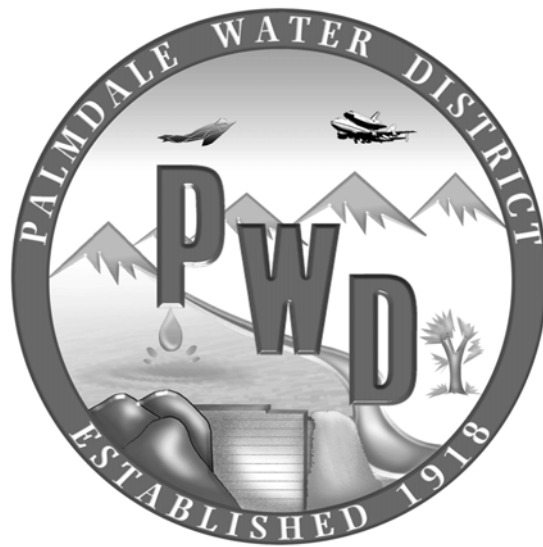


PALMDALE WATER DISTRICT



2009 BUDGET

Approved: December 22, 2008

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PALMDALE WATER DISTRICT
2009 BUDGET
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SECTION I DISTRICT GOALS AND OBJECTIVES

OVERALL DISTRICT GOALS

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PALMDALE WATER DISTRICT

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LAGERLOF, SENECAL, GOSNEY & KRUSE LLP
Attorneys



December 18, 2008

TO: Palmdale Water District Customers

FROM: Randy Hill, General Manager

RE: 2009 BUDGET

The proposed budget cuts expenses, capital equipment, and capital projects compared to previous years. However, even with substantial cuts the District's current financial condition requires rate increases. The approved budget assumes an increase in revenues equivalent to a 15% rate increase. The Board of Directors will consider the actual change in rate structure during public meetings in the first quarter of 2009. The mounting financial pressures causing the need for rate increases includes:

1. The District has not raised water rates in several years while inflation has increased our costs.
2. The District used its cash reserves which are now at dangerously low levels. Our revenue from interest earned has decreased \$1 million by using our reserves.
3. Water sales have decreased \$1.76 million due to conservation and customers experiencing financial difficulties.
4. Fees collected from developers have decreased by \$3 to \$8 million from recent levels.

Many operating expense line items were reduced below last year's budgeted amounts and are held close to our estimated end of year actual expenditures. This will be a challenging budget for staff to implement. We will need to be very cost conscience throughout the year to meet the budget.

As the District develops a new rate structure, the Board will be asked to consider not just the needs of the current year but also consider establishing additional rate increases for future years to account for known future expenses. For example, beginning in 2010, the District will need to begin replacing granular activated carbon filter media that will cost \$4 million annually. This single cost would increase the need for revenue an additional 21% over the proposed 2009 budget. Another way to look at that cost would be to spread it across our 26,000 connections which would be \$154 per connection or potentially \$13 per month for each connection.

Reserve Levels are Low

In 2004, the District borrowed \$38 million to construct improvements to the Leslie O. Carter Water Treatment Plant to meet more stringent water quality regulations. In 2007-2008, the District authorized the use of an additional \$22 million in reserves to complete the improvements. Our unrestricted reserves have dropped from \$58.5 million in 2004 to \$14 million in 2008. The cash reserves produce interest income that helps offset expenses. However, that interest income is now almost \$1 million lower than previous periods. Our current reserve levels are dangerously low.

If Property Tax Assessments are Diverted

One concern not accounted for in the proposed budget is the potential risk that the District's share of property tax could be diverted to others or borrowed by the State. This would reduce revenues by more than \$2 million. If the District loses this source of revenue, the budget will need to be revisited, and the following options would be presented for Board consideration:

- Cancel existing contracts
- Staff reductions
- Reduced work hours
- Salary reductions
- Selling District assets
- Additional expense reductions
- Further increases to raise rates or fees

Water Rate Increase Assumed at 19%

The proposed budget assumes a 19% increase in water sale revenues beginning in May 2009. This level of increase is needed to have a balanced budget under the proposed expenditures. The alternatives available to the Board to implement a lower rate increase include the options listed above.

The last time PWD adjusted its rates was in 2005. In that time, according to the Consumer Price Index, the cost of goods and services in our area has increased 13.7%.¹

The Board is currently considering an allocation based conservation water pricing plan that conforms to new legislation (AB 2882) as approved by the Governor on September 30, 2008. This rate structure, if adopted by the Board, would provide for each customer an allowance for water use for both indoor and outdoor use. Customers who use more water than the allowance would pay significantly higher than the baseline rates. The surcharge amounts would be used to fund programs to obtain new water supplies and promote conservation. In transitioning to a water allocation based rate, some customers would experience more than a 19% increase and some less.

¹ U.S. Department of Labor Bureau of Labor Statistics Consumer Price Index – All Urban Consumers for the Los Angeles-Riverside-Orange County, CA series id CUURA421SA0. From January 2005 at 195.4 to November 2008 at 222.229 or a 13.7303% increase

In addition to existing conservation programs, Staff is currently working to develop a “cash for grass” turf replacement program. The intent is to have several rebate programs available to customers who incur higher water bills so they can use them to reduce their usage below the baseline allowance levels. Approximately \$250 thousand is included in the budget to fund conservation programs.

Revenues

The Fiscal Year 2009-2010 Budget assumes water sales of 11.1 million gallons (25,948.70 acre-feet), a reduction of 0.2 million gallons from the 2008 budget. Revenues are budgeted at \$19.2 million.

Operating Expenses

Budgeted expenses are \$1.45 million below those budgeted in 2008 and are \$1.48 million below projected actual expenses for the year.

In 2009, staff will be re-bidding or soliciting new prices on numerous existing contracts including: chemicals, uniform service, and other contracted services.

Given the current financial condition, staff has intentionally delayed many expenses for capital equipment, replacing aging infrastructure, and facility improvements. Some of these items are shown as placeholders in the budget with the word “hold” marked beside them.

Funding Policy Levels should be Revisited

The District’s current financial reserves are approximately \$9 million excluding set asides for bond payments. Staff recommends the District funding policies be revisited.

Staffing Levels

Total payroll costs (including labor and benefits) is approximately \$9 million in the proposed budget or 44.7% of cash expenses.

The proposed budget assumes no new staff, and it does not fill three currently vacant positions (crew leader, mechanic, pump operator). \$11,000 is proposed for temporary staff to assist with customer activities related to a new rate structure.

The proposed budget includes labor increases associated with potential step increases for performance amounting to approximately \$53,000.

Cost of Living Adjustment

The budget, as proposed, does not include a cost of living adjustment (COLA) for salaries. COLA’s are normally provided in September of each year. This is the first time in recent history that staff did not receive a COLA.

Litigation Expenses

The costs of the ongoing litigation related to settlement of water rights in the Antelope Valley are budgeted at \$385,000. The actual expenses that will be incurred are highly

dependant upon rulings of the judge and the expenditures could be more than 200% of the budgeted amount.

Capital Equipment and Projects

The most significant capital equipment item is \$115,000 for implementing an interactive voice response phone system. This improvement is proposed to increase service options to our customers and reduce the call load on our customer service representatives.

The capital projects include more than \$2 million to continue our commitment to develop new groundwater wells for long term reliable water supply. Another \$400,000 is budgeted to extend the life of our current wells by performing rehabilitation work.

Policy Issues for Future Consideration

In fiscal year 2009, the Board will be evaluating labor costs as the salary survey now underway is presented. The District should also evaluate benefit costs at this time.

In 2009, PWD will complete several planning efforts including evaluations of long term water resources, recycled water master plan, water rate analysis, and salary surveys.

One part of this planning effort will be evaluating our capital connection fees. This work should also include the consideration of a water supply connection fee in addition to fees required for facilities. We will want to work closely with the City of Palmdale as we consider the development of our connection fee policies.

Conclusion

The proposed budget is dramatically different from recent budgets. It aggressively reduces operating expenses and delays all but essential capital projects.

The last time PWD adjusted its rates was in 2005. In that time, the cost of goods and services in our area has increased 13.7%. The proposed budget assumes an increase in revenue equivalent to a 19% rate increase beginning in May. The actual rate policy of the Board is scheduled to occur the first quarter of 2009. The new rate structure should consider additional rate increases for future years to account for known anticipated expenses and to replenish reserve levels which are dangerously low.

If the District's \$2 million property tax revenue is diverted by the State, then significant budget adjustments would be needed including staff reductions.

SECTION II SUMMARIES

2009 BUDGET

FIVE YEAR CASH FLOW

DEPARTMENTAL STAFFING

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**Palmdale Water District
2009 Budget**

	PROPOSED 2009	PROJECTED FINAL 2008	BUDGET 2008	ACTUAL 2007	ACTUAL 2006	ACTUAL 2005	ACTUAL 2004
Operating Revenue							
Water Sales	19,200,000	16,800,000	18,500,000	18,558,430	18,485,862	15,227,000	15,456,000
Other	1,400,000	1,070,000	1,710,000	1,559,870	1,658,818	1,286,000	1,344,000
	<u>20,600,000</u>	<u>17,870,000</u>	<u>20,210,000</u>	<u>20,118,299</u>	<u>20,144,680</u>	<u>16,513,000</u>	<u>16,800,000</u>
Operating Expenses							
Administration	3,473,800	3,980,600	3,368,550	4,656,913	3,161,149	3,397,000	2,885,000
Customer Service	2,021,500	2,335,600	1,986,900	2,479,081	2,922,515	1,897,000	1,899,000
Engineering	1,346,100	1,400,800	1,702,300	1,599,573	1,526,076	1,459,000	878,000
Facilities	5,557,600	5,484,000	6,000,700	3,575,088	4,143,514	2,866,000	2,637,000
Production	2,272,400	2,657,600	2,523,250	4,683,416	4,721,997	4,033,000	3,880,000
Finance & Services	1,328,850	1,629,800	1,921,200	0	0	0	0
Water Conservation	576,200	535,100	1,036,400	0	0	0	0
Water Purchases	3,900,000	4,625,000	3,500,000	3,865,152	1,921,629	2,285,000	1,897,000
Water Recovery	(350,000)	(436,000)	(129,100)	(170,337)	(188,213)	(424,000)	(292,000)
Depreciation	5,100,000	5,003,000	5,225,000	5,075,145	5,148,086	4,658,000	4,573,000
Bad debts	57,500	45,800	35,000	0	69,378	0	0
Service Costs Construction	330,350	148,600	0	0	0	0	0
Capitalized Construction	(1,130,000)	(1,510,000)	(1,255,000)	(822,134)	(938,891)	(724,000)	(1,640,000)
	<u>24,484,300</u>	<u>25,899,900</u>	<u>25,915,200</u>	<u>24,941,898</u>	<u>22,487,240</u>	<u>19,447,000</u>	<u>16,717,000</u>
Operating Loss	<u>(3,884,300)</u>	<u>(8,029,900)</u>	<u>(5,705,200)</u>	<u>(4,823,599)</u>	<u>(2,342,560)</u>	<u>(2,934,000)</u>	<u>83,000</u>
Non-operating Revenues							
Assessments	4,000,000	4,272,000	3,800,000	4,364,640	4,161,462	3,540,000	2,981,000
Interest	850,000	948,000	1,750,000	1,971,034	1,819,772	1,765,000	917,000
Market Adj. on Investments	0	(60,000)	(50,000)	452,608	54,407	(204,000)	(443,000)
Capital improvement fees	500,000	684,000	3,725,000	3,667,974	9,089,539	4,517,000	3,643,000
State Grants	1,480,000	0	1,480,000	129,618	18,565	0	0
Sale of Real Property	950,000	1,165,100	0	0	0	0	0
Other	350,000	920,000	250,000	187,038	220,845	170,000	136,000
	<u>8,130,000</u>	<u>7,929,100</u>	<u>10,955,000</u>	<u>10,772,913</u>	<u>15,364,590</u>	<u>9,788,000</u>	<u>7,234,000</u>
Non-operating Expenses							
Interest Paid & Amortization on long-term debt	2,555,000	2,674,000	2,674,000	2,712,009	2,746,923	2,779,000	1,478,000
Amortization of SWP	1,150,000	1,093,000	1,095,000	1,018,995	959,020	898,000	875,000
	<u>3,705,000</u>	<u>3,767,000</u>	<u>3,769,000</u>	<u>3,731,004</u>	<u>3,705,943</u>	<u>3,677,000</u>	<u>2,353,000</u>
Net Earnings<Loss>	<u>540,700</u>	<u>(3,867,800)</u>	<u>1,480,800</u>	<u>2,218,311</u>	<u>9,316,087</u>	<u>3,177,000</u>	<u>4,964,000</u>

Percentage Change From Previous Year

	BUDGET	PROJECTED	ACTUAL	ACTUAL	ACTUAL
Operating Revenue	1.93%	-11.58%	-0.13%	21.99%	-1.71%
Operating Expenses	-5.52%	-0.06%	10.92%	15.63%	16.33%
Non-operating Revenues	-25.79%	-27.62%	-29.88%	56.97%	35.31%

Palmdale Water District 5-Year Cash Flow

	<u>Proposed 2009</u>	<u>Projected 2008</u>	<u>Final 2007</u>	<u>Final 2006</u>	<u>Final 2005</u>	<u>Final 2004</u>
Cash flows from operating activities:						
Net earnings	540,700	(3,867,800)	2,218,311	9,316,087	3,177,000	4,964,000
Adjustments to reconcile operating loss to net cash provided by operating activities:						
Depreciation	5,100,000	5,003,000	5,075,145	5,148,086	4,658,000	4,573,000
Amortization of State Water Project	1,150,000	1,093,000	1,018,995	959,020	898,000	875,000
Change in current assets and liabilities		(76,000)	(94,000)	1,551,931	(268,425)	154,236
Total Adjustments	6,250,000	6,020,000	6,000,140	7,659,037	5,287,575	5,602,236
Net cash provided by operating activities	6,790,700	2,152,200	8,218,451	16,975,124	8,464,575	10,566,236
Cash flows from investment activities:						
Acquisition of property, plant and equipment - Project	(12,202,000)	(17,701,000)	(28,458,300)	(10,950,298)	(8,543,040)	0
- Other		0	(216,700)	(7,541,314)	(8,217,514)	(6,147,822)
Payments for participation rights in state water facility	(2,456,000)	(1,897,000)	(1,755,700)	(1,824,566)	(1,462,324)	(1,597,231)
Net cash used by investment activities	(14,658,000)	(19,598,000)	(30,430,700)	(20,316,178)	(18,222,878)	(7,745,053)
Cash flows from financing activities:						
Restricted Cash	0	(3,900,000)	0	0	0	0
Proceeds 2004 bonds		0	0	0	0	38,613,767
Principal paid on long-term debt	(1,080,000)	(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	88,000	88,000	88,000	88,466	37,894	(685,863)
Net cash provided (used) by financing activities	(992,000)	(4,852,000)	(917,000)	(881,534)	(806,534)	37,391,695
Net increase (decrease) in cash & cash equivalents	(8,859,300)	(22,297,800)	(23,129,249)	(4,222,589)	(10,564,837)	40,212,878
Cash and cash equivalents at beginning of year:	12,217,481	34,515,281	57,644,530	61,867,118	72,431,956	32,219,078
Cash and cash equivalents at end of period:	3,358,181	12,217,481	34,515,281	57,644,530	61,867,118	72,431,956

Palmdale Water District
2009 Departmental Staffing Budget (Original Organizational Chart)

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

Palmdale Water District
2009 Departmental Staffing Budget (Revised Organizational Chart) (continued)

POSITION	2008	2007	2006
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
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

Palmdale Water District
2009 Departmental Staffing Budget (Revised Organizational Chart)

POSITION	2009		
ADMINISTRATION:			
Directors	5		
Financial Advisor	1		
General Manager	1		
Executive Secretary	1		
Assistant General Manager	1		
Water & Energy Resources Director	1		
SUBTOTAL:	10	_____	_____
ADMINISTRATIVE SERVICES:			
Administrative Services Manager	1		
Senior Accountant	1		
Payroll & Finance Specialist	1		
Accounts/Payables Clerk	1		
Information Systems Specialist II	1		
Customer Service Supervisor	1		
Assistant Customer Service Supervisor	1		
Field Service Supervisor	1		
Lead Field Service Technician	1		
Customer Service Representative I/II	9		
Part time Customer Service Representative I/II	2		
Field Service Technician I/II	6		
SUBTOTAL:	26	_____	_____
ENGINEERING:			
Engineering Manager	1		
Project Manager	1		
Engineering Aide I/II	3		
Construction Inspector I/II	3		
CAD/GIS Specialist I/II	2		
Cross Connection Controller	1		
USA Technician	1		
SUBTOTAL:	12	_____	_____
FACILITIES:			
Facilities Manager	1		
Construction Supervisor	1		
Maintenance Supervisor	1		
Crew Leader	3		
Service Workers I/II	10		
Warehouse & Inventory Technician	1		
Assistant Warehouse & Inventory Technician	1		
Lead Equipment Mechanic	1		
Mechanic I/II	4		
Maintenance Worker	1		
Pump Operator I/II	3		
Electrician I/II	2		
Electronic Technician I/II	2		
SUBTOTAL:	31	_____	_____

Palmdale Water District
2009 Departmental Staffing Budget (Revised Organizational Chart) (continued)

POSITION	2009		
PRODUCTION:			
Production Manager	1		
Treatment Supervisor	1		
Water Quality Supervisor	1		
Plant Operators I/II	7		
Lab Analyst	2		
WTP Maintenance Worker	1		
Production Analyst	<u>1</u>	_____	_____
SUBTOTAL:	14		
WATER CONSERVATION:			
Water Conservation Manager	1		
Water Conservation Aide	<u>1</u>	_____	_____
SUBTOTAL	2		
HUMAN RESOURCES:			
Human Resources Manager	1		
Risk Management & Safety Coordinator	<u>1</u>	_____	_____
SUBTOTAL:	2		
DISTRICT TOTAL:		97	

Notes for Staffing Levels

Administrative Services Manager oversees the contract with ACS for two outsourced information technologies positions.

SECTION III
DEPARTMENTAL BUDGETS

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ADMINISTRATION
DEPARTMENT

ADMINISTRATION DEPARTMENT

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 2009

Administration

PERSONNEL BUDGET:	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2009	FINAL 2008	2008	2007	2006	2005	2004
1-4000 Salaries	845,000	582,400	762,400	1,419,131	706,870	622,616	608,294
1-4009 Directors Fees	70,000	66,200	90,000	58,844	76,614	78,188	83,284
Subtotal (Salaries)	915,000	648,600	852,400	1,477,975	783,484	700,804	691,578
Employee Benefits							
1-4001 Payroll Taxes	54,500	47,300	52,000	96,670	51,518	45,148	43,957
1-4002 Health Insurance*	180,300	150,200	164,000	272,532	144,297	128,520	123,851
1-4003 Pers	107,500	87,100	129,600	218,973	105,121	80,012	54,659
1-4004 Worker's Comp	196,000	196,100	205,000	203,234	197,981	198,067	238,651
1-4005 Vacation Benefit Expense	93,500	85,300	(25,000)	44,312	311,901	267,900	234,423
1-4006 Life Insurance	3,400	3,400	3,400	3,070	1,305	-	-
Subtotal (Benefits)	635,200	569,400	529,000	838,791	812,123	719,647	695,541
Personnel Expenses	1,550,200	1,218,000	1,381,400	2,316,766	1,595,607	1,420,451	1,387,119

OPERATING EXPENSES:

1-4010 Director's Travel, Seminars & Meetings	37,600	-	-	-	-	-	-
1-4099 Association Committee Appointments	-	1,900	5,000	3,124 +	-	-	-
1-4100 Director's Travel	-	9,300	28,000	9,652	28,828	8,337	11,560
1-4101 Director's Meetings & Seminars	-	10,000	14,000	5,935	17,571	4,045	5,525
1-4102 General Manager's Travel	4,700	4,700	11,000	9,875	14,551	7,380	7,311
1-4103 General Mgr's Meetings & Seminars	4,500	4,500	8,000	3,732	9,620	4,685	4,929
1-4104 Staff Travel	6,000	8,100	7,800	27,589	15,220	6,085	4,391
1-4105 Staff Meetings & Seminars	4,000	2,200	5,200	17,835	9,794	15,919	3,997
1-4106 Safety Training - OSHA Compliance	-	-	-	50,016	54,748	66,155	39,495
1-4107 Employee Physicals/Safety Related Testing	-	-	-	4,702	6,836	5,469	5,643
1-4111 Employee Expense	40,500	32,000	24,000	56,514	30,360	44,446	29,491
1-4112 Other Operating	46,000	52,200	46,000	106,558	10,206	59,528	14,397
1-4115 Retirement Benefits	68,000	46,300	49,500	-	-	-	-
1-4120 Water Awareness Program	-	-	-	131,567	117,515	104,384	128,900
1-4121 Safety Program	-	-	-	7,326	5,372	3,321	6,102
1-4122 Temporary Staffing	11,000	89,500	23,000	-	-	-	-
1-4123 Employee Recruitment	-	4,000	10,400	-	-	-	-
1-4124 Employee Retention	1,500	700	3,500	-	-	-	-
1-4125 Employee Relations	6,000	12,500	5,700	-	-	-	-
1-4130 HR-Consulting	10,000	30,000	40,000 ~	-	-	-	-
1-4135 General Manager Recruitment	-	5,500	-	-	-	-	-
1-4149 Settlements	-	350,000	-	-	-	-	-
1-4150 Insurance	242,000	257,000	148,000	202,811	160,373	133,254	127,781
1-4151 Bank Charges	72,000	72,000	61,000	85,929	73,273	53,169	65,264
1-4199 Groundwater Adjudication	385,000	356,000	330,000	539,777	-	-	-
1-4200 Legal Services	300,000	520,000	266,000	262,936	302,653	256,879	265,276
1-4201 Consulting Services	275,000	376,900	497,550 ~	382,911 +	208,992	409,198	209,163
1-4202 Accounting Services	20,000	15,000	20,000	25,430	17,020	16,952	17,683
1-4203 Contracted Maintenance	63,000	75,600	40,000	139,600	203,934	168,453	218,278
1-4204 Safety Consulting	-	-	-	11,400	13,975	13,800	13,025
1-4205 Collection Related Fees	-	-	10,000	(20)	(10)	7,024	7,609
1-4210 Memberships/Subscriptions	81,000	103,000	52,000	112,344	102,095	77,572	73,644

Continued next page

**Palmdale Water District
Budget 2009
(Administration Continued)**

1-4211	Elections	-	67,000	53,000	-	37,317	-	62,234
1-4212	Permits	26,000	26,000	15,000	25,573	12,404	11,433	11,545
1-4213	Postage	70,000	70,000	45,000	(10)	-	-	-
1-4223	Public Relations - Publications	42,400	42,400	57,000	65,997	38,737	51,237	52,667
1-4224	Public Relations - Chamber of Commerce	5,000	5,000	-	~ 7,384	7,600	5,131	7,584
1-4225	Public Relations - Other	7,100	7,100	3,000	25,288	+	4,252	3,854
1-4226	Youth Sponsorship	2,000	2,000	2,000	2,000	2,600	1,500	3,000
1-4227	Advertising	2,600	2,600	5,000	1,137	8,227	3,919	1,046
1-4300	Office Supplies	30,000	38,200	30,000	-	-	-	-
1-4410	Natural Gas - Office Building	3,700	3,600	3,500	-	-	-	-
1-4411	Electricity - Office Building	39,000	41,800	38,000	-	-	-	-
1-4502	Maintenance & Repair - Office Building	18,000	18,000	30,000	106	-	-	-
1-4999	Budget Inclusion Expenses	-	-	-	15,132	51,480	2,847	93,548
	Total Operating Expense	1,923,600	2,762,600	1,987,150	2,340,147	1,565,543	1,545,976	1,497,947
	TOTAL	<u>3,473,800</u>	<u>3,980,600</u>	<u>3,368,550</u>	<u>4,656,913</u>	<u>3,161,150</u>	<u>2,966,427</u>	<u>2,885,066</u>

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 17.98% 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 17.24% for 6 months and 17.40% for 6 months

* Portion Estimated for Directors \$69,100

+ Budget Amendment 02/23/07; 05/23/07; 08/08/07

~ Budget Amendment 04/09/08; 06/25/08; 08/13/08; 09/10/08; 10/08/08

Account Definitions-Administration

1-4010: DIRECTOR'S TRAVEL, MEETINGS & SEMINARS – Includes all costs associated with approved conferences, meetings, and training seminars including all transportation, lodging and meal expenses for directors to attend meetings, conferences, etc.

1-4099: ASSOCIATION COMMITTEE APOINTMENT – All costs associated with Directors serving on the Association Committee(s). (Consolidated to 1-4010)

1-4100: DIRECTOR'S TRAVEL - Includes all transportation, lodging and meal expenses for directors to attend meetings, conferences, etc. (Consolidated to 1-4010)

1-4101: DIRECTOR'S MEETINGS & SEMINARS – Includes all costs associated with approved conferences, meetings, and training seminars. (Consolidated to 1-4010)

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, deferred compensation contributions, 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 STAFFING² - 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.

² 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"

Account Definitions-Administration (continued)

1-4130: HUMAN RESOURCES CONSULTING – Covers the cost associated with Classification and Compensation studies performed for the District.

1-4135: GENERAL MANAGER RECRUITMENT – Provides for the costs associated with the recruitment process in search for a permanent General Manager.

1-4149: SETTLEMENTS – Provides for the costs associated with liability claims paid outside insurance coverage's.

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.

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

1-4199: GROUNDWATER ADJUDICATION – 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, Real property service, DocStar, 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. 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.

Account Definitions-Administration (continued)

1-4225: PUBLIC RELATIONS – OTHER Includes the cost of photographs, sponsorships of District employee sports teams, 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.

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 DEPARTMENT

DESCRIPTION:

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

2008 WATER YEAR INDICATORS:

- 1) 5,668 +/- Account Transfers (New Applications).*
- 2) Responded to 2,302 +/- non-District related or non-application based customer service orders.*
- 3) Issued 18,317 door tags, 1,969 shutoffs, and processed 504 returned check (NSF) related door tags/shutoffs.*
- 4) Processed 210,189 payments: Make up was 118,514 mail payments, 68,381 front counter, 12,024 credit card by telephone and 11,270 online credit cards
- 5) 16,435 acre feet of water billed.*
- 6) 25,639 total active customer accounts*.
- 7) 27,653 total customers (active and inactive).

* All numbers are based on a reporting period of January 1 through September 30, 2008.

2008 WATER YEAR ACCOMPLISHMENTS:

- 1) Continued 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) Provided Customer Service staff with additional training/education to promote effective customer service practices/programs to meet the changing needs of our customers.
- 3) Using various communication channels to promote our online website (signs in lobby area and night drop, news letter, talking with customers to name a few). Thus enabling 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.
- 4) Coordinating the large meter repair, and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
- 5) Provided onsite and offsite training for Field Service Technician I (formerly known as meter reader) on the new Itron mobile collection software MV-RS. Also provided training on how to utilize the Itron FC200 handheld device.
- 6) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes.
- 7) Encouraging staff to participate in water awareness, conservation and education functions.

2009 OBJECTIVES:

- 1) Continue to provide Customer Service staff with additional training/education to foster 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) Cross training office personnel in various areas (mail payment handling, scanning, collections, cash handling, and the like) to help the office efficiency.
- 4) Continue to maintain the radio read meters through out the District to maintain billing accuracy and efficiency.
- 5) Continue to conduct real-time auditing of radio-read routes at least twice a year to ensure that the radio read units operate effectively.
- 6) Continue to test, repair, or replace existing radio read infrastructure.
- 7) Oversee large meter repair, replacement and/or testing.
- 8) 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.
- 9) Presenting 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 2009

<u>Customer Service</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2009	FINAL	2008	2007	2006	2005	2004
2-4000	Salaries	1,150,000	1,097,000	1,074,200	981,532	1,029,376	934,159	925,780
Employee Benefits								
2-4001	Payroll Taxes	87,900	84,100	76,200	73,023	81,875	77,118	72,864
2-4002	Health Insurance	281,300	225,900	235,900	196,752	197,986	175,443	168,014
2-4003	Pers	199,200	167,000	182,600	150,833	157,131	128,290	86,514
	Subtotal (Benefits)	568,400	477,000	494,700	420,609	436,992	380,851	327,392
	Personnel Expenses	1,718,400	1,574,000	1,568,900	1,402,140	1,466,368	1,315,009	1,253,172
OPERATING EXPENSES:								
2-4104	Staff Travel	2,600	2,600	10,000	10,168	6,023	4,014	3,101
2-4105	Staff Meetings & Seminars	3,000	4,200	5,000	5,119	4,390	3,528	3,411
2-4107	Training	-	-	4,000	-	-	-	-
2-4203	Contract Services	26,000	16,000	11,000	-	-	-	-
2-4213	Postage	-	-	-	46,244	39,559	33,353	38,017
2-4250	Outsourced Processing	220,000	213,600	210,000	210,932	194,002	182,691	185,183
2-4260	Equipment Leasing	2,000	1,300	2,000	1,151	1,840	1,286	1,414
2-4300	Office Supplies & Fixtures	-	-	-	34,835	37,089	28,105	25,868
2-4301	Computer Supplies & Equipment	-	-	-	13,689	12,688	9,947	7,393
2-4305	Computer Software/Upgrades	-	-	-	17,025	24,492	26,326	19,369
2-4306	General Material & Supplies	10,000	17,500	-	-	-	-	-
2-4308	Office Furniture	-	1,200	-	-	-	-	-
2-4310	Business Forms	10,000	11,800	9,500	10,152	13,951	10,653	7,573
2-4410	Gas - Office Buildings	-	-	-	2,917	3,392	2,220	2,814
2-4411	Electricity - Office Buildings	-	-	-	43,441	46,023	34,491	30,199
2-4412	Telephone - Buildings	-	-	24,000	26,709	26,177	25,353	25,080
2-4414	Telephone - Pager Services	-	-	-	3,289	5,934	3,158	2,578
2-4415	Telephone - Cellular Services	-	-	-	10,301	8,549	11,463	10,305
2-4502	Maint. & Repair - Office Buildings	-	-	-	37,465	47,326	22,394	32,763
2-4510	Maint. & Repair - Office Equipment	-	-	-	3,535	3,924	3,096	2,157
2-4512	Maint. & Repair - Computers	-	-	-	763	3,245	1,911	1,335
2-4518	Maint. & Repair - Large Meters	7,000	4,500	22,500	-	-	-	-
2-4520	Meter Testing	22,500	10,900	22,500	-	-	-	-
2-4999	Budget Inclusion Expenses	-	478,000	97,500	599,206	977,544	-	247,713
	Total Operating Expense	303,100	761,600	418,000	1,076,941	1,456,148	403,990	646,273
	TOTAL	2,021,500	2,335,600	1,986,900	2,479,081	2,922,516	1,718,999	1,899,445

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 21.88% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 17.24% for 6 months and 17.40% 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.

2-4306: GENERAL MATERIAL & SUPPLIES - Provides for the cost of tools and other items utilized by Field service staff in operation of District activity (master locks, angle stop plug locks, hammer drills, digging bars, wrench's, other tools). Also includes items in customer service area (non-furniture type items, repairing office machines not covered by maintenance contracts)

2-4308: OFFICE FURNITURE – Provides for the cost associated with the purchase of non-depreciable office furniture such as chairs, stools, chair mats, cubical panels, etc.

2-4310: BUSINESS FORMS - All forms used in billing and front office to see actual expenses. Includes door-tags, bills, 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 and also include the repair of construction meters. 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 DEPARTMENT

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, and reporting water production to maintain water rights.

2008 WATER YEAR INDICATORS:

- 1) 10 Water improvement projects approved.
- 2) 8 Water improvement projects completed.
- 3) 6 District construction projects completed.
- 4) 31 Inspection work orders actively being overseen for completion and closure of the work order.
- 5) 2,931 USA tickets received with 1,271 requiring street marks.

2008 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) Researched numerous records related to Antelope Valley Groundwater Adjudication.
- 6) Completed survey and related reporting for both Littlerock and Palmdale Dam.
- 7) Continued providing construction management and oversight for the Water Treatment Plant Improvements Phase I.
- 8) Continued providing construction management and oversight for the Water Treatment Plant Improvements Phase II.
- 9) Continued working with consultant on the preparation of the District's 2008 Water System Master Plan Update.
- 10) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS.
- 11) Continued working with SWRCB and consultants on the preparation of the pipeline design and environmental work associated with the Palmdale Ditch Enclosure Grant.
- 12) Completed the commissioning testing of the hydro-electric facility at Lake Palmdale.
- 13) Completed the construction of the water main replacement in 11th Street East between Avenue Q and Avenue R.
- 14) Completed the construction of the water main replacement in Lakeview Drive and S-14.
- 15) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
- 16) Continued overseeing the implementation of the Distribution System SCADA Upgrade project.
- 17) 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.

2008 WATER YEAR ACCOMPLISHMENTS (continued):

- 18) Completed the design and construction management related to the new traveling water screen at the aqueduct turnout.
- 19) Awarded contract for the preparation of the updated Operation and Maintenance Plan related to reflect the WTP Improvements.
- 20) Provided input and project management for the completion of the IDSE Plan.
- 21) Completed the design and awarded the contract for the development of Well No's 24A, 36, and 37.
- 22) Continued working with the consultant on the development of a Facilities Yard Master Plan.
- 23) Completed the design of the water main replacement project in 30th Street East between Palmdale Boulevard and Avenue R.
- 24) Completed the design of the water main replacement project in 8th Street East north of Avenue Q.
- 25) Worked with general contractor on the re-coating of the 4MG Tank at 45th Street Tank Site related to warranty issues.

2009 OBJECTIVES:

- 1) Continue providing QA/QC on the construction of the new tracts, commercial, and city projects which require water system improvements.
- 2) Complete 2008 Water System Master Plan and related EIR Update.
- 3) Obtain necessary permits for the Littlerock Reservoir Sediment Removal Project.
- 4) Complete the design and award a contract for the construction of the Grade Control Structure at Littlerock Dam.
- 5) Issue Notice of Completion for the Water Treatment Plant Improvements Phase II project.
- 6) Finalize and submit final report to CEC related to the Energy Bridge.
- 7) Continue ensuring that all water storage tanks are properly maintained and coated.
- 8) Continue improving the District's new GIS mapping tools and software.
- 9) Complete the construction and activation of three new production wells.
- 10) Complete the design and award a contract for the construction of various Capital Improvement Projects.
- 11) Continue working with consultants on the design of the Facilities Yard Master Plan.
- 12) Complete the construction of the water main replacement in 30th Street East between Palmdale Boulevard and Avenue R.
- 13) Complete the construction of the water main replacement in 8th Street East north of Avenue Q.
- 14) Complete the Distribution System SCADA Upgrades.
- 15) Continue working towards the completion and implementation of the various projects identified in the 2009 Budget.

Palmdale Water District Budget 2009

<u>Engineering</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2009	FINAL	2008	2007	2006	2005	2004
3-4000	Salaries	914,000	933,500	797,000	856,024	888,935	803,086	669,888
Employee Benefits								
3-4001	Payroll Taxes	69,900	68,500	60,900	64,643	68,436	57,766	46,826
3-4002	Health Insurance	175,900	151,200	144,300	161,761	144,494	99,269	78,901
3-4003	Pers	159,300	135,200	135,800	132,138	126,992	93,303	54,669
	Subtotal (Benefits)	405,100	354,900	341,000	358,542	339,922	250,338	180,396
	Personnel Expenses	1,319,100	1,288,400	1,138,000	1,214,566	1,228,857	1,053,424	850,284
OPERATING EXPENSES:								
3-4104	Staff Travel	3,500	3,500	9,000	9,819	10,567	8,178	4,992
3-4105	Staff Meetings & Seminars	3,500	3,500	7,000	9,889	7,907	5,016	3,896
3-4201	Consulting Services (Dam Survey)	-	-	-	-	-	-	-
3-4210	Membership/Subscriptions	5,000	5,400	5,000	-	-	-	-
3-4240	Inspection (Non Recovered)	-	-	-	-	945	1,435	(1,019)
3-4304	Software Maintenance/Support	12,000	12,000	22,300	-	-	-	-
3-4306	General Material & Supplies	2,000	2,000	-	-	-	-	-
3-4510	Maint. & Repair - Office Equipment	1,000	-	1,000	95	1,086	913	1,279
3-4999	Budget Inclusion Expenses	-	86,000	520,000	365,204	+ 276,714	-	18,706
	Total Operating Expense	27,000	112,400	564,300	385,007	297,219	15,543	27,854
	TOTAL	1,346,100	1,400,800	1,702,300	1,599,573	1,526,076	1,068,967	878,138

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 16.65% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 17.24% for 6 months and 17.40% 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)

3-4306: GENERAL MATERIALS & SUPPLIES - Provides for the cost of items utilized by Engineering staff such as: tape rulers, rain boots, special file folders, charts, batteries, marking paint, etc.

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**

FACILITIES DEPARTMENT

DESCRIPTION:

The Facilities Department is in charge of maintaining and repairing all pipelines, vehicles and equipment, and related facilities. This includes the District's 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 seismic valves, 9 hydro-pneumatic tanks and hypochlorite disinfection equipment at 32 of the above sites.

2008 WATER YEAR INDICATORS:

- 1) 27,014 Meters in service
- 2) 9,010 System valves in service
- 3) 405.7 Miles of pipe in service
- 4) 321 Emergencies to which the department responded

2008 WATER YEAR ACCOMPLISHMENTS:

Mechanics and Facilities Staff

1. Performed 1,440 hours of daily tank, well and booster station inspections.
2. Performed 3,424 hours of building and grounds maintenance. Included general upkeep of grounds, fence repairs, building repairs, graffiti removal, continuous cleaning and reorganizing for storage (Construction Crew). Performing approximately 121 miscellaneous repairs, re-roofed 4 well and booster buildings, paint 4 well and booster buildings, painted north stairwell in District office and performed graffiti clean-up at 8 facility sites (Mechanics).
3. Performed 2,561 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM) and 85 natural gas engine and generator inspections. Repairs included performing approximately 32 miscellaneous repairs to pumps, motors and engines, 35 assisting vendor with engine overhaul at well 15, repair and rehab efforts on well 11, rehab and repairs including replacing 500 HP motor at well 8 and rehab and repairs at well 33. Mechanics also replaced bearings and seals in 75 HP booster at underground site, removed and replaced electric motor (overhaul) and gear head at well 5 booster.
4. Performed 680 hours of facilities training. This included training on confined space, right to know, haz-mat, backhoe, rigging, traffic control & flagging, lock-out - tag-out, forklift, leadership, teamwork and supervisor training.
5. Performed 104 hours of meter repair and vault maintenance exchanging meters and repairing leaks. This included fabrication of compound meter vault lids and repairs to pipe and installation of the compound meters.
6. Performed 258 hours of treatment plant repairs. This included replacing agitation pump motor, repair several vault covers, remove and replace filter top wash vertical turbine pump, install spare south 40 HP vertical turbine pump and assist with energy bridge and hydro-generator testing and repairs.
7. Performed 3,044 hours of vehicle and equipment maintenance and repair activities performing approximately 388 miscellaneous repairs, 135 scheduled PM's and 66 truck, trailer and crane inspections. Two trailers, one truck and three utility trucks have been purchased, equipped and placed in-service. Six trucks were decommissioned and sent to auction for disposal.
8. Repaired 353 Angle Stops as of 12-1-2008.

2008 WATER YEAR ACCOMPLISHMENTS (continued):

9. Conducted work on the District's flushing program (Water Quality) that utilized 240,000 cubic feet (1,795,200 Gallons) of water flushed.
10. Conducted the valve exercising program, which included exercising 820 system valves and 187 fire hydrants.
11. Installed 30 new residential services.
12. Total number of leaks repaired included 232 mainline and 161 service line leaks (393 Total).
13. Replaced 5 sections of aged pipe in the system that failed with schedule 40 steel and protective coating for pipe.
14. Replaced heater exchange unit including 30 feet of related pipe that had numerous leaks with schedule 40 steel with a high heat coating to preserve pipe at well 11.
15. Replaced pipeline at 3 million gallon reservoir (Ave. S & Sierra Hwy) with 58 feet of concrete mortar-lined and coated (C.M.L.C.) pipe at west side of vault connecting to 30 HP booster and tank outlet. On eastside of Tank Replaced 55 feet pipe from tank outlet to second booster station on site.
16. Repaired (3) leaking sections of Palmdale Ditch connecting Littlerock Dam to Palmdale Lake with 32,400 lbs of Bentonite.
17. Repaired (4) fire hydrant laterals with new pipe due to pipe failure.
18. Repaired leaking 42" pipe at Littlerock Dam.
19. Installed new containment curb and drain at D.W.R. building (treatment plant).
20. Abandoned fire hydrant and Air-Vac at 50th ST E & Pearblossom Hwy and ran straight connection to 16" ductile iron pipe for contactor.
21. Installed (2) new sensor lines for altitude valve for future isolation of each tank at 25th ST E storage reservoirs also installed new 16" altitude valve and 48 feet of C.M.L.C. connection line.
22. Well 24 abandoned building and electrical and installed 6" hydrant for contactor drilling well.
23. Replaced 80 feet of aged double dipped and wrapped steel pipe at Avenue S and Camares. This included abandoning 4" hydrant and 2" blow off and upgraded fire protection to 6" fire hydrant.

Operations Staff

1. Operations staff has continued to work with the District Engineering Department, Flowers & Baum, Carollo Engineers and Cushman Construction to complete phase II of the treatment plant optimization project.
2. Completed the switch to Edison's Interruptible Program at 12 District well sites (Time Of Use - Pumping Account - Super Off Peak 1). This included wiring and supervisory control and data acquisition (SCADA) programming.
3. Replaced the soft starts at the underground booster 75 HP, 45th street boosters, booster No. 6 and replaced the variable frequency drive (VFD) at the 3600' boosters.
4. Completed epoxy coating the floors at 5 well sites (Wells 3, 4, 7, 23 & 8). Staff prepared the sites, removing old water lines, electrical lines, hypo tanks and dose pumps for the contractor.
5. Replaced the flocculation motor #2 on sedimentation basin #1, the 40 HP motor and pump on the north waste basin and the malfunctioning ferric pump on the ferric feed station at the water treatment plant.
6. Energy Bridge Project –Staff worked with Northern Power Systems at the clearwell booster station, overseeing testing of programming and related equipment at the site.
7. Continued to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking (at Wells 21, 22 & 23).

2008 WATER YEAR ACCOMPLISHMENTS (continued):

8. Performed hydraulic monitoring of all ground water supplies.
9. Completed the 2.4 GHz and 4.9 GHz radio survey with CyberNet for the distribution telemetry upgrade project.
10. Continued the maintenance and replacement program of District Cla-Vals.
11. Pump Operators set pilot controls at 25th ST E tanks for new altitude valve installation.
12. Purchased and installed a SolarBee circulation and chemical mix unit in underground tank.
13. Staff has continued to upgrade all District electrical panels to bring up to current electrical wiring codes.
14. Replaced the cone valve actuators at Littlerock Dam.
15. Continued to maintain all District electrical and SCADA panels and complete as-built wiring diagrams of them.
16. Replaced the current oil dripper reservoirs with 15-gallon reservoirs at multiple well sites.
17. Completed Edison maintenance and hydraulic testing at all District booster sites.
18. Continued to improve and update standard operating procedures and routine maintenance schedules to reflect system upgrades and related new equipment.
19. Calibrated all well and reservoir level transducers.
20. Maintained and calibrate chlorine residual analyzers at District well and booster sites.
21. Completed installation of SCADA communication antenna towers at 3 MG Booster Station and Wells 18 and 19.
22. Continued maintaining and upgrading sodium hypochlorite generation systems as necessary.
23. With dedication to maintaining the District's equipment, Staff has reduced the number of Emergency Call-Outs:
 - I. Call-outs for 2006 = 37
 - II. Call-outs for 2007 = 29
 - III. Call-outs for 2008 = 17

2009 OBJECTIVES:

- 1) Continue valve exercising program implementing software for better record keeping and initiate fire hydrant flushing and exercising confirming full operation of each fire hydrant.
- 2) Continue flushing program (water quality and required chlorine residuals).
- 3) Continue mainline replacements.
- 4) Continue dead end tie-in program.
- 5) Continue to upgrade piping, plumbing and electrical at well sites including painting and color coding of piping to improve overall appearance.
- 6) Start Air-Vac rebuild maintenance program to ensure proper operation.
- 7) Improve warehouse material storage combining existing bays with construction crew for better distribution of parts and inventory tracking.
- 8) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.
- 9) Complete installation of SCADA communication antenna towers at the Lake inlet from Littlerock reservoir and hydro turbine (DWR) inlet to Palmdale Lake.
- 10) Continue to calibrate all well and reservoir level transducers.
- 11) Replace 16" altitude valve at 5 MG tank site and 12" pressure relief valve at 47th St.
- 12) Complete Edison maintenance and hydraulic testing on 23 District wells.
- 13) Continue to maintain and calibrate chlorine residual analyzers at District well and booster sites.
- 14) Purchase and install Solar-Bee circulation and chemical mix unit in 5M Tank.
- 15) Complete treatment plant automation and control via SCADA.
- 16) Continue to upgrade all District electrical panels to bring up to current electrical wiring codes.
- 17) Continue maintain and upgrade sodium hypochlorite generation systems as necessary.

Palmdale Water District Budget 2009

Facilities		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2009	FINAL	2008	2007	2006	2005	2004
4-4000	Salaries	1,730,000	1,750,000	1,799,200	1,546,240	920,093	1,010,394	1,022,912
Employee Benefits								
4-4001	Payroll Taxes	132,000	131,700	134,400	118,280	73,422	80,370	80,400
4-4002	Health Insurance	333,500	339,800	403,900	333,328	210,617	206,978	209,533
4-4003	Pers	299,000	263,700	305,900	240,619	146,781	135,840	96,899
	Subtotal (Benefits)	764,500	735,200	844,200	692,226	430,820	423,188	386,832
	Personnel Expenses	2,494,500	2,485,200	2,643,400	2,238,466	1,350,913	1,433,582	1,409,744
OPERATING EXPENSES:								
4-4104	Staff Travel	3,000	3,000	19,000	11,200	14,231	6,225	10,506
4-4105	Staff Meetings & Seminars	4,000	4,000	11,000	17,472	13,150	5,775	8,993
4-4107	Training	-	-	17,000	-	-	-	-
4-4203	Contracted Maintenance	70,000	71,300	49,000	49,121	47,309	47,185	20,530
4-4206	Edison Testing	13,000	13,000	-	-	-	-	-
4-4241	Waste Disposal	25,000	27,800	50,000	17,176	39,354	17,781	19,550
4-4242	Fuel & Lube - Auto	80,000	108,800	80,000	91,873	74,628	65,240	57,897
4-4243	Fuel & Lube - Machinery	35,000	35,300	45,000	29,484	43,283	29,471	19,403
4-4244	Uniforms	31,000	31,400	33,000	27,688	22,094	19,983	20,252
4-4260	Equipment Leasing	12,000	12,000	9,000	9,588	8,653	8,955	4,962
4-4303	Telemetry Supplies	9,500	9,500	20,000	-	-	-	-
4-4304	Electrical Supplies	6,300	6,300	24,000	-	-	-	-
4-4306	Materials & Supplies	126,000	126,300	137,000	105,661	103,477	71,480	96,293
4-4307	Hypo Generator Supplies	10,000	8,500	25,000	-	-	-	-
4-4320	New Meters	-	-	-	(8,434)	1,141,427	173,044	(2,961)
4-4321	Service Costs Construction	-	10,300	45,000	49,370	65,560	46,302	24,860
4-4322	Fire Hydrant Repair	-	-	1,000	-	-	-	-
4-4330	Tools	9,500	10,500	8,000	7,136	5,461	15,387	10,172
4-4331	Safety Equipment	-	900	24,000	7,311	3,847	9,084	10,775
4-4400	Gas - Wells & Boosters	340,000	310,700	550,000	-	-	-	-
4-4401	Electricity - Wells & Boosters	1,359,000	1,359,000	1,500,000	-	-	-	-
4-4402	Telephone - Wells & Boosters	2,500	2,500	2,500	-	-	-	-
4-4410	Gas - Buildings	3,500	3,500	3,000	3,301	2,409	2,437	2,496
4-4411	Electricity - Buildings	10,800	10,800	4,000	2,321	5,297	5,144	7,867
4-4500	Maint. & Repair - Wells	250,000	205,000	265,000	251,023	492,571	491,264	605,780
4-4501	Maint. & Repair - Boosters	62,000	64,300	90,000	81,052	113,063	57,793	27,649
4-4502	Maint. & Repair - Shop Buildings	3,300	3,300	5,000	5,941	2,218	814	925
4-4503	Maint. & Repair - Facilities	45,000	52,500	25,000	117,605	32,825	30,594	28,812
4-4504	Maint. & Repair - Water Lines	390,000	379,800	100,000	307,612	203,899	166,080	84,296
4-4505	Maint. & Repair - Littlerock Dam	20,000	20,400	30,000	38,152	38,810	35,749	29,514
4-4506	Maint. & Repair - Palmdale Dam	20,000	21,800	20,000	28,345	21,789	8,159	10,255

Continued next page

**Palmdale Water District
Budget 2009
(Facilities Continued)**

4-4507	Maint. & Repair - Palmdale Canal	5,000	9,600	5,000	-	3,410	1,365	2,276
4-4510	Maint. & Repair - Office Equipment	500	500	2,000	961	-	55	690
4-4511	Maint. & Repair - Equipment	5,000	7,300	5,000	4,491	3,079	7,510	9,583
4-4513	Maint. & Repair - Telemetry	1,000	-	5,000	-	-	-	-
4-4515	Maint. & Repair - Vehicles	45,000	48,700	40,000	28,449	39,300	71,181	47,211
4-4516	Maint. & Repair - Heavy Equipment	20,000	13,600	30,000	16,327	35,214	17,972	22,876
4-4517	Maint. & Repair - Storage Reservoirs	5,000	500	50,000	22,207	198,241	9,320	-
4-4518	Maint. & Repair - Large Meters	-	-	-	6,990	7,418	9,099	8,866
4-4519	Maint. & Repair - Hypo. Generators	11,100	11,100	20,000	-	-	-	-
4-4520	Meter Testing	-	-	-	7,075	-	-	7,480
4-4999	Budget Inclusion Expenses	30,100	8,000	8,800	125	10,587	-	29,758
	Total Operating Expense	3,063,100	2,998,800	3,357,300	1,336,622	2,792,604	1,430,450	1,227,566
	TOTAL	5,557,600	5,484,000	6,000,700	3,575,088	4,143,517	2,864,032	2,637,310

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 19.05% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 17.24% for 6 months and 17.40% for 6 months

- # Account has been consolidated under the Risk Management & Safety Coordinator to streamline administration of the safety program.
 + Accounts and budgeting have been re-assigned to the facilities department. This change was related to re-organization of personnel within departments.

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.

4-4206: 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.

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.

4-4244: 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.

Account Definitions-Facilities (continued)

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

4-4322: FIRE HYDRANT REPAIR - Any repairs done to fire hydrants when an accident occurs or to maintain proper fire protection. Accident related charges that are 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.

Account Definitions-Facilities (continued)

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

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

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.

PRODUCTION
DEPARTMENT

PRODUCTION DEPARTMENT

DESCRIPTION:

The Production Department operates the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The Production Department monitors and maintains operational control of the Districts 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, and 9 hydro pneumatic tanks. 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.

2008 WATER YEAR INDICATORS:

- 1) Treated 15,319.1* acre-feet of surface water, 60.36% of total production, (0.99% less than 06/07).
- 2) Pumped 10,061.4* acre feet of ground water, 39.64% of total production, (0.99% more than 06/07).
- 3) 25,380.5* Total acre feet of water produced for Water Year, (3,501.5 acre feet less than 06/07 or a 12.1% difference).
- 4) Operated Water Treatment Plant 7,609.25* hours.
- 5) Received 13,864.8* acre feet of State Project Water (5,182.7 acre feet less than 06/07).
- 6) Drew 3,044.6 acre feet of water from Littlerock Reservoir.
- 7) Presently maintain 41.6** million gallons of potable water in distribution reservoir storage, (as of October 01, 2008).
- 8) Presently maintain 3,901.3 acre feet of water in Lake Palmdale at an elevation of 2,811.5 feet above sea level, and approximately 3,250 acre-feet in Littlerock reservoir at an elevation of 3,266.3 feet above sea level.

* Water Year: October 1, 2006 to September 30, 2008

** Maximum Storage for 24 hr period of September 30 to October 01, 2008

2008 WATER YEAR ACCOMPLISHMENTS:

- 1) Completed Annual Laboratory re-certification including Bacteriological, Inorganic and General Chemistry analysis.
- 2) Completed Watershed Sanitary Survey And Drinking Water Source Assessment Update for Littlerock Reservoir and Lake Palmdale Watersheds.
- 3) Worked with District engineering department to complete all California Department of Public Health requirements and received approval on updated Coliform Sample Site and Monitoring Plan.
- 4) Worked with District engineering department to complete all California Department of Public Health requirements and acquired permit amendment for Well 29.
- 5) Continued to work with District engineering department, Flowers & Baum, Carollo Engineers and Cushman Construction to complete Phase II of Plant Optimization Project.
- 6) Continue Lake monitoring and management plan. Operated and executed contracted factory maintenance schedule for seven solar bee pond circulators in Palmdale Lake.
- 7) Continued to utilize distribution system strategies to reduce TTHM levels.
- 8) Continued to improve treatment plant maintenance plans and SOP's

2008 WATER YEAR ACCOMPLISHMENTS (continued):

- 9) Continued to perform jar testing of chemical coagulants Ferric Chloride and Cationic Polymer which in conjunction with phase 1 flocculation / sedimentation basin improvements continues to produce lower overall settled water and effluent water turbidities.
- 10) Staff has continued to take an active role with and participated in all Water Awareness functions.
- 11) Monitored water supplies for Lead, Copper, Radioactivity, MTBE, TTHM's and Hexavalent Chromium as well as other constituents required by law.
- 12) Made a change over of primary coagulant from Aluminum Sulfate to Ferric Chloride to help achieve better TOC removal, lower settled turbidities, and improve cold temperature performance of coagulation and sedimentation process.

2009 WATER YEAR GOALS:

- 1) Complete initial requirements of the Ground Water Rule including every 5-year Sanitary Survey (completed in 2008), compliance monitoring or triggered monitoring.
- 2) Continue development and execution of an effective lake monitoring program and clean up of Lake Palmdale shoreline.
- 3) Initiate monitoring of constituents under the Unregulated Contaminants Monitoring Rule2 (UCMR2) based on EPA approved schedule for 2009/2010.
- 4) Continue working with District Engineering, Carollo Engineers, and California Department of Public Health to acquire permit amendments for Phase I and Phase II Water Treatment Plant Upgrades.
- 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) Fine tuning the treatment process to achieve the goals of Phases 1 & 2 improvements:
- 9) Enhancing pretreatment for turbidity and organic removal with Phase 1
- 10) Taste/Odor and organic carbon removal to minimize TTHM formation for Stage 2 DBP compliance with Phase 2.
- 11) Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics as well as other constituents required by law.
- 12) Purchase and install 2 additional SolarBee circulation units in Palmdale Lake.
- 13) Continue to improve and update treatment plant maintenance plans and SOP's
- 14) 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.
- 15) 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.
- 16) 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 customer satisfaction.

Palmdale Water District Budget 2009

<u>Production</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2009	FINAL	2008	2007	2006	2005	2004
5-4000	Salaries	1,010,000	1,012,000	978,700	884,419	1,219,330	977,256	881,890
Employee Benefits								
5-4001	Payroll Taxes	77,300	79,000	72,800	67,483	98,460	82,717	80,595
5-4002	Health Insurance	189,000	162,800	166,200	123,361	189,445	159,681	161,215
5-4003	Pers	174,000	158,600	166,400	139,321	186,277	135,351	92,664
	Subtotal (Benefits)	440,300	400,400	405,400	330,165	474,182	377,748	334,474
	Personnel Expenses	1,450,300	1,412,400	1,384,100	1,214,584	1,693,512	1,355,004	1,216,364
OPERATING EXPENSES:								
5-4104	Staff Travel	3,500	5,500	10,000	7,810	18,133	5,902	8,326
5-4105	Staff Meetings & Seminars	2,000	7,100	7,000	7,555	9,200	9,686	7,472
5-4203	Contracted Maintenance	56,000	72,000	52,000	44,473	24,023	26,660	21,577
5-4206	Edison Testing	+	-	11,000	12,500	4,845	13,000	-
5-4207	EPA/Regulatory Compliance (Removed)	-	-	10,000	-	-	-	-
5-4212	Permits	30,000	43,000	25,000	46,076	29,638	25,684	19,726
5-4241	Waste Disposal	30,000	51,000	45,000	51,965	16,643	39,950	39,027
5-4244	Uniforms	12,000	12,500	10,000	11,917	10,318	6,798	6,418
5-4245	Outside Lab Work	70,000	68,600	80,000	80,082	59,695	73,953	52,924
5-4260	Equipment Leasing	5,000	38,300	25,000	37,231	27,703	7,455	240
5-4302	Laboratory Supplies	27,000	26,800	35,000	30,232	21,929	30,767	26,502
5-4303	Telemetry Supplies	+	-	-	32,323	30,189	8,628	1,319
5-4304	Electrical Supplies	+	-	-	1,172	2,680	2,020	1,756
5-4306	Materials & Supplies	15,000	23,700	15,000	11,869	15,978	33,563	13,813
5-4307	Hypo Generator Supplies	+	-	-	22,153	10,015	2,096	18,252
5-4330	Tools	5,000	4,100	5,000	3,415	4,661	4,339	5,400
5-4331	Safety Equipment	#	-	3,600	6,000	3,694	6,851	6,133
5-4350	Chemicals	400,000	729,000	550,000	604,698	415,338	416,031	325,429
5-4400	Gas - Wells & Boosters	+	-	-	558,842	590,273	346,880	374,320
5-4401	Electricity - Wells & Boosters	+	-	-	1,545,224	1,513,545	1,208,105	1,289,043
5-4402	Telephone - Wells & Boosters	+	-	-	2,723	1,905	2,058	2,041
5-4410	Gas - Buildings	4,000	3,300	3,000	1,686	2,045	3,259	1,911
5-4411	Electricity - WTP Buildings	50,000	35,500	60,000	127,723	39,284	66,302	39,589
5-4413	Electricity - Hypo Generator (Removed)	-	-	-	-	-	36,687	19,847
5-4500	Maint. & Repair - Wells	+	-	-	161	4,940	22,732	20,114
5-4501	Maint. & Repair - Boosters	+	-	-	6,228	17,623	19,149	33,512
5-4502	Maint. & Repair - Plant Buildings	5,000	14,600	20,000	15,034	25,531	18,201	6,754
5-4503	Maint. & Repair - Facilities	35,000	31,000	40,000	61,825	31,407	51,419	36,876
5-4510	Maint. & Repair - Office Equipment	500	200	2,000	1,195	1,200	1,266	1,194
5-4511	Maint. & Repair - Equipment	12,000	12,200	15,000	28,832	18,306	27,893	16,872
5-4513	Maint. & Repair - Telemetry	+	-	-	5,126	623	1,013	3,308
5-4519	Maint. & Repair - Hypo. Generators	+	-	-	4,064	5,060	4,504	6,357
5-4520	Palmdale Lake Management	35,000	40,900	25,000	22,016	21,811	34,273	48,787
5-4521	Management & Repair - Wind Turbine	-	-	-	6,480	-	-	-
5-4999	Budget Inclusion Expenses	25,100	11,300	86,650	80,164	38,940	134,099	210,741
	Total Operating Expense	822,100	1,245,200	1,139,150	3,468,832	3,028,487	2,677,502	2,663,659
	TOTAL	2,272,400	2,657,600	2,523,250	4,683,416	4,721,999	4,032,506	3,880,023

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 16.87% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 17.24% for 6 months and 17.40% for 6 months

- # Account has been consolidated under the Risk Management & Safety Coordinator to streamline administration of the safety program.
- + Accounts and budgeting have been re-assigned to the facilities department. This change was related to re-organization of personnel within departments.

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.

5-4212: 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.

5-4245: 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 plant or out in the field for use during the maintenance of existing equipment, facilities (pipelines, valves, etc.) or buildings by the operations and production department.

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

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

5-4410: 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.

Account Definitions-Production (continued)

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.

**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.

2008 WATER YEAR 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 monthly financial reports to General Manager and Board of Directors.
- 4) Provided employee compensation in a timely manner.
- 5) Liquidated District's obligations in a timely manner.
- 6) Provided required OSHA and Safety training to all employees where applicable.
- 7) Completed Information Technology (IT) assessment and entered into contractual agreement to outsource IT administration..
- 8) Updated/Upgraded various file servers and software platforms.
- 9) Provided technical support in the 2008 meter change out project.
- 10) Completed Feature/Function GAP analysis of enterprise financial software and customer service management software. Started the re-implementation project of both software packages.
- 11) Restructured staffing within department by adding the position of Senior Accountant.

2009 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) Continue to provide monthly financial reports to the General Manager and Board of Directors.
- 4) Provide technical support for the 2009 meter change out project.
- 5) Upgrade/install fifteen computers as part of the computer replacement program.
- 6) Replace 5 servers, upgrade internet backbone, and implement IBM ISS network & host intrusion system.
- 5) Complete the re-implementation of the enterprise software packages.
- 6) Implement the GASB 45 regulation as it relates to measuring and reporting post employment benefit liability.
- 7) Complete the cost of service/rate study.

Palmdale Water District Budget 2009

<u>Finance & Services</u>		BUDGET	PROJECTED FINAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2009	2008*	2008 *	2007	2006	2005	2004
6-4000	Salaries	463,000	733,600	709,900	-	-	-	-
Employee Benefits								
6-4001	Payroll Taxes	35,400	54,600	54,300	-	-	-	-
6-4002	Health Insurance	65,500	95,800	111,800	-	-	-	-
6-4003	Pers	80,000	116,800	121,000	-	-	-	-
	Subtotal (Benefits)	180,900	267,200	287,100	-	-	-	-
	Personnel Expenses	643,900	1,000,800	997,000	-	-	-	-
OPERATING EXPENSES:								
6-4104	Staff Travel	8,000	10,200	13,900	-	-	-	-
6-4105	Staff Meetings & Seminars	3,000	9,300	7,600	-	-	-	-
6-4120	Safety Training	30,000	25,800	80,000	-	-	-	-
6-4121	Safety Program	# 15,000	12,000	30,000	-	-	-	-
6-4122	Safety Consulting	10,000	4,000	15,000	-	-	-	-
6-4201	IT Consulting	+ 340,000	181,000	200,600	~	-	-	-
6-4210	Membership/Subscriptions	500	600	-	-	-	-	-
6-4300	Computers/Monitors/Printers	43,300	43,300	41,000	-	-	-	-
6-4301	Computer Supplies & Equipment	15,000	14,800	19,500	-	-	-	-
6-4304	Software Maintenance/Support	82,350	83,000	51,600	-	-	-	-
6-4305	Computer Software/Upgrades	3,800	18,200	90,000	-	-	-	-
6-4306	Computer Application Training-District	90,000	167,900	250,000	~	-	-	-
6-4413	Telecommunications-District Office	29,000	28,700	28,000	-	-	-	-
6-4414	Telecommunications-Cellular/Pager	15,000	17,600	12,000	-	-	-	-
6-4999	Budget Inclusion	-	12,600	85,000	-	-	-	-
	Total Operating Expense	684,950	629,000	924,200	-	-	-	-
	TOTAL	1,328,850	1,629,800	1,921,200	-	-	-	-

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 12.86% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 17.24% for 6 months and 17.40% 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 has been consolidated under the Risk Management & Safety Coordinator to streamline administration of the safety program.

+ Account addition for the 2009 budgeting year. Portion paid in 2008 was related to contract excution between the District and ACS approved at the board meeting held on XXX XX, 2008

~ Budget Amendment 06/11/08; 08/13/08

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, Network 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, Network 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.

6-4203: CONTRACTUAL MAINTENANCE – Covers the cost of I.T. Administration with ACS.

6-4210: 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.

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) 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.

2008 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 2008 Water Fair & Festival, (Landscape Extravaganza)
6. Helped to plan and executive the Palmdale Chamber of Commerce small events
7. Develop Business Plan for Water Conservation Garden Park

2008 WATER YEAR 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 2008 Water Fair & Festival, (Landscape Extravaganza)
- 6) Helped to plan and executive the Palmdale Chamber of Commerce small events
- 7) Planned, and developed Business Plan for Water Conservation Garden Park
- 8) Attended and spoke at various agencies and groups concerning restrictions to water use
- 9) Provided and executed action items for water use restrictions
- 10) Provided information and help on conservation BMP's Strategic Water Resources Plan
- 11) Planned, developed and executed PWD's quarterly "Water News"
- 12) Planned, developed and executed PWD's monthly employee news letter
- 13) Developed monthly water use reports for City of Palmdale and the Palmdale Elementary School District/ Palmdale High School District

2009 OBJECTIVES:

- 1) 2009 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) Provide display and educational materials for City of Lancaster's Poppy Festival
- 6) Provide display and educational materials for City of Palmdale's Fall Festival
- 7) Plan, develop, and execute several Palmdale Chamber of Commerce events
- 8) Plan, develop, and execute ET Based Controller Program
- 9) Plan, Turf tech Program
- 10) Grass replacement, irrigation upgrade program
- 11) Provide information and help on conservation BMP's for the Strategic Water Resources Plan
- 12) Provide information and help on the new water budget rate structure
- 13) Develop monthly water use reports for City of Palmdale and the Palmdale Elementary School District/ Palmdale High School District.
- 14) Plan, Water Conservation Garden Park relocation, and possibly build an educational kiosk at new location site.
- 15) Plan, design and execute a landscape design booklet and install two complete landscapes at the local nursery.
- 16) Plan, develop and execute PWD's quarterly "Water News"
- 17) Plan, develop and execute PWD's monthly employee news letter
- 18) Monitor the District's Waste of Water Policy and Resolution 07-09

Palmdale Water District Budget 2009

<u>Water Conservation</u>		BUDGET	PROJECTED FINAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2009	2008 *	2008 *	2007	2006	2005	2004
7-4000	Salaries	155,000	154,800	130,500	-	-	-	-
Employee Benefits								
7-4001	Payroll Taxes	11,800	11,400	9,900	-	-	-	-
7-4002	Health Insurance	17,100	14,300	14,800	-	-	-	-
7-4003	Pers	26,800	22,200	22,200	-	-	-	-
	Subtotal (Benefits)	55,700	47,900	46,900	-	-	-	-
	Personnel Expenses	210,700	202,700	177,400	-	-	-	-
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OPERATING EXPENSES:								
7-4104	Staff Travel	2,000	4,100	8,000	-	-	-	-
7-4105	Staff Meetings & Seminars	1,500	2,700	7,500	-	-	-	-
7-4306	General Material & Supplies	500	300	-	-	-	-	-
7-4510	Repair & Maintenance Office Equipment	-	-	1,000	-	-	-	-
7-4600	Landscape Workshop/Training +	1,000	300	9,400	-	-	-	-
7-4601	Contests +	-	3,500	7,000	-	-	-	-
7-4602	Education Programs	2,000	5,000	22,600	-	-	-	-
7-4603	General Media +	21,500	31,300	19,000	-	-	-	-
7-4604	Water Fair & Festival +	-	73,500	63,000	-	-	-	-
7-4605	Materials/Fixtures +	10,000	9,500	7,500	-	-	-	-
7-4606	Water Awareness/Events	2,000	4,200	-	-	-	-	-
7-4999	Budget Inclusion	325,000	198,000	714,000	-	-	-	-
	Total Operating Expense	365,500	332,400	859,000	-	-	-	-
	TOTAL	576,200	535,100	1,036,400	-	-	-	-

Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2009
 Health insurance is calculated at 10.10% of payroll. Includes cost of Health, Dental & Vision
 PERS is calculated at 17.24% for 6 months and 17.40% 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 2009
Equipment Requests**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	GEN. MNGR. RECOMMEND.	DEPRECIATED AMORTIZING AMOUNT	GEN. MNGR. RECOMMEND.
<u>Administration Dept.</u>					
	Dept Subtotal:	0	0	0	0
<u>Customer Service</u>					
2E01	Customer Service IVR Telephony System (CO)			115,000	HOLD
2E02	Update Front Office Workstation Areas	0			
2E03	Itron Mobile Collector Lite (Qty. 2)			22,000	22,000
	Dept Subtotal:	0	0	137,000	22,000
<u>Engineering Dept.</u>					
3E01	ArcGIS Server Technology	75,000	HOLD		HOLD
3E02	Project Management & Planning Software	40,000	HOLD		HOLD
3E03	Line Locator			5,000	5,000
	Dept Subtotal:	115,000	0	5,000	5,000
<u>Facilities Dept.</u>					
4E02	Replacement Truck (3/4-Ton - 28126)			30,000	30,000
4E08	Replacement Backhoe (2812)			145,000	HOLD
4E09	New Forklift for WTP			45,000	45,000
4E11	Replacement Wheel Loader			240,000	HOLD
4E13	Mobile Light Tower			10,500	10,500
4E14	Construction Crew Compaction Tool (Qty. 2)	5,500	5,500		
4E17	SolarBee Chemical Injection Kit/Building Upgrade (5M Reservoir)			23,000	23,000
4E18	25th St. Booster Station - Chlorine Analyzer			9,000	9,000
4E19	45th St. Booster Station - Chlorine Analyzer (Qty. 2)			16,500	16,500
4E20	Grundfos Alldos Dose Pumps (Qty. 5)			27,000	27,000
	Dept Subtotal:	5,500	5,500	546,000	161,000

**Palmdale Water District
Budget 2009
Equipment Requests (continued)**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	GEN. MNGR. RECOMMEND.	DEPRECIATED AMORTIZING AMOUNT	GEN. MNGR. RECOMMEND.
<u>Production Dept.</u>					
5E01	SolarBee Installation - Palmdale Lake (Qty. 1)			57,000	57,000
5E02	IDEXX Quanti-tray/2000 & SimPlate for HPC			6,500	6,500
5E03	Laboratory Refrigerator	1,500	1,500		
5E04	Laboratory Incubators (Qty. 2)	3,500	3,500		
5E05	Data Acquisition for Autochemistry System	2,000	2,000		
5E06	Laboratory Water Bath	1,100	1,100		
5E07	Laboratory Turbidimeter	2,000	2,000		
5E08	Ultrasound Algae Destroyer	5,000	5,000		
5E09	Super Scraper Upgrade (Qty. 2 - Power Units)			50,000	50,000
5E10	Rehabilitation of Lake Sample Station	6,000	6,000		
5E11	PAC Feedline Upgrade	2,000	2,000		
5E12	Chemical Splash Curtains	2,000	2,000		
5E13	Sludge Blanket Locators (Qty. 5)				
5E14	WTP Maintenance Room Equipment	10,000	HOLD		
	Dept Subtotal:	35,100	25,100	113,500	113,500
<u>Finance & Services</u>					
6E01	Control Servers (Qty. 2 - CO)			20,000	20,000
6E02	Exchange Server (CO)			20,000	20,000
6E03	Web Server (CO)			10,000	10,000
6E04	Security Server			10,000	HOLD
6E05	Replacement Voice Mail Server (CO)			9,000	9,000
6E06	Upgrade to Internet Backbone Hardware (CO)			16,500	16,500
6E07	IBM ISS Network & Host Intrusion System			60,000	HOLD
	Dept Subtotal:	0	0	145,500	75,500
<u>Water Conservation</u>					
	Dept Subtotal:	0	0	0	0
	District Total:	155,600	30,600	947,000	377,000

**Palmdale Water District
Budget 2009
General Fund Project Requests**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	GEN. MNGR. RECOMMEND.	DEPRECIATE D AMORTIZING AMOUNT	GEN. MNGR. RECOMMEND.
<u>Administration Dept.</u>					
	Dept Subtotal:	0	0	0	0
<u>Customer Service</u>					
2GP01	Radio-Read Meters			413,000	HOLD
2GP02	Installation of Radio-Read Meters			62,000	HOLD
	Dept Subtotal:	0	0	475,000	0
<u>Engineering Dept.</u>					
3GP01	Well No. 24A - Design & Const. (Rep. Lancaster Subbasin - CO)			1,250,000	1,250,000
3GP02	Well No. 16 - Design & Const. (Rep. Pearland Subbasin - CO)			500,000	500,000
3GP03	Well No. 11A - Design & Const. (Rep. Lancaster Subbasin)			600,000	600,000
3GP04	Palmdale Ditch Enclosure - Construction & Mitigation (CO)			900,000	900,000
3GP05	WTP Phase II Improvements - Construction (CO)			850,000	500,000
3GP06	Distribution SCADA Upgrades - Construction (CO)			1,600,000	1,600,000
3GP07	Dredging at WTP Inlet Structure - Construction (CO)	200,000	HOLD		
3GP08	Specification No. 0805 - 30th Street East / Palmdale Boulevard			500,000	500,000
3GP09	Specification No. 0806 - 8th Street East / Avenue P-12			425,000	425,000
3GP10	Specification No. 0901 - Avenue Q-4 / 30th - 32nd Street East			875,000	HOLD
3GP11	Specification No. 0902 - Avenue Q-3 / Division - Sumac Ave			750,000	HOLD
3GP12	Specification No. 0903 - 9th Street East / s/o Avenue Q			425,000	HOLD
3GP13	Specification No. 0904 - Avenue Q-5 / 16th Street East			150,000	150,000
3GP14	Specification No. 0905 - 15th Street East / Avenue P-8			200,000	200,000
3GP15	Recycled Water Master Plan			75,000	75,000
3GP16	Strategic Water Resources Plan			370,000	370,000
3GP17	Water Rate Study			100,000	100,000
3GP18	Programmatic EIR Related to Strategic Water Resources Plan			75,000	75,000
3GP19	Leslie O. Carter WTP Operation & Maintenance Manual			75,000	75,000
3GP20	Storage Tank Re-Coatings - Annual Maint. Contract (Year 2)			505,000	505,000
3GP21	WTP Security System			175,000	175,000
3GP22	WTP Operations Building Roof Repairs			50,000	50,000
3GP23	Well 15 Building - Design & Construction			150,000	150,000
3GP24	Solar Project @ Water Treatment Plant			1,500,000	HOLD
3GP25	Energy Study			150,000	150,000
3GP26	GIS Mapping & Hydraulic Model	0			
	Dept Subtotal:	200,000	0	12,250,000	8,350,000

**Palmdale Water District
Budget 2009
General Fund Project Requests (continued)**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	GEN. MNGR. RECOMMEND.	DEPRECIATE D AMORTIZING AMOUNT	GEN. MNGR. RECOMMEND.
<u>Facilities Dept.</u>					
4GP05	Well 2 Rehabilitation			250,000	250,000
4GP06	Well 20 Rehabilitation			150,000	150,000
4GP11	Wonderware Premium Support Packge	12,600	12,600		
4GP12	Wonderware Training	12,000	12,000		
	Dept Subtotal:	24,600	24,600	400,000	400,000
<u>Production Dept.</u>					
5GP01	Granular Activated Carbon (GAC) Media Replacement	0			
5GP02	WTP Building Improvement Project	0			
	Dept Subtotal:	0	0	0	0
<u>Finance & Services</u>					
6GP01	Security Access System - Main Office/N.O.B./Back Access Gates	0			
	Dept Subtotal:	0	0	0	0
<u>Water Conservation</u>					
7GP01	Controllers, Turf Replacement, Water Efficient Devices	250,000	250,000		
7GP03	Landscape Design Booklet and two landscape designs	75,000	75,000		
	Dept Subtotal:	325,000	325,000	0	0
	District Total:	549,600	349,600	13,125,000	8,750,000

BOLD INDICATES COMMITTED PROJECTS

**Palmdale Water District
Budget 2009
Capital Improvement Project Requests**

REQ. #	DESCRIPTION	EXPENSED AMOUNT	GEN. MNGR. RECOMMEND.	DEPRECIATE D AMORTIZING AMOUNT	GEN. MNGR. RECOMMEND.
<u>Engineering Dept.</u>					
3CP01	Well No. 36 - Design & Construction (Lancaster Subbasin - CO)			1,500,000	1,500,000
3CP02	Well No. 37 - Design & Construction (Lancaster Subbasin)			1,500,000	HOLD
3CP03	Facilities Yard Master Plan & Building - Design and Block Wall (CO)			800,000	HOLD
3CP04	Littlelock Dam Sediment Removal - EIS/EIR, Design, & Const. (CO)			1,500,000	1,500,000
3CP05	Water System Master Plan EIR			75,000	75,000
	Dept. Total:	0	0	5,375,000	3,075,000
	District Total:	0	0	5,375,000	3,075,000

BOLD INDICATES COMMITTED PROJECTS

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APPENDIXES

APPENDIX A
BUDGET CONTROL GUIDELINES

APPENDIX B
DISTRICT INFORMATION

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APPENDIX A
BUDGET CONTROL GUIDELINES

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APPENDIX A

BUDGET CONTROL GUIDELINES

The 2009 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes a number of individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in recent years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2007 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the Summary.

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APPENDIX B
DISTRICT INFORMATION

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Palmdale Water District
Yearly Memberships and Subscriptions
2009

Memberships:

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

Palmdale Water District
Yearly Memberships and Subscriptions (Continued)
2009

Subscriptions:

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