & Repair - Facilities	25,000	51,100	25,000	32,825	30,594	28,812	20,076
4-4504	Maint. & Repair - Water Lines	100,000	256,400	100,000	203,899	166,080	84,296	103,197
4-4505	Maint. & Repair - Littlerock Dam	30,000	33,600	25,000	38,810	35,749	29,514	26,762
4-4506	Maint. & Repair - Palmdale Dam	20,000	22,400	15,000	21,789	8,159	10,255	2,490
4-4507	Maint. & Repair - Palmdale Canal	5,000	-	5,000	3,410	1,365	2,276	872
4-4510	Maint. & Repair - Office Equipment	2,000	1,000	2,000	-	55	690	632
4-4511	Maint. & Repair - Equipment	5,000	4,100	5,000	3,079	7,510	9,583	13,318
4-4513	Maint. & Repair - Telemetry	5,000	-	-	-	-	-	-
4-4515	Maint. & Repair - Vehicles	40,000	26,900	40,000	39,300	71,181	47,211	58,040
4-4516	Maint. & Repair - Heavy Equipment	30,000	14,800	30,000	35,214	17,972	22,876	25,485
4-4517	Maint. & Repair - Storage Reservoirs	50,000	22,000	25,000	198,241	9,320	-	84
4-4518	Maint. & Repair - Large Meters	-	5,200	15,000	7,418	9,099	8,866	15,843
4-4519	Maint. & Repair - Hypo. Generators	20,000	-	-	-	-	-	-
4-4520	Meter Testing	-	3,800	15,000	-	-	7,480	1,560
4-4999	Budget Inclusion Expenses	8,800	1,800	6,000	10,587	-	29,758	994,791
	Total Operating Expense	3,357,300	1,108,400	1,079,500	2,792,604	1,430,450	1,227,566	1,752,891
	TOTAL	6,000,700	3,273,300	3,385,500	4,143,517	2,864,032	2,637,310	3,088,850

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008
 Health insurance is calculated at 22.98% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

Account Definitions-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.

4-4107: TRAINING - Covers the costs associated with specialized training with regards to basic ladders and advanced ladders programming logic.

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.

4-4303: TELEMETRY SUPPLIES - Supplies needed for the day-to-day operation of the telemetry equipment.

4-4304: ELECTRICAL SUPPLIES - Supplies for stock on hand in case of emergencies due to parts failure.

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. It excludes items that are covered under other accounts.

4-4307 HYPO GENERATOR SUPPLIES – Covers the cost of supplies needed to operate the Hypochlorite Generator.

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.

Account Definitions-Facilities (continued)

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 reimbursed by insurance companies will offset the charges in this account.

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.

4-4400: GAS - WELLS & BOOSTERS - All utility bills for gas service to gas-powered well and booster sites.

4-4401: ELECTRICITY - WELLS & BOOSTERS - All utility bills for electric services for the District's distribution system (well sites, boosters and Littlerock Dam).

4-4402: TELEPHONE - WELLS & BOOSTERS - All utility bills for telephone services for the District's distribution system (well sites, boosters and Littlerock Dam).

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.

Account Definitions-Facilities (continued)

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

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.

4-4513: MAINT. & REPAIR - TELEMETRY - Covers any equipment items that are upgraded during the year at the treatment plant, well sites and booster sites.

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. Also covers the cost associated with the repair of Altitude Valves.

4-4519: 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.

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PRODUCTION DEPARTMENT

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 Districts 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 hydro pneumatic tanks, and hypo-chlorite disinfection equipment at 32 of the above sites. The department is also responsible for maintaining compliance with all Federal, State, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, energy management, and pumping efficiency, as well as handling customer related water quality complaints and water quality analysis.

2007 WATER YEAR INDICATORS:

- 1) Treated 17,719.9* acre-feet of surface water, 61.35% of total production.
- 2) Operated Water Treatment Plant 8,065.75* hours.
- 3) Received 19,047.5* acre feet of State Project Water.
- 4) Received 57.4* acre feet of water from Littlerock Reservoir, (*Water Drawn in October 2006*).
- 5) Pumped 11,162* acre feet of ground water, 38.65% of total production.
- 6) Presently maintain 41.3** million gallons of potable water in distribution reservoir storage, (as of October 01, 2007).
- 7) Presently maintain 4,058.7 acre feet of water in Lake Palmdale at an elevation of 2,812.20 feet above sea level, and approximately 550 acre-feet in Littlerock reservoir at an elevation of 3,226.3 feet above sea level, (as of October 01, 2007).
- 8) Produced a total of 28,882.0 acre feet of potable water from all sources.

* Water Year: October 1, 2006 to September 30, 2007

** Maximum Storage for 24 hr period of September 30 to October 01, 2007

2007 WATER YEAR ACCOMPLISHMENTS:

- 1) Completed Annual Laboratory re-certification including Bacteriological, Inorganic and General Chemistry analysis.
- 2) Continue working with District engineering, water quality, and treatment staff to finalize design for eastside treatment plant.
- 3) Completed the automation of the Super Scraper sludge removal system.
- 4) Installed and utilized second Security Camera at WTP site.
- 5) Continue Lake monitoring and management plan. Operated and executed contracted factory maintenance schedule for seven solar bee pond circulators in Palmdale Lake.
- 6) Continued to utilize distribution system strategies to reduce TTHM levels.
- 7) Continued to improve treatment plant maintenance plans and SOP's
- 8) Complete installation of 1720E turbidimeters on individual filters.
- 9) Diligently performed jar testing of chemical coagulants which in conjunction with phase 1 flocculation / sedimentation basin improvements produced lower overall settled water and effluent water turbidities.
- 10) Replaced turbine type flow meters with magnetic flow meters at well sites as necessary to improve accuracy of production records.
- 10) Completed installation of magnetic flow meters, walkway, new SCADA panel, vapor proof enclosures, new 36 inch valve operator and fresh air ventilation system at Littlerock Dam valve house.
- 11) Completed installation of new seismic valve at one 50th St. tank and replacement of seismic valve at 5 MG tank.

- 12) Staff has continued to take an active role with and participated in all Water Awareness functions.
- 13) Monitored all source water supplies for Lead, Copper, Radioactivity, Giardia, Cryptosporidium, MTBE, TTHM's and Hexavalent Chromium as well as other constituents required by law.

2008 WATER YEAR GOALS:

- 1) Complete Sanitary Survey Update and Drinking Water Source Assessment for Littlerock Reservoir and Lake Palmdale Watersheds.
- 2) Continue development and execution of an effective lake monitoring program and clean up of Lake Palmdale shoreline.
- 3) Complete updated compliance sampling schedule and bacteriological sample site plan and submit to DHS for approval.
- 4) Continue to work with District engineering department, Flowers & Baum, Carollo Engineers and Cushman Construction to complete Phase II of Plant Optimization Project.
- 5) Utilize the new capabilities of the plant to produce higher quality effluent water from the treatment plant and produce a higher overall percentage of surface water to decrease strain on wells.
- 6) Continue jar testing of coagulants to further reduce chemical costs and reduce sludge production and optimize treatment.
- 7) Continue to improve and update Standard Operating Procedures (SOP's) and routine maintenance schedules to reflect plant upgrades and related new equipment.
- 8) Begin practicing enhanced coagulation for improved reduction of Total Organic Carbon and thereby reduce Total Trihalomethanes. Also begin using new flocculation aid feed system to further reduce settled water turbidity
- 9) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.
- 10) Continue to improve and update treatment plant maintenance plans and SOP's
- 11) Continue to perform compliance monitoring of 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.
- 12) Continue maintenance and replacement program of District Cla-Val's.
- 13) Replace 16 inch altitude valves at 25th St tank site, 5 MG tank site & 12 inch PRV and replacing the 4inch bypass valve with a 6 inch valve at 47th St., replace the 4 inch valves at 25th St. and 37th St PRV sites.
- 14) Purchase and install SolarBee circulation and chemical mix unit in underground tank.
- 15) Replace the cone valve actuators at Littlerock Dam.
- 16) Replace the current oil dripper reservoirs with 15 gallon reservoirs.
- 17) Update and supply tools for new service trucks as necessary.
- 18) Complete Edison maintenance and hydraulic testing at all District booster sites.
- 19) Continue to maintain all District electrical and SCADA panels and complete as built wiring diagrams of all District electrical and SCADA panels.
- 20) Continue to upgrade all District electrical panels to bring up to current electrical wiring codes.
- 21) Calibrate all well and reservoir level transducers.
- 22) Continue to maintain and calibrate chlorine residual analyzers at District well and booster sites.
- 23) Complete installation of SCADA communication antenna towers at 3 MG booster station, wells 18/19, Lake inlet from Littlerock reservoir and Hydro turbine (DWR) inlet to lake Palmdale.
- 24) Continue maintain and upgrade sodium hypochlorite generation systems as necessary.
- 25) 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.
- 26) Continue to promote a higher level of interdepartmental cooperation and communication by keeping employees informed of progress on, and aware of District goals. Reinforcing the understanding and value of their individual contributions. Communicate accurately, factually, and clearly in a timely, honest, and sincere manner.

- 27) 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.

Palmdale Water District Budget 2008

<u>Production</u>		BUDGET	PROJECTED FINAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2008	2007	2007	2006	2005	2004	2003
5-4000	Salaries	978,700	890,000	920,800	1,219,330	977,256	881,890	894,952
Employee Benefits								
5-4001	Payroll Taxes	72,800	66,300	59,000	98,460	82,717	80,595	72,300
5-4002	Health Insurance	166,200	123,500	169,000	189,445	159,681	161,215	124,052
5-4003	Pers	166,400	136,600	154,000	186,277	135,351	92,664	66,220
	Subtotal (Benefits)	405,400	326,400	382,000	474,182	377,748	334,474	262,572
	Personnel Expenses	1,384,100	1,216,400	1,302,800	1,693,512	1,355,004	1,216,364	1,157,524
OPERATING EXPENSES:								
5-4104	Staff Travel	10,000	6,800	10,000	18,133	5,902	8,326	6,838
5-4105	Staff Meetings & Seminars	7,000	7,500	5,000	9,200	9,686	7,472	8,010
5-4203	Contracted Maintenance	52,000	43,300	40,000	24,023	26,660	21,577	-
5-4206	Edison Testing	12,500	4,800	15,000	13,000	-	-	4,935
5-4207	EPA/Regulatory Compliance	10,000	-	20,000	-	-	-	19,163
5-4212	Permits	25,000	9,300	45,000	29,638	25,684	19,726	40,968
5-4241	Waste Disposal	45,000	52,000	40,000	16,643	39,950	39,027	17,233
5-4244	Uniforms	10,000	11,700	10,000	10,318	6,798	6,418	5,559
5-4245	Outside Lab Work	80,000	69,600	80,000	59,695	73,953	52,924	81,041
5-4260	Equipment Leasing	25,000	32,900	15,000	27,703	7,455	240	822
5-4302	Laboratory Supplies	35,000	29,200	30,000	21,929	30,767	26,502	28,810
5-4303	Telemetry Supplies	-	52,400	20,000	30,189	8,628	1,319	4,099
5-4304	Electrical Supplies	-	1,400	3,000	2,680	2,020	1,756	2,112
5-4306	Materials & Supplies	15,000	10,300	15,000	15,978	33,563	13,813	9,489
5-4307	Hypo Generator Supplies	-	22,000	20,000	10,015	2,096	18,252	3,733
5-4330	Tools	5,000	2,400	5,000	4,661	4,339	5,400	2,654
5-4331	Safety Equipment	6,000	3,400	8,000	6,851	6,133	4,212	9,593
5-4350	Chemicals	550,000	569,000	475,000	415,338	416,031	325,429	288,543
5-4400	Gas - Wells & Boosters	-	517,000	550,000	590,273	346,880	374,320	334,092
5-4401	Electricity - Wells & Boosters	-	1,339,000	1,500,000	1,513,545	1,208,105	1,289,043	1,221,504
5-4402	Telephone - Wells & Boosters	-	2,500	2,000	1,905	2,058	2,041	3,951
5-4410	Gas - Buildings	3,000	2,300	3,000	2,045	3,259	1,911	2,745
5-4411	Electricity - WTP Buildings	60,000	122,300	60,000	39,284	66,302	39,589	59,570
5-4413	Electricity - Hypo Generator (Removed)	-	-	-	-	36,687	19,847	24,388
5-4500	Maint. & Repair - Wells	-	500	25,000	4,940	22,732	20,114	50,103
5-4501	Maint. & Repair - Boosters	-	5,800	35,000	17,623	19,149	33,512	38,341
5-4502	Maint. & Repair - Plant Buildings	20,000	15,300	20,000	25,531	18,201	6,754	23,776
5-4503	Maint. & Repair - Facilities	40,000	59,500	40,000	31,407	51,419	36,876	79,506
5-4510	Maint. & Repair - Office Equipment	2,000	1,200	2,000	1,200	1,266	1,194	512
5-4511	Maint. & Repair - Equipment	15,000	26,200	15,000	18,306	27,893	16,872	6,235
5-4513	Maint. & Repair - Telemetry	-	5,100	5,000	623	1,013	3,308	4,859
5-4519	Maint. & Repair - Hypo. Generators	-	4,100	10,000	5,060	4,504	6,357	10,825
5-4520	Palmdale Lake Management	25,000	72,500	25,000	21,811	34,273	48,787	45,045
5-4999	Budget Inclusion Expenses	86,650	51,200	146,550	38,940	134,099	210,741	185,860
	Total Operating Expense	1,139,150	3,152,500	3,294,550	3,028,487	2,677,502	2,663,659	2,624,914
	TOTAL	2,523,250	4,368,900	4,597,350	4,721,999	4,032,506	3,880,023	3,782,438

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008
 Health insurance is calculated at 17.46% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

Account Definitions-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, Wonderware Support, 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.

5-4254: 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.

5-4306: 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.).

5-4330: TOOLS - All tools that are purchased for use at the water treatment plan 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.

5-4330: TOOLS - All tools that are purchased for use at the water treatment plan 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.

Account Definitions-Production (continued)

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.

5-4502: 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.

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.

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

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**FINANCE AND SERVICES
DEPARTMENT**

Finance and Services Department

Description:

The Finance and Services Department's primary responsibility is Finance, which includes accounts payable, payroll, bank reconciliation, financial reporting (both state and local), auditing, internal controls, fixed asset allocation, inventory, warehousing, and purchasing. The department is also responsible for Information Technology, Risk Management, and Cross-Control Connections. The department operates with a staff of nine including the Department Head.

2007 Accomplishments:

- 1) Completed the annual audit and required reporting to outside governing agencies.
- 2) Provided financial, procurement, construction meter read, and IT, support services to other departments in timely manner.
- 3) Provided employee compensation in a timely manner.
- 4) Liquidated District's obligations in a timely manner.
- 5) Provided required OSHA and Safety training to all employees where applicable.
- 6) Processed approximately 1,000 1st, 2nd, and 3rd notifications regarding required back-flow testing. Inspected approximately 42 new back-flow installs.
- 7) Completed enterprise application needs assessment.
- 8) Updated/Upgraded various file servers and software platforms.
- 9) Provided technical support in the 2007 meter change out project.

2008 Objectives:

- 1) Complete year audit and required financial reporting in a timely manner.
- 2) Continue to provide technical, financial, and acquisition support to all departments.
- 3) Provide technical support for the 2008 meter change out project.
- 4) Upgrade/install twenty-six computers as part of the computer replacement program.
- 5) Provide assistance in the implementation of an IVR system.
- 6) Continue to schedule all required OSHA and safety training to all employees where applicable.
- 7) Continue to keep back-flow testing current and assure proper installation when necessary.
- 8) Complete the feature/function gap analysis and schedule customized, focused, training for e financial software and the customer service software.
- 9) Schedule training classes for Microsoft Office products for all District employees where applicable.
- 10) Replace file and voice mail servers as approved in budget.

Palmdale Water District Budget 2008

<u>Finance & Services</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2008 *	FINAL	2007	2006	2005	2004	2003
6-4000	Salaries	709,900	-	-	-	-	-	-
Employee Benefits								
6-4001	Payroll Taxes	54,300	-	-	-	-	-	-
6-4002	Health Insurance	111,800	-	-	-	-	-	-
6-4003	Pers	121,000	-	-	-	-	-	-
	Subtotal (Benefits)	287,100	-	-	-	-	-	-
	Personnel Expenses	997,000	-	-	-	-	-	-
<hr/>								
OPERATING EXPENSES:								
6-4104	Staff Travel	13,900	-	-	-	-	-	-
6-4105	Staff Meetings & Seminars	7,600	-	-	-	-	-	-
6-4120	Safety Training	80,000	-	-	-	-	-	-
6-4121	Safety Program	30,000	-	-	-	-	-	-
6-4122	Safety Consulting	15,000	-	-	-	-	-	-
6-4300	Computers/Monitors/Printers	41,000	-	-	-	-	-	-
6-4301	Computer Supplies & Equipment	19,500	-	-	-	-	-	-
6-4304	Software Maintenance/Support	51,600	-	-	-	-	-	-
6-4305	Computer Software/Upgrades	90,000	-	-	-	-	-	-
6-4306	Computer Application Training-District	40,000	-	-	-	-	-	-
6-4413	Telecommunications-District Office	28,000	-	-	-	-	-	-
6-4414	Telecommunications-Cellular/Pager	12,000	-	-	-	-	-	-
6-4999	Budget Inclusion	85,000	-	-	-	-	-	-
	Total Operating Expense	513,600	-	-	-	-	-	-
	TOTAL	1,510,600	-	-	-	-	-	-

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008
 Health insurance is calculated at 15.74% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

* 2008 is the first year of the Finance & Services Department budget is shown as it's own department.
 Historically, the expenses related to Finance, Risk Management, Safety, and Computer Information were shown in Administration and Business. This is part of the reorganization of the District.

Account Definitions-Finance & Services

6-4104: STAFF TRAVEL - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc. Scheduled are Microsoft Convergence, ESRI, Networld InterOp Expo, JPIA, CSDA, and Water Utility Management Institute.

6-4105: STAFF MEETINGS & SEMINARS - Includes all costs associated with the registration fees for approved conferences, meetings, professional development and training seminars. Scheduled are Microsoft Convergence, ESRI, Networld InterOp Expo, JPIA, CSDA, and Water Utility Management Institute.

6-4120: SAFETY TRAINING - Includes all District training related to safety such as CPR, emergency response, forklift, backhoe, DMV physicals required for Class A renewals, and drug testing.

6-4121: SAFETY PROGRAM - Expenses for educational and safety material/equipment such as safety videos, books, gloves, boots, goggles, traffic signs, delineators, etc. to maintain the safety of employees or visitors of the District

6-4122: SAFETY CONSULTING - Outside services related to overseeing safety issues.

6-4300: COMPUTERS/MONITORS/PRINTERS – Covers the costs of replacement computer boxes, monitors, and desk-top printers based on standard replacement schedule. This year there are 22 system replacements, monitors for new building, 3 printers for customer service, and flat panel display for training.

6-4301: COMPUTER SUPPLIES & EQUIPMENT - All supplies and new equipment needed for computer services such as cables, drives, storage device, input devices, media, ink/toner, etc.

6-4304: SOFTWARE MAINTENANCE/SUPPORT – Covers the cost of annual support agreements and maintenance contracts for all hardware and software. (Antivirus, Backup, Accuzip, Audiotel, Itron, EZ Reader, Printer Support, Great Plains)

6-4305: COMPUTER SOFTWARE/UPGRADES - Account for tracking all new software purchases and upgrades of existing software outside of standard maintenance and service contracts. This year included is the Dynamic GP V-10 & SQL 2005 (\$25,000); upgrade/purchase Office Suite 2007 (\$65,000).

6-4306: COMPUTER APPLICATION TRAINING – Covers the cost of training District employees on new software implementation. Scheduled this year are: Cogsdale CSM (custom); Microsoft GP V-10; Office 2007; and targeted training on best business practice.

6-4413: TELECOMMUNICATIONS-DISTRICT OFFICE - All utility bills for telephone service and backbone connection to the Internet to District office.

6-4414: TELECOMMUNICATIONS-CELLULAR/PAGER - All billing associated with cellular/pager services provided to employees for on-call. This includes the costs associated with the District's after hour's service provider.

WATER CONSERVATION DEPARTMENT

Water Conservation Department

Description:

The Water Conservation Department's primary responsibilities are planning and executing conservation programs and providing information and education on conservation issues. Programs are developed for PWD customers and school classrooms. The duties include: public relations such as speaking to other agencies or groups, developing pamphlets, booklets, flyers, brochures and event planning and executing.

2007 Water Conservation Indicators:

- 1) Plan, develop and execute class contests for elementary schools
- 2) Provide tours for elementary schools through out the year
- 3) Plan, provide and attend the City of Lancaster's Home Show Event
- 4) Plan, provide and attend the City of Lancaster's Poppy Festival
- 5) Plan, develop and execute the 2007 Water Fair & Festival, (Landscape Extravaganza)
- 6) Helped to plan and executive the Palmdale Chamber of Commerce small events
- 7) Plan, provide and attend the City of Palmdale's Fall Festival
- 8) Plan, provide and attend the Palmdale Chamber's Christmas Festival
- 9) Develop Business Plan for Water Conservation Garden Park

2007 Water Conservation Accomplishments:

- 1) Planned, developed and executed class contests for elementary schools
- 2) Provided tours for elementary schools through out the year
- 3) Planned, provided and attended the City of Lancaster's Home Show Event
- 4) Planned, provided and attended the City of Lancaster's Poppy Festival
- 5) Planned, developed and executed the 2007 Water Fair & Festival, (Landscape Extravaganza)
- 6) Helped to plan and executive the Palmdale Chamber of Commerce small events
- 7) Planned, provided and attended the City of Palmdale's Fall Festival
- 8) Planned, provided and attended the Palmdale Chamber's Christmas Festival
- 9) Planned, and developed Business Plan for Water Conservation Garden Park
- 10) Attended and spoke at various agencies and groups concerning restrictions to water use
- 11) Provided and executed action items for water use restrictions

2008 Objectives:

- 1) 2008 Water Conservation Program
- 2) Develop class contests for elementary schools and high school landscape projects
- 3) Provide tours for elementary schools
- 4) Provide educational materials for City of Lancaster's Home Show Event
- 5) Plan and execute the 2008 Water Fair & Festival, Landscape Extravaganza
- 6) Plan, develop, and execute Grass Replacement program
- 7) Plan, develop, and execute ET Based Controller Program
- 8) Help plan and executive Palmdale Chamber of Commerce events
- 9) Plan and provide materials for City of Palmdale's Fall Festival
- 10) Continue water use restriction actions items

Palmdale Water District Budget 2008

<u>Water Conservation</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2008 *	FINAL	2007	2006	2005	2004	2003
7-4000	Salaries	130,500	-	-	-	-	-	-
Employee Benefits								
7-4001	Payroll Taxes	9,900	-	-	-	-	-	-
7-4002	Health Insurance	14,800	-	-	-	-	-	-
7-4003	Pers	22,200	-	-	-	-	-	-
	Subtotal (Benefits)	46,900	-	-	-	-	-	-
	Personnel Expenses	177,400	-	-	-	-	-	-
OPERATING EXPENSES:								
7-4104	Staff Travel	8,000	-	-	-	-	-	-
7-4105	Staff Meetings & Seminars	7,500	-	-	-	-	-	-
7-4510	Repair & Maintenance Office Equipment	1,000	-	-	-	-	-	-
7-4600	Landscape Workshop/Training +	9,400	-	-	-	-	-	-
7-4601	Contests +	7,000	-	-	-	-	-	-
7-4602	Education Programs	22,600	-	-	-	-	-	-
7-4603	General Media +	19,000	-	-	-	-	-	-
7-4604	Water Fair & Festival +	63,000	-	-	-	-	-	-
7-4605	Materials/Fixtures +	7,500	-	-	-	-	-	-
7-4999	Budget Inclusion	714,000	-	-	-	-	-	-
	Total Operating Expense	859,000	-	-	-	-	-	-
	TOTAL	1,036,400	-	-	-	-	-	-

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2008
 Health insurance is calculated at 11.34% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 16.80% for 6 months and 17.28% for 6 months

* 2008 is the first year of the Water Conservation Department budget is shown as it's own department.
 Historically, the expenses related to Water Conservation were shown in Administration and Business.
 This is part of the reorganization of the District.

+ In prior years, these six items were listed under account # 1-4120 Water Awareness.
 With the creation of this department the amounts are now listed individually.
 2007 budgeted amount was \$125,000. 2008 budgeted amount is \$113,500

Account Definitions-Water Conservation

7-4104: STAFF TRAVEL - Includes all transportation, lodging and meal expenses for staff to attend meetings, conferences, etc.

7-4105: STAFF MEETINGS & SEMINARS - Includes all costs associated with the registration fees for approved conferences, meetings, professional development and training seminars.

7-4510: REPAIR & MAINTENANCE OFFICE EQUIPMENT - Includes upkeep and minor additions to existing office equipment not covered by contracted maintenance.

7-4600: LANDSCAPE WORKSHOP/TRAINING – Covers the cost of conducting 6 or more landscape workshops per year which includes: materials, gifts, speaker fees, refreshments etc. Workshops may consist of training on proper irrigation systems, management & equipment, or landscape principals.

7-4601: CONTESTS –Covers the cost on conducting various educational water conservation contests at local schools and assistance with some minor school projects.

7-4602: EDUCATION PROGRAMS - Covers the costs of consultants for school presentations, and transportation for school tours, etc.

7-4603: GENERAL MEDIA – Covers the cost of advertising water awareness events or other water conservation messages not associated with planned activities.

7-4604: WATER FAIR & FESTIVAL – Covers the cost of conducting the Water Fair & Festival; outside contractors, promotions, media, entertainment, equipment, materials and event productions.

7-4605: MATERIAL/FIXTURES – Covers the cost of water conservation materials and equipment such as aerators, nozzles, timers, shower heads, brochures, and pamphlets.

7-4999: BUDGET INCLUSIONS – This is a special expenditure category designed to capture one time costs that are not depreciable under normal capital asset policy.

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SECTION IV SUMMARY BUDGET REQUESTS

EQUIPMENT BUDGET REQUESTS

GENERAL FUND PROJECT REQUESTS

CAPITAL IMPROVEMENT FUND PROJECT REQUESTS

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**Palmdale Water District
Budget 2008
Equipment Requests**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	DEPRECIATED AMOUNT	GEN. MNGR. RECOMMEND.	BOARD ACTION
<u>Administration Dept.</u>					
	Dept Subtotal:	0	0	0	0
<u>Customer Service</u>					
2E01	Customer Service IVR Telephony System		89,000	89,000	89,000
	Dept Subtotal:	0	89,000	89,000	89,000
<u>Engineering Dept.</u>					
3E01	GPS Unit	5,000		5,000	5,000
3E02	Planning Software	40,000		0	0
	Dept Subtotal:	45,000	0	5,000	5,000
<u>Facilities Dept.</u>					
4E01	2008 1/2 ton P/U Replace #281-10		23,000		
4E02	2008 Midbox enclosed P/U Replace #281-22		24,000		
4E03	2008 1/2 ton P/U Replace #281-26		23,000		
4E04	2008 Hybrid SUV P/U Replace #281-30		28,000		
4E05	2008 3 Axel Dump Truck Replace #281-67		100,000	100,000	100,000
4E06	2008 Midbox P/U 4WD Replace #281-53		28,000	28,000	28,000
4E07	2008 3/4 ton P/U Replace #281-55		35,000	35,000	35,000
4E08	2008 1/2 ton P/U Replace #281-31		23,000		
4E09	2008 Super Duty Replace 281-17 & 281-28 (CO)		70,000	70,000	70,000
4E10	2008 Super Duty W/Crane & Air Compressor Replace 281-19 (CO)		95,000	95,000	95,000
4E11	Waste Oil Tank		7,000	7,000	7,000
4E12	2008 Medium Duty W/Crane & Air Compressor (Mechanics) (CO)		175,000	175,000	175,000
4E13	Engine Oil Dispensing System		5,000	5,000	5,000
4E14	Trailmax Utility Trailer		9,000	9,000	9,000
4E15	Well 7 Rebuild		250,000	250,000	250,000
4E16	2008 Enclosed Utility Body Replace #281-12 (CO)		70,000	70,000	70,000
4E17	Automotive Scan Tool		8,000	8,000	8,000
4E18	Exhaust Gas Analyzer		10,000		
4E20	Well 15 Dual Power Conversion		225,000		
4E21	Well 15 Scheduled Top-End Overhaul		100,000	100,000	100,000
4E22	Key Cutting Machine	1,000		1,000	1,000
4E23	2008 Hybrid SUV - Risk Management		28,000	28,000	28,000
4E24	Enclosed Utility Trailer	1,800		1,800	1,800
4E25	2008 Hybrid Vehicle for Pool Use Replace 281-23		28,000		
4E26	Replace overload warning/anti-2 block device on crane 281-24	6,000		6,000	6,000
	Dept Subtotal:	8,800	1,364,000	988,800	988,800
<u>Operation and Production Dept.</u>					
5E01	SolarBee at Underground Reservoir		42,000	42,000	42,000
5E02	Littlerock Dam Actuators		11,000	11,000	11,000
5E04	Aluma T-50HN Fold Over Radio Towers Well #3	4,000		4,000	4,000
5E05	Aluma T-50HN Fold Over Radio Towers (4) (CO)	1,400		1,400	1,400
	Dept Subtotal:	5,400	53,000	58,400	58,400
<u>Finance & Services</u>					
6E01	Medium Duty Workgroup Printer		9,000	9,000	9,000
6E02	SQL Server (Financials and CSM System)		10,100	10,100	10,100
6E03	Control Server (2)		10,600	10,600	10,600
6E04	Exchange Server		7,600	7,600	7,600
6E05	Web Server		5,100	5,100	5,100
6E06	Backup Tape Autoloader		7,500	7,500	7,500
6E07	Replacement Voicemail Server		9,000	9,000	9,000
6E08	Upgrade to Internet Backbone Hardware (CO)		35,000	35,000	35,000
	Dept Subtotal:	0	93,900	93,900	93,900
<u>Water Conservation</u>					
	District Total:	59,200	1,599,900	1,235,100	1,235,100

**Palmdale Water District
Budget 2008
General Fund Project Requests**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	DEPRECIATED AMOUNT	GEN. MNGR. RECOMMEND.	BOARD ACTION
<u>Administration Dept.</u>					
	Dept Subtotal:	0	0	0	0
<u>Customer Service</u>					
2GP01	Radio-Read Meters		448,000	448,000	448,000
2GP02	Installation of Radio-Read Meters	97,500		97,500	97,500
	Dept Subtotal:	97,500	448,000	545,500	545,500
<u>Engineering Dept.</u>					
3GP01	Well 16 Building (CO)		130,000	130,000	130,000
3GP02	Palmdale Ditch Enclosure (C)(CO)		850,000	850,000	850,000
3GP03	Water Treatment Plant Improvements Phase II (CO)		14,500,000	14,500,000	14,500,000
3GP04	Various Main Line Replacements & Dist. Sys. Upgrade (CO)		200,000	200,000	200,000
3GP05	Well 15 Building (CO)		120,000	0	0
3GP06	Pipeline Replacement 35th St; Ave. Q; Palmdale; 37th St.(C)		1,500,000	1,500,000	1,500,000
3GP07	Distribution SCADA Upgrades (CO)		1,500,000	1,500,000	1,500,000
3GP08	Palmdale Ditch Enclosure Phase II - Design & EIR (CO)		250,000	0	0
3GP09	GIS Mapping & Hydraulic Model Update	30,000		30,000	30,000
3GP10	Fencing at Lake Palmdale Property (D&C)		1,000,000	100,000	100,000
3GP11	Storage Tank Re-Coatings		400,000	400,000	400,000
3GP12	30th St. E Water Main Replacement (Construct)		400,000	400,000	400,000
3GP13	Local Hazard Mitigation Plan	20,000		20,000	20,000
3GP14	Electrolysis Pilot Program	100,000		HOLD	HOLD
3GP15	IDSE Monitorig	75,000		75,000	75,000
3GP16	Recycled Water Planning	125,000		HOLD	HOLD
3GP17	Leslie O Carter WTP O & M Manual	125,000		125,000	125,000
3GP18	Dredge Palmdale Lake Outlet		150,000	150,000	150,000
3GP19	Ana Verde Main Replacement		450,000	450,000	450,000
3GP20	11th Street Mainline Replacement		825,000	825,000	825,000
	Dept Subtotal:	475,000	22,275,000	21,255,000	21,255,000
<u>Facilities Dept.</u>					
4GP01	Epoxy concrete coating for 7 north well sites		46,200	46,200	46,200
	Dept Subtotal:	0	46,200	46,200	46,200
<u>Operation and Production Dept.</u>					
5GP01	Effectiveness/Efficiency Improvement Pilot Project	3,000		3,000	3,000
5GP02	Wonderware software upgrade	30,000		30,000	30,000
5GP11	Update Sanitary Survey, Littlerock Res & Lake Palmdale (CO)	48,250		48,250	48,250
	Dept Subtotal:	81,250	0	81,250	81,250
<u>Finance & Services</u>					
6GP01	Computer Room Air Conditioning		9,000	9,000	9,000
6GP02	Additional Financial Software Modules (CO)	35,000		HOLD	HOLD
6GP03	GIS Controls (CO)	50,000		HOLD	HOLD
	Dept Subtotal:	85,000	9,000	9,000	9,000
<u>Water Conservation</u>					
7GP01	1000 Home Water Audit & ET Rebate Program	493,000		493,000	493,000
7GP02	Landscape CD Production	27,000		27,000	27,000
7GP03	Grass Replacement Program 1	100,000		100,000	100,000
7GP04	Bottled Water	12,000		12,000	12,000
7GP05	Turf Tech Pilot program	82,000		82,000	82,000
	Dept Subtotal:	714,000	0	714,000	714,000
	District Total:	1,452,750	22,778,200	22,650,950	22,650,950

**Palmdale Water District
Budget 2008
Capital Improvement Project Requests**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	DEPRECIATED AMOUNT	GEN. MNGR. RECOMMEND.	BOARD ACTION
<u>Engineering Dept.</u>					
3CP01	Well No. 34A (CO)		500,000	HOLD	HOLD
3CP02	2850' Zone 16" Transmission Main (CO)		1,500,000	1,500,000	1,500,000
3CP03	New Lancaster Sub-basin Well (2800' Zone) (CO)		1,000,000	1,000,000	1,000,000
3CP04	New WTP and Related Facilities (Design) (CO)		1,500,000	1,500,000	1,500,000
3CP05	Facilities Yard Master Plan & Building		600,000	600,000	600,000
3CP06	Replacement Lancaster Subbasin Well (Well No. 24) (CO)		1,000,000	1,000,000	1,000,000
3CP07	Littlerock Reservoir Sediment Removal EIS/EIR (CO)		900,000	900,000	900,000
3CP08	Pipeline in 10th St. East between Ave R & R-4 (D&C)		500,000	HOLD	HOLD
3CP09	Pipeline in Lasker between R-4 & R-6 (D&C)		110,000	HOLD	HOLD
3CP10	Pipeline in Palmdale west of 5th St E. (D&C)		120,000	HOLD	HOLD
3CP11	Pipeline in Sierra Hwy @ Ave S (D&C)		20,000	HOLD	HOLD
3CP12	Pipeline @ Existing 3MG Clearwell (D&C)		80,000	HOLD	HOLD
3CP13	2950 Zone 5MG Reservoir (D)		350,000	HOLD	HOLD
3CP14	2950 Zone 20-Inch Pipeline (D)		200,000	HOLD	HOLD
3CP15	Pipeline to link west 2950 Zone to East 2950Zone (D)		500,000	HOLD	HOLD
3CP16	Pipeline in Ave S between Camares Dr. & Felicitas (D&C)		150,000	HOLD	HOLD
3CP17	Abandonment of Well #27	30,000		30,000	30,000
	Dept. Total:	30,000	9,030,000	6,500,000	6,500,000
	District Total:	<u>30,000</u>	<u>9,030,000</u>	<u>6,500,000</u>	<u>6,500,000</u>