



**PALMDALE WATER DISTRICT**  
A CENTURY OF SERVICE

February 22, 2018

**BOARD OF DIRECTORS**

**ROBERT E. ALVARADO**  
Division 1

**JOE ESTES**  
Division 2

**MARCO HENRIQUEZ**  
Division 3

**KATHY MAC LAREN**  
Division 4

**VINCENT DINO**  
Division 5

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**DENNIS LaMOREAUX**  
General Manager

**ALESHIRE & WYNDER LLP**  
Attorneys

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**AGENDA FOR A MEETING  
OF THE FINANCE COMMITTEE  
OF THE PALMDALE WATER DISTRICT**  
**Committee Members: Marco Henriquez-Chair, Robert Alvarado**  
**to be held at the District's office at 2029 East Avenue Q, Palmdale**  
**MONDAY, FEBRUARY 26, 2018**

**4:30 p.m.**

**NOTE:** To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

**PUBLIC COMMENT GUIDELINES:** The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Roll call.
- 2) Adoption of agenda.
- 3) Public comments for non-agenda items.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

- 4.1) Consideration and possible action on approval of minutes of meeting held January 22, 2018.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of December, 2017. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for December, 2017. (Finance Manager Williams)
- 4.4) Discussion and overview of committed contracts issued. (Finance Manager Williams)
- 4.5) Consideration and possible action on Resolution No. 18-3 being a Resolution of the Board of Directors of the Palmdale Water District Regarding its Intention to Issue Tax-Exempt Obligations for Various Capital Projects. (Finance Manager Williams)
- 5) Information items.
  - 5.1) Status of Debt Service Coverage. (Financial Advisor Egan)
  - 5.2) Status of the cost to paint exterior of the District's office building.
  - 5.3) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



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DENNIS D. LaMOREAUX,  
General Manager

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**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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<b>DATE:</b>	February 21, 2018	February 26, 2018
<b>TO:</b>	FINANCE COMMITTEE	Committee Meeting
<b>FROM:</b>	Mr. Bob Egan, Financial Advisor	
<b>RE:</b>	<b><i>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF DECEMBER, 2017.</i></b>	

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Attached is the Investment Funds Report and current cash balance as of December 2017. The reports will be reviewed in detail at the Finance Committee meeting.

PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT  
December 31, 2017

					December 2017	November 2017
<b>CASH</b>						
1-00-0103-100	Citizens - Checking				73,601.74	400,693.88
1-00-0103-200	Citizens - Refund				-	(1,059.43)
1-00-0103-300	Citizens - Merchant				571,511.50	607,379.08
Bank Total					645,113.24	1,007,013.53
1-00-0110-000	PETTY CASH				300.00	300.00
1-00-0115-000	CASH ON HAND				5,400.00	5,400.00
TOTAL CASH					650,813.24	1,012,713.53
<b>INVESTMENTS</b>						
1-00-0135-000	Local Agency Investment Fund			Acct. Total	11,926.66	11,926.66
1-00-0120-000	UBS Money Market Account General (SS 11469)					
	UBS RMA Government Portfolio				2,921,986.73	312,671.84
	UBS Bank USA Dep acct				250,000.00	250,000.00
	Accrued interest				12,074.36	11,913.61
					3,184,061.09	574,585.45
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912796LB3	US Treasury Note	12/07/2017	0.000	1,000,000	-	999,840.00
912828N22	US Treasury Note	12/15/2018	1.250	1,000,000	994,770.00	-
912828C24	US Treasury Note	02/28/2019	1.490	1,000,000	996,020.00	997,070.00
					3,000,000	1,990,790.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	Compass Bank	12/11/2017	1.300	200,000	-	200,016.00
2	Goldman Sachs Bank NY	01/29/2018	1.350	240,000	240,021.60	240,079.20
3	Stearns Bank	05/03/2018	1.050	240,000	239,668.80	239,704.80
4	Sallie Mae Bank	09/04/2018	1.800	200,000	199,980.00	200,134.00
5	Medallion Bank	09/07/2018	1.750	200,000	200,240.00	200,424.00
6	Midland States Bank	02/28/2019	1.400	240,000	238,939.20	239,277.60
7	Key Bank	03/29/2019	1.500	240,000	239,100.00	239,491.20
8	Wells Fargo	05/20/2019	1.250	240,000	238,303.20	238,725.60
9	Capital Bank	06/17/2019	1.850	200,000	199,322.00	199,748.00
					2,000,000	1,795,574.80
					Acct. Total	6,970,425.89
1-00-1110-000	UBS Money Market Account Capital (SS 11475)					
	UBS Bank USA Dep acct				19,565.77	10,221.07
	UBS RMA Government Portfolio				-	-
					Acct. Total	19,565.77
1-00-0125-000	UBS Access Account General (SS 11432)					
	UBS Bank USA Dep acct				14,899.86	8,752.89
	UBS RMA Government Portfolio				-	-
	Accrued interest				25,310.59	23,711.58
					40,210.45	32,464.47
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828XF2	US Treasury Note	06/15/2018	1.125	1,000,000	998,440.00	998,160.00
912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,514,940.00	1,518,165.00
912828P53	US Treasury Note	02/15/2019	0.750	1,000,000	987,890.00	988,280.00
912828P95	US Treasury Note	03/15/2019	1.000	1,358,000	1,344,365.68	1,344,949.62
					4,858,000	4,845,635.68
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	BMW Bank	11/15/2018	1.960	240,000	240,691.20	240,991.20
2	La Salle Bank	03/01/2019	1.350	240,000	238,797.60	239,131.20
3	American Express	04/29/2019	1.440	240,000	239,373.60	239,786.40
4	Synchrony Bank	04/14/2020	1.850	240,000	239,649.60	240,482.40
5	JP Morgan Chase Bank	11/18/2020	1.600	240,000	234,091.20	234,669.60
6	Bank of Baroda NY	11/23/2020	1.600	77,000	75,138.14	75,322.94
7	Comenity Cap Bank	01/19/2021	1.900	163,000	163,777.51	164,374.09
					1,440,000	1,431,518.85
					Acct. Total	6,317,364.98
Total Managed Accounts					13,319,283.30	10,908,020.50
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted					
	UBS Bank USA Dep acct				7,198.96	5,166.97
	UBS RMA Government Portfolio				-	-
	Accrued interest				161.10	1,689.18
					7,360.06	6,856.15
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	Webbank UT US	12/19/2018	1.400	240,000	239,256.00	239,505.60
2	Ally Bank UT US	12/24/2018	1.500	240,000	239,462.40	239,745.60
					480,000	478,718.40
					Acct. Total	486,078.46
GRAND TOTAL CASH AND INVESTMENTS					14,456,175.00	12,406,841.38
Increase (Decrease) in Funds					2,049,333.62	
1-00-1130-000	2013A Bonds - Project Funds (BNY Mellon)					
	Construction Funds				-	4,443.53



PALMDALE WATER DISTRICT														Budget 2018 Carryover Information
2017 Cash Flow Report (Based on Nov. 22, 2016 Approved Budget)														
	January	February	March	April	May	June	July	August	September	October	November	December	YTD	
Total Cash Beginning Balance (BUDGET)	12,888,144	12,591,298	12,125,487	9,811,099	10,852,433	11,101,609	10,602,468	10,269,501	10,564,441	8,273,846	8,294,757	8,535,850		(169,500)
Total Cash Beginning Balance	12,883,393	13,217,019	13,413,293	11,445,512	13,404,252	14,487,121	13,647,746	13,715,473	14,093,379	12,241,820	12,375,922	12,406,841		
Budgeted Water Receipts	1,607,158	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,800,000	
Water Receipts	2,124,125	1,731,155	1,636,067	1,517,963	1,902,000	1,985,236	2,117,886	2,620,454	2,319,077	2,525,673	2,145,790	1,869,797	24,495,224	
DWR Refund (Operational Related)		2,189		1,894			6,293				1,929		12,305	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	2,124,125	1,733,344	1,636,067	1,519,857	1,902,000	1,985,236	2,124,179	2,620,454	2,319,077	2,525,673	2,147,719	1,869,797	24,507,529	
Total Operating Expenses excl GAC (BUDGET)	(1,433,015)	(1,410,412)	(1,843,115)	(1,795,526)	(1,815,868)	(1,666,439)	(2,049,698)	(1,869,774)	(2,078,927)	(1,678,858)	(1,660,776)	(1,794,941)	(21,097,350)	
GAC (BUDGET)	-	(121,780)	-	(220,000)	-	-	(65,000)	-	(190,000)	-	-	(190,000)	(786,780)	
Operating Expenses excl GAC (ACTUAL)	(1,426,614)	(1,496,496)	(1,366,407)	(1,531,765)	(1,702,242)	(1,619,574)	(1,858,944)	(2,012,709)	(1,841,290)	(1,977,693)	(1,961,982)	(1,523,938)	(20,319,653)	
GAC	(169,477)	-	(169,477)	-	(91,409)	(91,462)	-	(232,513)	-	(169,477)	-	-	(923,815)	
Prepaid Insurance (paid)/refunded	-	-	(67,198)	-	-	-	-	(33,363)	-	(143,379)	-	-	(243,940)	
Total Operating Expense (ACTUAL)	(1,596,091)	(1,496,496)	(1,603,082)	(1,531,765)	(1,793,651)	(1,711,036)	(1,858,944)	(2,278,585)	(1,841,290)	(2,290,549)	(1,961,982)	(1,523,938)	(21,487,408)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	671,050	260,305	14,650	2,077,790	758,290	11,325	77,225	130,500	-	-	132,500	2,518,797	6,652,432	
Actual/Projected Assessments, net	669,618	373,532	15,376	1,968,372	759,015	10,679	125,853	155,688	-	-	130,758	2,676,985	6,885,877	
RDA Pass-through (Successor Agency)					396,503.97							227,021	623,525	
Interest	11,110	10,049	11,724	11,285	12,800	12,536	13,087	12,868	12,405	13,380	12,825	12,200	146,270	
Market Adjustment	28	(6,681)	(13,784)	(2,145)	(4,920)	(12,785)	209	140	(7,011)	(12,681)	(16,534)	(14,088)	(90,252)	
Grant Re-imbursement							37,500	37,500		35,669			110,669	
Capital Improvement Fees - Infrastructure	4,035	54,662		41,701	11,528		46,224	35,977	865	288	1,161	9,494	205,935	
Capital Improvement Fees - Water Supply		133,286		178,810	24,683		277,954	192,074			8,665		815,471	
DWR Refund (Capital Related)				76,319	37,319	46,158			30,525	76,317			266,638	
Other	4,421	11,311	29	22,019	2,555	21	134	(22)	6	3	992	23	41,491	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	689,212	576,159	13,346	2,296,361	1,239,485	56,608	500,961	434,226	36,789	112,976	137,866	2,911,635	9,005,623	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(238,494)	(214,207)	(166,000)	(246,000)	(560,041)	(315,000)	(195,000)	(120,000)	(145,000)	(328,000)	(90,000)	-	(2,617,742)	
Budgeted Capital Expenditures (Committed During Year)					(78,440)	(115,485)	(110,000)	(110,000)	(137,490)	(10,000)	(10,000)		(571,415)	
Actual/Projected Capital Expenditures	(175,106)	(452,506)	(212,536)	(161,081)	(95,373)	(165,982)	(9,380)	(233,497)	(61,652)	(48,297)	(61,337)	(68,826)	(1,745,572)	
WRB Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	
Const. of Monitoring Wells/Test Basin (Water Supply)	-	-	-	-	-	-	-	-	-	-	(66,657)	(199,465)	(266,122)	
Grade Control Structure (Water Supply)	-	-	-	-	-	-	-	-	-	-	-	(27,994)	(27,994)	
SWP Capitalized	(681,198)	(157,881)	(181,818)	(157,881)	(157,881)	(157,881)	(681,194)	(157,881)	(188,154)	(157,881)	(157,880)	(157,879)	(2,995,409)	
Butte County Water Transfer						(750,399)						(751,304)	(1,501,704)	
Bond Payments - Interest			(1,060,942)						(1,052,364)				(2,113,307)	
Principal			(553,437)						(1,057,016)				(1,610,453)	
Capital leases - Go West (2012 Lease - Paid in Full May)	(17,296)	-	-	-	(5,267)								(22,563)	
Capital leases - Holman Capital (2017 Lease)						(89,477)							(89,477)	
Capital leases - Enterprise FM Trust (Vehicles)	(2,392)	(2,660)	(1,692)	(2,339)	(2,339)	(2,339)	(3,773)	(2,687)	(2,826)	(2,678)	(2,678)	(2,693)	(31,094)	
Capital leases - Wells Fargo (Printers)	(7,628)	(3,687)	(3,687)	(4,412)	(4,104)	(4,104)	(4,123)	(4,123)	(4,123)	(5,143)	(4,132)	-	(49,266)	
Total Non-Operating Expenses (ACTUAL)	(883,619)	(616,734)	(2,014,112)	(325,713)	(264,964)	(1,170,182)	(698,469)	(398,189)	(2,366,135)	(213,998)	(292,684)	(1,208,161)	(10,452,961)	
Total Cash Ending Balance (BUDGET)	12,591,298	12,125,487	9,811,099	10,852,433	11,101,609	10,602,468	10,269,501	10,564,441	8,273,846	8,294,757	8,535,850	10,205,110		
Total Cash Ending Balance (ACTUAL)	13,217,019	13,413,293	11,445,512	13,404,252	14,487,121	13,647,746	13,715,473	14,093,379	12,241,820	12,375,922	12,406,841	14,456,175		
											Budget	10,205,110	Carryover	(2,409,339)
											Difference	4,251,065	Adj. Difference	1,841,726
2016 Cash Ending Balance (ACTUAL)	12,534,672	12,719,333	10,275,232	12,340,454	13,316,414	12,675,338	12,028,366	12,724,061	10,784,100	11,041,695	11,034,719	12,888,144		

Indicates actual expenditures/revenues:

Indicates anticipated expenditures/revenues:

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** February 21, 2018 **February 26, 2018**  
**TO:** Finance Committee **Committee Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM 4.3 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR DECEMBER 2017***

## **Discussion:**

Presented here are Balance Sheet and Profit/Loss Statement for the period ending December 31, 2017. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of December 2017.

This is the final month of the District's Budget Year 2017. The target percentage is 100%. Revenues ideally are at or above, and expenditures ideally are below.

## **Balance Sheet:**

- Page 1 is our balance sheet on December 31, 2017.
- The significant change here is the increase in investments of approximately \$2MM. This is due to the receipt of property tax assessments.

## **Profit/Loss Statement:**

- Page 3 is our profit/loss statement on December 31, 2017.
- Operating revenue is at 103.5% of budget.
- Cash operating expense is at 96% of budget.
- Departmental and major expense categories budgets are at or under budget except for Operations, which we have discussed in previous meetings, and GAC Filter Media. GAC ended the year over budget due to increased water production.
- Revenues have exceeded expenses for the month by \$534KK, and year to date revenues are exceeded expenses by \$2.75MM.
- Our Bad Debt write offs were higher than expected at \$133K. This came about from the CIS conversion.
- Property Tax Assessments ended the year strong, exceeding budget numbers \$434K.
- Capital Improvement Fees ended the year at \$1.02MM.
- Page 6 is showing the distribution of expense between labor and operations. Labor costs are currently at 51% of total expenses with salaries making up 35% of that.

### **Year-To-Year Comparison P&L:**

- Page 7 is our comparison of December 2016 to December 2017.
- Total operating revenue is up \$228K, or 13%.
- Operating expenditures are down \$2K, or 0.18%.
- Page 7-1 is our comparison of December 2015 to December 2017.
- Total operating revenue was up \$293K, or 6.6%.
- Total operating expenses were down \$97K, or 6%.
- Page 8 and 8-1 is a graphic presentation of the water consumption comparison for 2016 and 2015, respectively.
  - Units billed in acre feet for 2016 comparison were up by 135, or 6%.
  - Total revenue per unit sold was unchanged.
  - Total revenue per connection was up \$11.20, or 19%.
  - Units billed per connection was up 2.19, or 13%.
  
  - Units billed in acre feet for 2015 comparison were up by 270, or 31%.
  - Total revenue per unit sold was down \$0.44, or 10%.
  - Total revenue per connection was up \$17.20, or 32%.
  - Units billed per connection is up 4.37, or 31%.

### **Revenue Analysis Year-To-Date:**

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through December 2017 is up \$1.03MM, or 4.5%.
- Retail water revenue from all areas are up by \$2.04MM from last year. That's shown by the combined green highlighted area.
- Retail water sales, including the drought surcharge but excluding meter fees, is up \$289K.
- Total revenue is up \$1.12MM due to increased water sales and capital improvement fees.
- Operating revenue is at 95% of budget; last year was at 96% of budget.

### **Expense Analysis Year-To-Date:**

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through December 2017 are up \$357K, or 2%, compared to 2016.
- Total Expenses are up \$1.25MM, or 3.8%.

### **Departments:**

- Pages 14 through 24 are detailed individual departmental budgets for your review.

### **Non-Cash Definitions:**

**Depreciation:** This is the spreading of the total expense of a capital asset over the expected life of that asset.

**OPEB Accrual Expense:** Other Post Employment Benefits (OPEB) is the recognized annual required contribution to the benefit. The amount is actuarially determined in accordance with the parameters of GASB 45. The amount represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

**Bad Debt:** The uncollectible accounts receivable that has been written off.

**Service Cost Construction:** The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

**Capitalized Construction:** The value of our labor force used to construct our asset infrastructure.

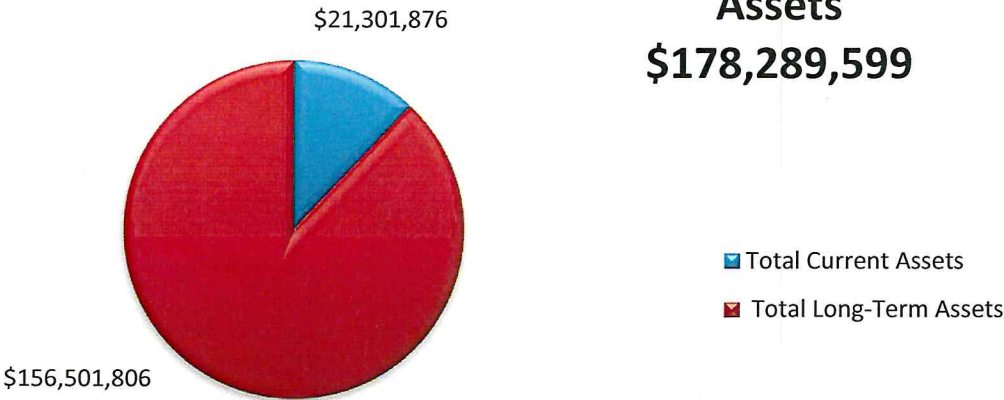
**Palmdale Water District**  
**Balance Sheet Report**  
**For the Twelve Months Ending 12/31/2017**

	<b>December 2017</b>	<b>November 2017</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 650,813	\$ 1,012,714
Investments	13,281,898	10,908,021
2013A Bonds - Project Funds	-	4,444
	<u>\$ 13,932,712</u>	<u>\$ 11,925,178</u>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 1,731,286	\$ 1,799,861
Accounts Receivables - Miscellaneous	75,252	36,856
Allowance for Uncollected Accounts	(153,668)	(153,668)
	<u>\$ 1,652,869</u>	<u>\$ 1,683,048</u>
Assessments Receivables	\$ 4,628,764	\$ 7,105,749
Meters, Materials and Supplies	815,095	822,553
Prepaid Expenses	272,437	164,124
<b>Total Current Assets</b>	<b>\$ 21,301,876</b>	<b>\$ 21,700,652</b>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 106,867,017	\$ 107,034,163
Participation Rights in State Water Project, net	46,862,633	46,170,193
Investment in PRWA	320,680	320,680
2013A Bonds - Insurance & Surety Bond	205,899	206,565
CalPERS Contributions	2,245,577	2,245,577
	<u><b>\$ 156,501,806</b></u>	<u><b>\$ 155,977,178</b></u>
<b>Restricted Cash:</b>		
Rate Stabilization Fund	485,917	486,107
<b>Total Long-Term Assets &amp; Restricted Cash</b>	<u><b>\$ 156,987,723</b></u>	<u><b>\$ 156,463,285</b></u>
<b>Total Assets</b>	<u><u><b>\$ 178,289,599</b></u></u>	<u><u><b>\$ 178,163,937</b></u></u>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ 518,114	\$ 345,409
Current Principal Installment of Long-term Debt	1,583,422	1,672,899
Accounts Payable and Accrued Expenses	6,053,010	6,119,816
Deferred Assessments	3,500,000	3,966,667
<b>Total Current Liabilities</b>	<u><b>\$ 11,654,546</b></u>	<u><b>\$ 12,104,791</b></u>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 9,143,384	\$ 9,143,384
OPEB Liability	15,081,768	14,915,933
2013A Water Revenue Bonds	41,900,450	41,902,701
2012 - Certificates of Participation	5,927,739	5,920,941
2017 - Capital Lease Payable	805,290	805,290
<b>Total Long-Term Liabilities</b>	<u><b>\$ 72,858,631</b></u>	<u><b>\$ 72,688,249</b></u>
<b>Total Liabilities</b>	<u><b>\$ 84,513,177</b></u>	<u><b>\$ 84,793,039</b></u>
<b>District Equity</b>		
Revenue from Operations	\$ (1,287,088)	\$ (1,692,612)
Retained Earnings	95,063,510	95,063,510
<b>Total Liabilities and District Equity</b>	<u><u><b>\$ 178,289,599</b></u></u>	<u><u><b>\$ 178,163,937</b></u></u>

BALANCE SHEET AS OF DECEMBER 31, 2017

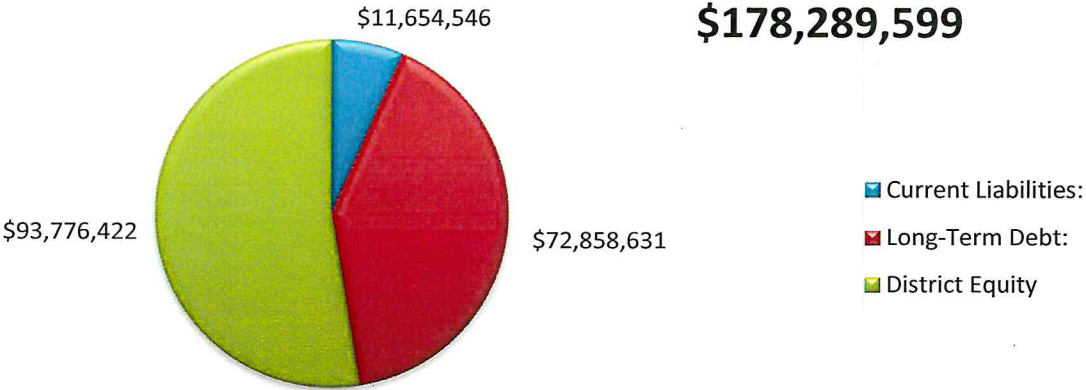
Assets

\$178,289,599



Liability & Equity

\$178,289,599





**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Twelve Months Ending 12/31/2017**

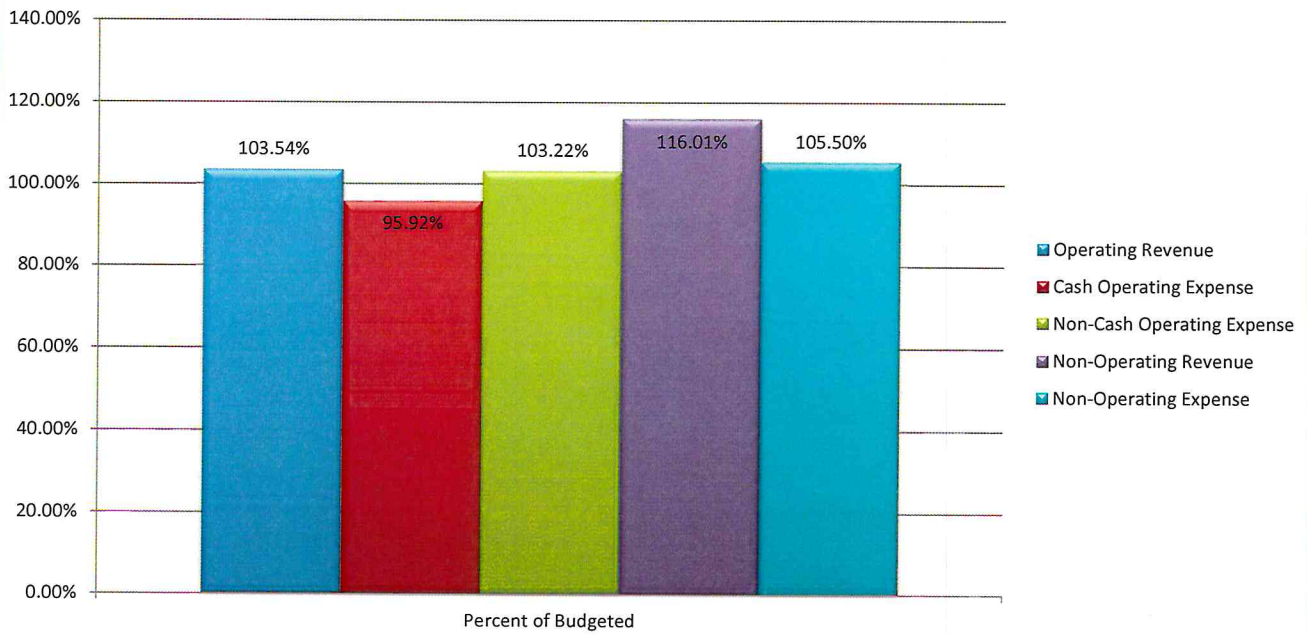
	Thru November	December	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 297,041	\$ 82,042	\$ 379,083		\$ 160,000	236.93%
Water Sales	7,753,732	663,430	8,417,162		8,002,000	105.19%
Meter Fees	11,646,743	1,063,471	12,710,215		12,475,500	101.88%
Water Quality Fees	785,759	59,766	845,526		862,500	98.03%
Elevation Fees	340,899	24,719	365,618		340,000	107.53%
Other	768,511	53,732	822,242		960,000	85.65%
Drought Surcharge	66,226	-	66,226		-	
<b>Total Operating Revenue</b>	<b>\$ 21,658,911</b>	<b>\$ 1,947,160</b>	<b>\$ 23,606,071</b>	<b>\$ -</b>	<b>\$ 22,800,000</b>	<b>103.54%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 98,950	\$ 9,857	\$ 108,807		\$ 115,500	94.21%
Administration-Services*	1,620,485	132,117	1,752,601	(18,000)	1,925,000	91.04%
Administration-District***	1,344,487	95,910	1,440,397	60,000	1,569,500	91.77%
Engineering**	1,343,927	112,190	1,456,117	68,750	1,520,250	95.78%
Facilities**	5,583,004	362,327	5,945,331	(68,750)	6,557,250	90.67%
Operations	2,793,376	199,779	2,993,156		2,546,250	117.55%
Finance	1,117,401	89,040	1,206,440		1,246,500	96.79%
Water Conservation*	200,689	15,998	216,687	2,000	230,000	94.21%
Human Resources*	311,116	7,334	318,450	16,000	313,100	101.71%
Information Technology	659,103	67,695	726,798		804,750	90.31%
Customer Care	1,119,994	120,133	1,240,127		1,278,000	97.04%
Source of Supply-Purchased Water	2,164,964	2,022	2,166,986		2,190,000	98.95%
Plant Expenditures	322,142	28,629	350,771		574,292	61.08%
GAC Filter Media Replacement	754,338	169,477	923,815		862,500	107.11%
<b>Total Cash Operating Expenses</b>	<b>\$ 19,433,976</b>	<b>\$ 1,412,509</b>	<b>\$ 20,846,485</b>	<b>\$ 60,000</b>	<b>\$ 21,732,892</b>	<b>95.92%</b>
<b>Net Cash Operating Profit/(Loss)</b>	<b>\$ 2,224,935</b>	<b>\$ 534,651</b>	<b>\$ 2,759,586</b>	<b>\$ (60,000)</b>	<b>\$ 1,067,108</b>	<b>258.60%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 5,602,305	\$ 511,446	\$ 6,113,751		\$ 6,000,000	101.90%
OPEB Accrual Expense	2,011,895	182,900	2,194,794		2,350,000	93.40%
Bad Debts	50,654	82,966	133,620		50,000	267.24%
Service Costs Construction	111,908	(824)	111,084		125,000	88.87%
Capitalized Construction	(495,905)	(31,916)	(527,821)		(750,000)	70.38%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 7,280,857</b>	<b>\$ 744,571</b>	<b>\$ 8,025,428</b>	<b>\$ -</b>	<b>\$ 7,775,000</b>	<b>103.22%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (5,055,922)</b>	<b>\$ (209,920)</b>	<b>\$ (5,265,842)</b>	<b>\$ (60,000)</b>	<b>\$ (6,707,892)</b>	<b>78.50%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 4,609,723	\$ 493,050	\$ 5,102,773		\$ 5,000,000	102.06%
Assessments (1%)	1,888,700	400,637	2,289,337		1,957,500	116.95%
DWR Fixed Charge Recovery	266,638	-	266,638		200,000	133.32%
Interest	57,905	(1,851)	56,054		60,000	93.42%
CIF - Infrastructure	196,441	9,494	205,935		73,000	282.10%
CIF - Water Supply	815,471	-	815,471		177,000	460.72%
Grants - State and Federal	110,669	-	110,669		178,000	62.17%
Other	72,577	19,511	92,088		60,000	153.48%
<b>Total Non-Operating Revenues</b>	<b>\$ 8,018,124</b>	<b>\$ 920,841</b>	<b>\$ 8,938,965</b>	<b>\$ -</b>	<b>\$ 7,705,500</b>	<b>116.01%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 1,985,805	\$ 177,918	\$ 2,163,723		\$ 2,228,000	97.12%
Amortization of SWP	2,384,113	216,743	2,600,856		2,238,000	116.21%
Change in Investments in PRWA	106,162	-	106,162		100,000	106.16%
Water Conservation Programs	83,491	5,979	89,469		135,500	66.03%
<b>Total Non-Operating Expenses</b>	<b>\$ 4,559,571</b>	<b>\$ 400,639</b>	<b>\$ 4,960,211</b>	<b>\$ -</b>	<b>\$ 4,701,500</b>	<b>105.50%</b>
<b>Net Earnings</b>	<b>\$ (1,597,369)</b>	<b>\$ 310,281</b>	<b>\$ (1,287,088)</b>	<b>\$ (60,000)</b>	<b>\$ (3,703,892)</b>	<b>34.75%</b>

\* Budget adjustments by General Manager per Appendix A

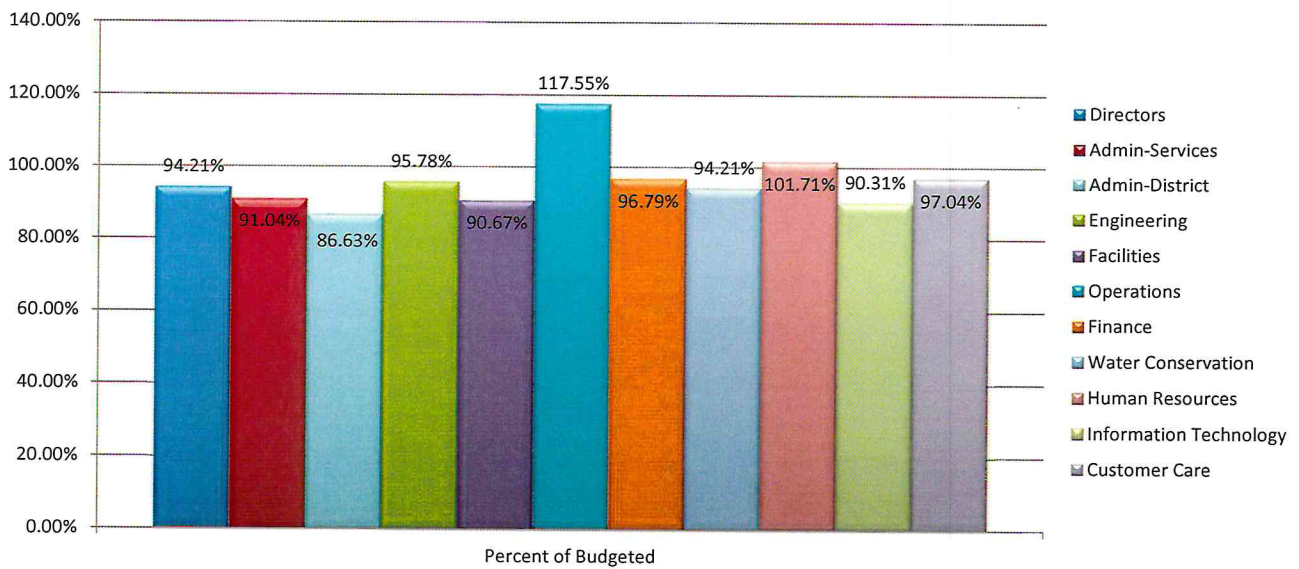
\*\* Budget adjustments by Board action 04/12/17

\*\*\* Budget adjustments by Board action 07/05/17

### P & L BUDGET vs. ACTUAL

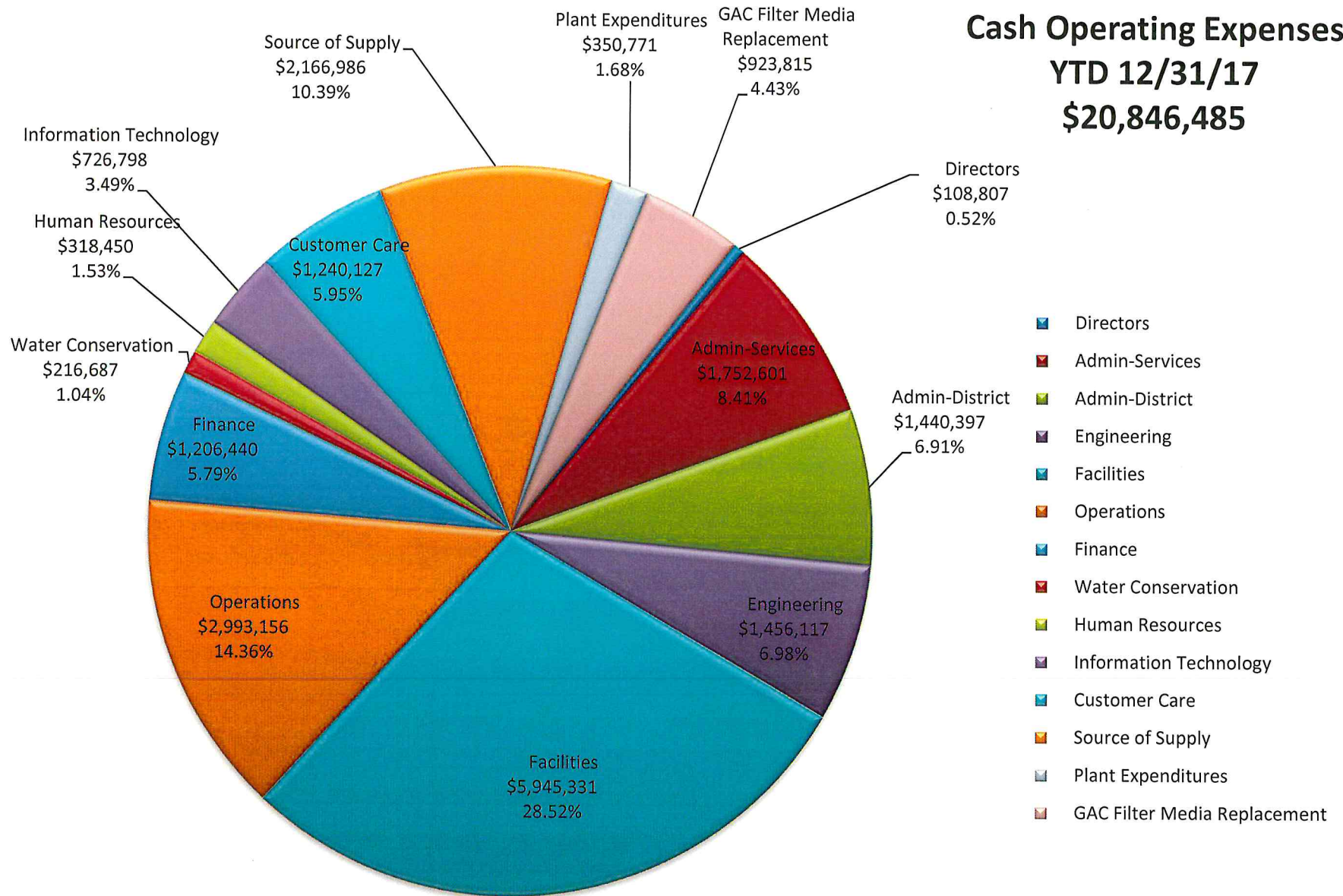


### DEPARTMENTAL - BUDGET vs. ACTUAL



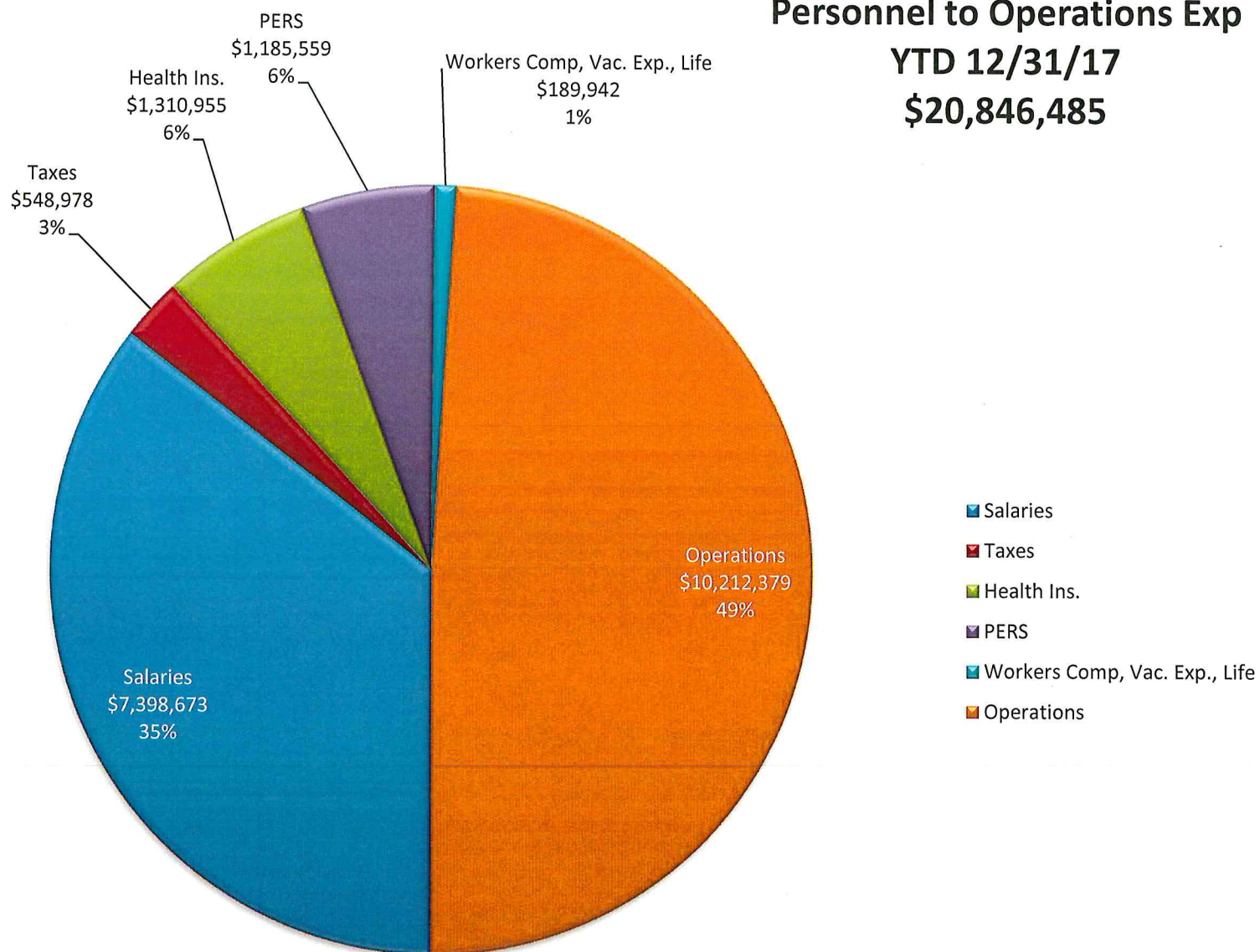


# **Cash Operating Expenses YTD 12/31/17 \$20,846,485**





**Personnel to Operations Exp**  
**YTD 12/31/17**  
**\$20,846,485**



**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison - December**

	2016	2017		%	Consumption Comparison		
	December	December	Change	Change	Units Billed	2016	2017
<b>Operating Revenue:</b>						439,122	498,064
Wholesale Water	\$ 13,343	\$ 82,042	\$ 68,699	514.86%	Active	26,617	26,658
Water Sales	486,791	663,430	176,639	36.29%	Vacant	790	741
Meter Fees	1,013,285	1,063,471	50,186	4.95%			
Water Quality Fees	57,086	59,766	2,680	4.70%			
Elevation Fees	21,869	24,719	2,850	13.03%	Rev/unit	\$ 3.91	\$ 3.91
Other	62,985	53,732	(9,253)	-14.69%	Rev/con	\$ 59.83	\$ 71.03
Drought Surcharge	62,951	-	(62,951)	-100.00%	Unit/con	16.50	18.68
<b>Total Operating Revenue</b>	<b>\$ 1,718,311</b>	<b>\$ 1,947,160</b>	<b>\$ 228,850</b>	<b>13.32%</b>			
<b>Cash Operating Expenses:</b>							
Directors	\$ 15,937	\$ 9,857	\$ (6,080)	-38.15%			
Administration-Services	134,593	132,117	(2,476)	-1.84%			
Administration-District	127,340	95,910	(31,430)	-24.68%			
Engineering	100,504	112,190	11,686	11.63%			
Facilities	450,894	362,327	(88,566)	-19.64%			
Operations	187,137	199,779	12,642	6.76%			
Finance	95,383	89,040	(6,343)	-6.65%			
Water Conservation	15,684	15,998	314	2.00%			
Human Resources	23,118	7,334	(15,784)	-68.27%			
Information Technology	111,873	67,695	(44,178)	-39.49%			
Customer Care	110,831	120,133	9,302	8.39%			
Source of Supply-Purchased Water	539	2,022	1,483	275.17%			
Plant Expenditures	41,273	28,629	(12,644)	-30.64%			
GAC Filter Media Replacement	-	169,477	169,477				
<b>Total Cash Operating Expenses</b>	<b>\$ 1,415,106</b>	<b>\$ 1,412,509</b>	<b>\$ (2,597)</b>	<b>-0.18%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 453,081	\$ 511,446	\$ 58,365	12.88%			
OPEB Accrual Expense	195,860	182,900	(12,961)	-6.62%			
Bad Debts	2,134	82,966	80,832	3787.73%			
Service Costs Construction	5,204	(824)	(6,028)	-115.83%			
Capitalized Construction	(39,337)	(31,916)	7,421	-18.86%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 616,942</b>	<b>\$ 744,571</b>	<b>\$ 127,629</b>	<b>20.69%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ (313,738)</b>	<b>\$ (209,920)</b>	<b>\$ 103,818</b>	<b>-33.09%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ 440,417	\$ 493,050	\$ 52,633	11.95%			
Assessments (1%)	360,148	400,637	40,489	11.24%			
DWR Fixed Charge Recovery	-	-	-				
Interest	(11,930)	(1,851)	10,079	-84.48%			
CIF - Infrastructure	288	9,494	9,206				
CIF - Water Supply	-	-	-				
Grants - State and Federal	-	-	-				
Other	49	19,511	19,462				
<b>Total Non-Operating Revenues</b>	<b>\$ 788,972</b>	<b>\$ 920,841</b>	<b>\$ 131,869</b>	<b>16.71%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 182,248	\$ 177,918	\$ (4,330)	-2.38%			
Amortization of SWP	196,904	216,743	19,839	10.08%			
Change in Investments in PRWA	-	-	-				
Water Conservation Programs	9,830	5,979	(3,852)	-39.18%			
<b>Total Non-Operating Expenses</b>	<b>\$ 388,983</b>	<b>\$ 400,639</b>	<b>\$ 11,657</b>	<b>3.00%</b>			
<b>Net Earnings</b>	<b>\$ 86,252</b>	<b>\$ 310,281</b>	<b>\$ 224,030</b>	<b>259.74%</b>			

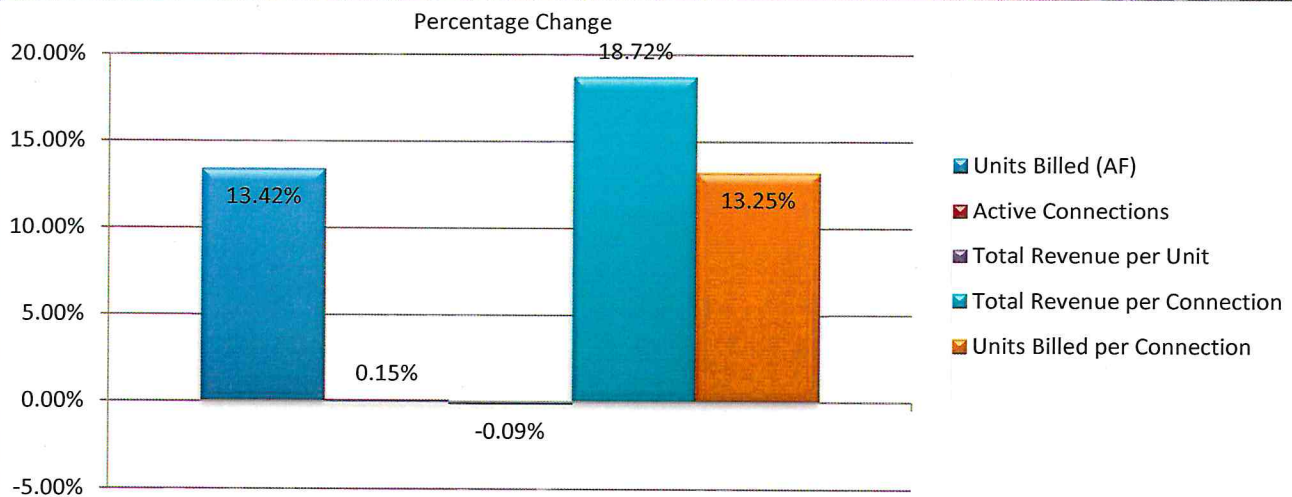
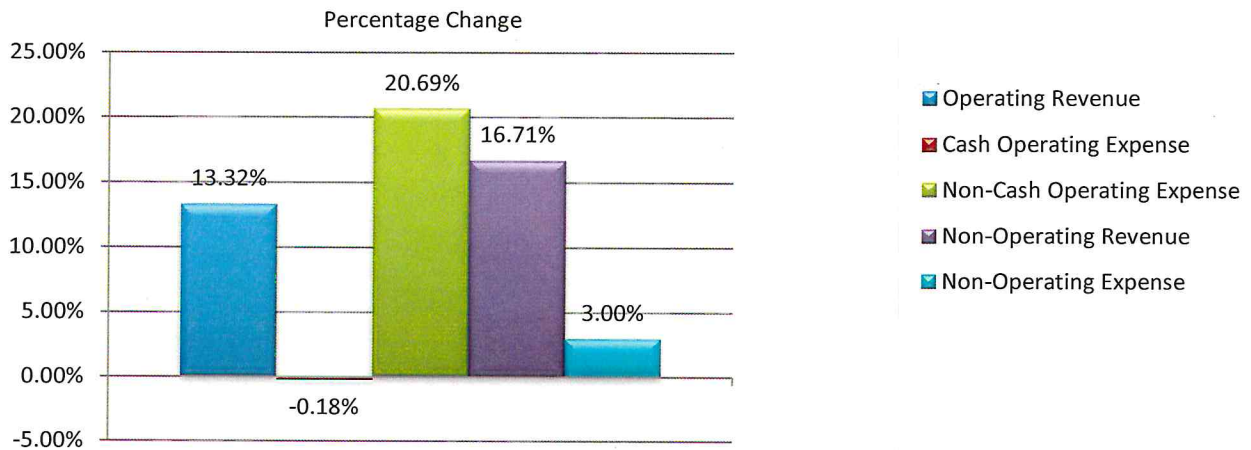
**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison-2 Years - December**

	2015	2017		%	Consumption Comparison		
	December	December	Change	Change	Units Billed	2015	2017
<b>Operating Revenue:</b>						380,251	498,064
Wholesale Water	\$ 2,694	\$ 82,042	\$ 79,348	2944.84%	Active	26,564	26,658
Water Sales	384,048	663,430	279,382	72.75%	Vacant	830	741
Meter Fees	969,482	1,063,471	93,989	9.69%			
Water Quality Fees	52,966	59,766	6,800	12.84%			
Elevation Fees	20,736	24,719	3,983	19.21%	Rev/unit	\$ 4.35	\$ 3.91
Other	177,904	53,732	(124,172)	-69.80%	Rev/con	\$ 53.83	\$ 71.03
Drought Surcharge	46,281	-	(46,281)		Unit/con	14.31	18.68
<b>Total Operating Revenue</b>	<b>\$ 1,654,112</b>	<b>\$ 1,947,160</b>	<b>\$ 293,048</b>	<b>17.72%</b>			
<b>Cash Operating Expenses:</b>							
Directors	\$ 14,486	\$ 9,857	\$ (4,629)	-31.96%			
Administration-Services	283,802	132,117	(55,776)	-19.65%			
Administration-District	-	95,910					
Engineering	119,529	112,190	(7,339)	-6.14%			
Facilities	530,048	362,327	(167,721)	-31.64%			
Operations	241,736	199,779	(41,956)	-17.36%			
Finance	121,626	89,040	(32,586)	-26.79%			
Water Conservation	26,104	15,998	(10,106)	-38.71%			
Human Resources	36,392	7,334	(29,057)	-79.85%			
Information Technology	85,197	67,695	(17,502)	-20.54%			
Customer Care	144,269	120,133	(24,136)	-16.73%			
Source of Supply-Purchased Water	(228,240)	2,022	230,262	-100.89%			
Plant Expenditures	135,185	28,629	(106,556)	-78.82%			
GAC Filter Media Replacement	-	169,477	169,477				
<b>Total Cash Operating Expenses</b>	<b>\$ 1,510,134</b>	<b>\$ 1,412,509</b>	<b>\$ (97,625)</b>	<b>-6.46%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 529,765	\$ 511,446	\$ (18,319)	-3.46%			
OPEB Accrual Expense	183,580	182,900	(681)	-0.37%			
Bad Debts	5,375	82,966	77,591	1443.57%			
Service Costs Construction	31,880	(824)	(32,705)	-102.58%			
Capitalized Construction	(143,101)	(31,916)	111,184	-77.70%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 607,499</b>	<b>\$ 744,571</b>	<b>\$ 137,072</b>	<b>22.56%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ (463,522)</b>	<b>\$ (209,920)</b>	<b>\$ 253,602</b>	<b>-54.71%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ 478,846	\$ 493,050	\$ 14,204	2.97%			
Assessments (1%)	334,639	400,637	65,998	19.72%			
DWR Fixed Charge Recovery	-	-	-				
Interest	(5,944)	(1,851)	4,093	-68.86%			
CIF - Infrastructure	3,483	9,494	6,011	172.58%			
CIF - Water Supply	-	-	-				
Grants - State and Federal	-	-	-				
Other	3,261	19,511	16,249	498.21%			
<b>Total Non-Operating Revenues</b>	<b>\$ 814,286</b>	<b>\$ 920,841</b>	<b>\$ 106,555</b>	<b>13.09%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 186,850	\$ 177,918	\$ (8,932)	-4.78%			
Amortization of SWP	172,877	216,743	43,866	25.37%			
Change in Investments in PRWA	2,285	-	(2,285)				
Water Conservation Programs	8,075	5,979	(2,096)	-25.96%			
<b>Total Non-Operating Expenses</b>	<b>\$ 370,087</b>	<b>\$ 400,639</b>	<b>\$ 30,553</b>	<b>8.26%</b>			
<b>Net Earnings</b>	<b>\$ (19,323)</b>	<b>\$ 310,281</b>	<b>\$ 329,604</b>	<b>-1705.79%</b>			



# YEAR-TO-YEAR COMPARISON

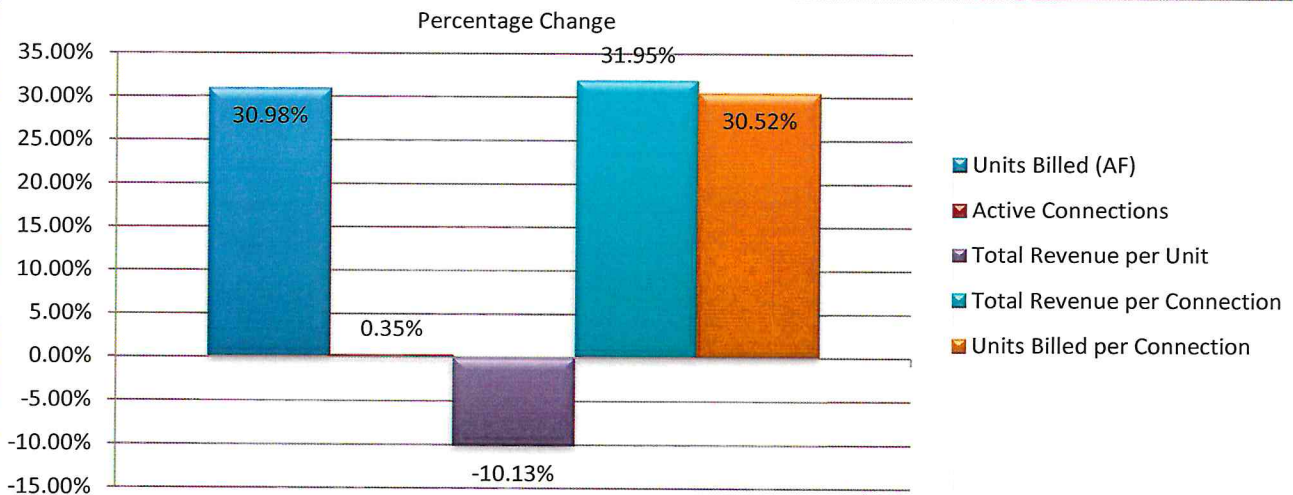
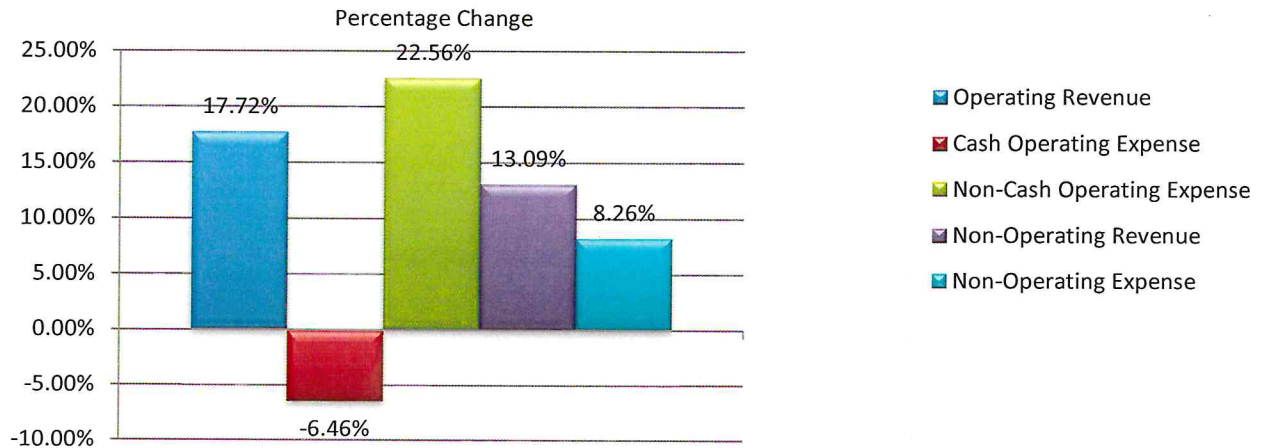
## December 2016 -To - December 2017



	2016	2017	Change	
Units Billed (AF)	1,008	1,143	135	13.42%
Active Connections	26,617	26,658	41	0.15%
Non-Active	790	741	-49	-6.20%
Total Revenue per Unit	\$3.91	\$3.91	\$0.00	-0.09%
Total Revenue per Connection	\$59.83	\$71.03	\$11.20	18.72%
Units Billed per Connection	16.50	18.68	2.19	13.25%

# YEAR-TO-YEAR COMPARISON

## December 2015 -To -December 2017



	2015	2017	Change	
Units Billed (AF)	873	1,143	270	30.98%
Active Connections	26,564	26,658	94	0.35%
Non-Active	830	741	-89	-10.72%
Total Revenue per Unit	\$4.35	\$3.91	-\$0.44	-10.13%
Total Revenue per Connection	\$53.83	\$71.03	\$17.20	31.95%
Units Billed per Connection	14.31	18.68	4.37	30.52%

**Palmdale Water District**  
**Revenue Analysis**  
**For the Twelve Months Ending 12/31/2017**  
**2017**

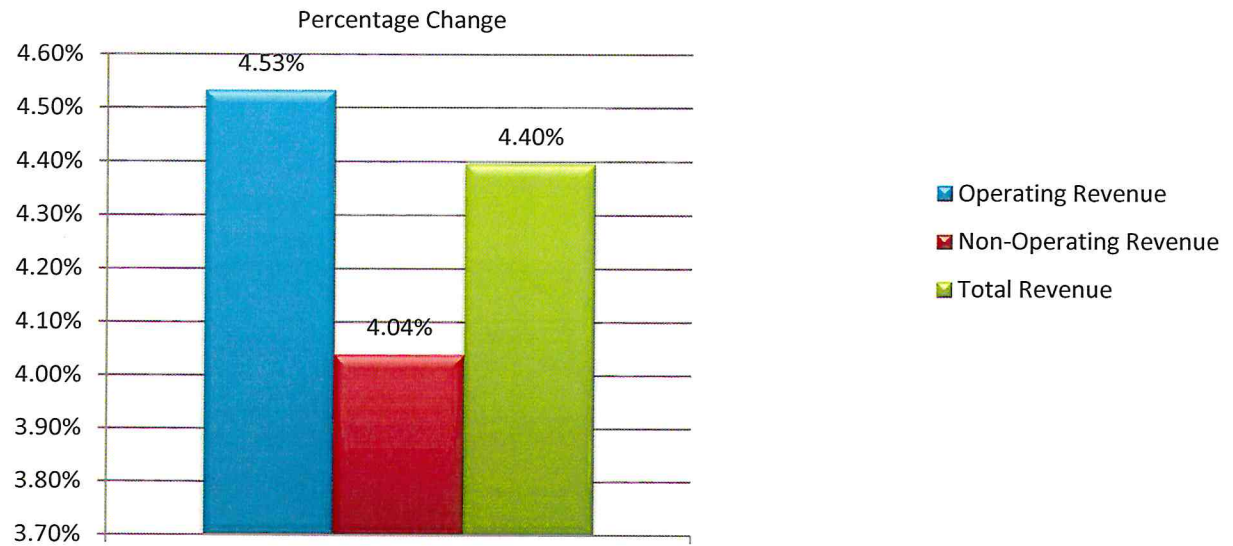
	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget	2016 to 2017 Comparison		
						December	Year-to-Date	% Change
<b>Operating Revenue:</b>								
Wholesale Water	\$ 297,041	\$ 82,042	\$ 379,083	\$ 160,000	236.93%	\$ 68,699	\$ 147,263	63.52%
Water Sales	7,753,732	663,430	8,417,162	8,002,000	105.19%	176,639	1,511,929	21.90%
Meter Fees	11,646,743	1,063,471	12,710,215	12,475,500	101.88%	50,186	533,324	4.38%
Water Quality Fees	785,759	59,766	845,526	862,500	98.03%	2,680	(15,976)	-1.85%
Elevation Fees	340,899	24,719	365,618	340,000	107.53%	2,850	15,945	4.56%
Other	768,511	53,732	822,242	960,000	85.65%	(9,253)	43,663	5.61%
Drought Surcharge	66,226	-	66,226	-	-	(62,951)	(1,222,615)	-94.86%
<b>Total Water Sales</b>	<b>\$ 21,658,911</b>	<b>\$ 1,947,160</b>	<b>\$ 23,606,071</b>	<b>\$ 22,800,000</b>	<b>103.54%</b>	<b>\$ 228,850</b>	<b>\$ 1,013,533</b>	<b>4.53%</b>
<b>Non-Operating Revenues:</b>								
Assessments (Debt Service)	\$ 4,609,723	\$ 493,050	\$ 5,102,773	\$ 5,000,000	102.06%	\$ 52,633	\$ (219,977)	-4.13%
Assessments (1%)	1,888,700	400,637	2,289,337	1,957,500	116.95%	40,489	37,005	1.64%
DWR Fixed Charge Recovery	266,638	-	266,638	200,000	133.32%	-	(18,617)	-6.53%
Interest	57,905	(1,851)	56,054	60,000	93.42%	10,079	13,347	31.25%
CIF - Infrastructure	196,441	9,494	205,935	73,000	282.10%	9,206	(28,813)	-12.27%
CIF - Water Supply	815,471	-	815,471	177,000	460.72%	-	815,471	-
Grants - State and Federal	110,669	-	110,669	178,000	62.17%	-	(196,247)	-63.94%
Other	72,577	19,511	92,088	60,000	153.48%	19,462	(55,085)	-37.43%
<b>Total Non-Operating Revenues</b>	<b>\$ 8,018,124</b>	<b>\$ 920,841</b>	<b>\$ 8,938,965</b>	<b>\$ 7,705,500</b>	<b>116.01%</b>	<b>\$ 131,869</b>	<b>\$ 347,085</b>	<b>4.04%</b>
<b>Total Revenue</b>	<b>\$ 29,677,035</b>	<b>\$ 2,868,001</b>	<b>\$ 32,545,036</b>	<b>\$ 30,505,500</b>	<b>106.69%</b>	<b>\$ 360,718</b>	<b>\$ 1,360,618</b>	<b>4.40%</b>

**2016**

	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 218,477	\$ 13,343	\$ 231,820	\$ 160,000	144.89%
Water Sales	6,418,442	486,791	6,905,233	7,242,000	95.35%
Meter Fees	11,163,605	1,013,285	12,176,890	12,079,000	100.81%
Water Quality Fees	804,416	57,086	861,502	934,500	92.19%
Elevation Fees	327,804	21,869	349,673	400,000	87.42%
Other	715,594	62,985	778,579	860,000	90.53%
Drought Surcharge	1,225,890	62,951	1,288,841	-	-
<b>Total Water Sales</b>	<b>\$ 20,655,751</b>	<b>\$ 1,704,967</b>	<b>\$ 22,360,718</b>	<b>\$ 21,515,500</b>	<b>103.93%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 4,882,333	\$ 440,417	\$ 5,322,750	\$ 4,670,000	113.98%
Assessments (1%)	1,892,184	360,148	2,252,332	2,025,000	111.23%
DWR Fixed Charge Recovery	285,255	-	285,255	200,000	142.63%
Interest	54,638	(11,930)	42,707	35,000	122.02%
CIF - Infrastructure	234,459	288	234,747	50,000	469.49%
CIF - Water Supply	-	-	-	-	-
Grants - State and Federal	306,915	-	306,915	485,000	63.28%
Other	147,124	49	147,173	120,000	122.64%
<b>Total Non-Operating Revenues</b>	<b>\$ 7,802,909</b>	<b>\$ 788,972</b>	<b>\$ 8,591,880</b>	<b>\$ 7,585,000</b>	<b>113.27%</b>
<b>Total Revenue</b>	<b>\$ 28,458,659</b>	<b>\$ 2,493,939</b>	<b>\$ 30,952,598</b>	<b>\$ 29,100,500</b>	<b>106.36%</b>

# REVENUE COMPARISON YEAR-TO-DATE

December 2016-To- December 2017





**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Twelve Months Ending 12/31/2017**  
**2017**

**2016 to 2017 Comparison**

	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget	December	Year-to-Date	% Change
<b>Cash Operating Expenses:</b>								
Directors	\$ 98,950	\$ 9,857	\$ 108,807	\$ 115,500	94.21%	\$ (6,080)	\$ (49,182)	-31.13%
Administration-Services	1,620,485	132,117	1,752,601	1,943,000	90.20%	(2,476)	74,867	4.46%
Administration-District	1,344,487	95,910	1,440,397	1,509,500	95.42%	(31,430)	(30,263)	-2.06%
Engineering	1,343,927	112,190	1,456,117	1,451,500	100.32%	11,686	209,648	16.82%
Facilities	5,583,004	362,327	5,945,331	6,626,000	89.73%	(88,566)	(424,372)	-6.66%
Operations	2,793,376	199,779	2,993,156	2,546,250	117.55%	12,642	370,403	14.12%
Finance	1,117,401	89,040	1,206,440	1,246,500	96.79%	(6,343)	(16,581)	-1.36%
Water Conservation	200,689	15,998	216,687	228,000	95.04%	314	(13,248)	-5.76%
Human Resources	311,116	7,334	318,450	297,100	107.19%	(15,784)	(67,160)	-17.42%
Information Technology	659,103	67,695	726,798	804,750	90.31%	(44,178)	(45,096)	-5.84%
Customer Care	1,119,994	120,133	1,240,127	1,278,000	97.04%	9,302	(74,089)	-5.64%
Source of Supply-Purchased Water	2,164,964	2,022	2,166,986	2,190,000	98.95%	1,483	386,383	21.70%
Plant Expenditures	322,142	28,629	350,771	574,292	61.08%	(12,644)	(196,747)	-35.93%
GAC Filter Media Replacement	754,338	169,477	923,815	862,500	107.11%	169,477	233,274	33.78%
<b>Total Cash Operating Expenses</b>	<b>\$ 19,433,976</b>	<b>\$ 1,412,509</b>	<b>\$ 20,846,485</b>	<b>\$ 21,672,892</b>	<b>96.19%</b>	<b>\$ (2,597)</b>	<b>\$ 357,836</b>	<b>1.72%</b>
<b>Non-Cash Operating Expenses:</b>								
Depreciation	\$ 5,602,305	\$ 511,446	\$ 6,113,751	\$ 6,000,000	101.90%	\$ 58,365	\$ 514,011	9.18%
OPEB Accrual Expense	2,011,895	182,900	2,194,794	2,350,000	93.40%	(12,961)	(155,528)	-6.62%
Bad Debts	50,654	82,966	133,620	50,000	267.24%	80,832	57,382	75.27%
Service Costs Construction	111,908	(824)	111,084	125,000	88.87%	(6,028)	13,301	13.60%
Capitalized Construction	(495,905)	(31,916)	(527,821)	(750,000)	70.38%	7,421	245,497	-31.75%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 7,280,857</b>	<b>\$ 744,571</b>	<b>\$ 8,025,428</b>	<b>\$ 7,775,000</b>	<b>103.22%</b>	<b>\$ 127,629</b>	<b>\$ 674,664</b>	<b>8.41%</b>
<b>Non-Operating Expenses:</b>								
Interest on Long-Term Debt	\$ 1,985,805	\$ 177,918	\$ 2,163,723	\$ 2,228,000	97.12%	\$ (4,330)	\$ (54,481)	-2.46%
Amortization of SWP	2,384,113	216,743	2,600,856	2,238,000	116.21%	19,839	238,068	10.08%
Change in Investments in PRWA	106,162	-	106,162	100,000	106.16%	-	846	0.80%
Water Conservation Programs	83,491	5,979	89,469	135,500	66.03%	(3,852)	32,327	56.57%
<b>Total Non-Operating Expenses</b>	<b>\$ 4,559,571</b>	<b>\$ 400,639</b>	<b>\$ 4,960,211</b>	<b>\$ 4,701,500</b>	<b>105.50%</b>	<b>\$ 11,657</b>	<b>\$ 216,759</b>	<b>4.57%</b>
<b>Total Expenses</b>	<b>\$ 31,274,405</b>	<b>\$ 2,557,720</b>	<b>\$ 33,832,124</b>	<b>\$ 34,149,392</b>	<b>99.07%</b>	<b>\$ 136,689</b>	<b>\$ 1,249,259</b>	<b>3.83%</b>



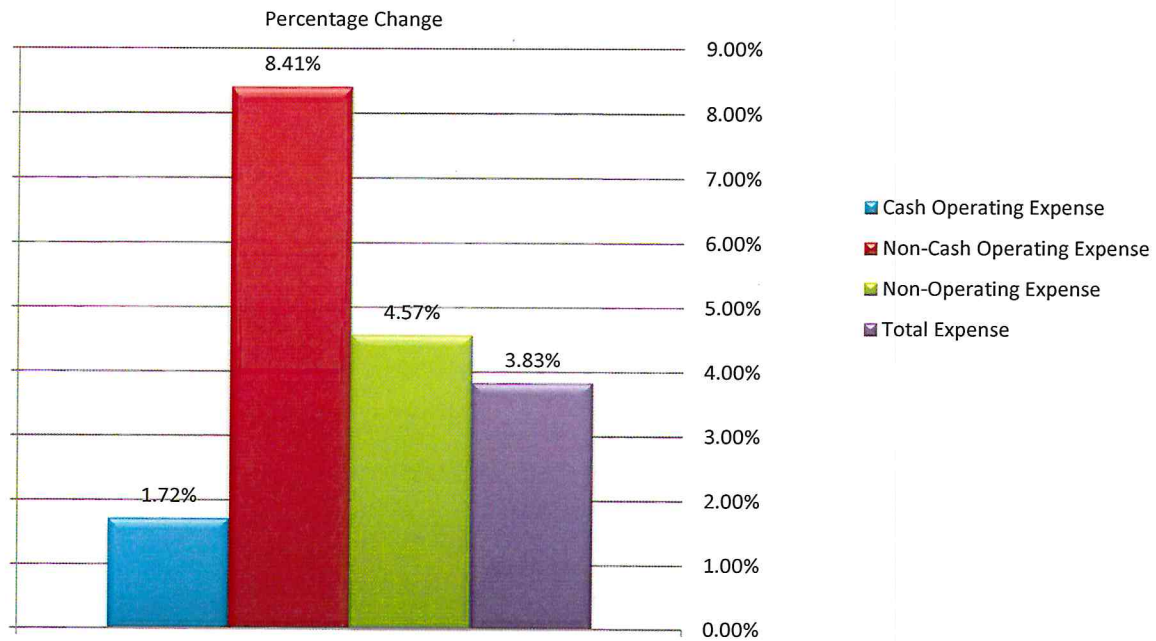
**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Twelve Months Ending 12/31/2017**  
**2016**

2016 to 2017 Comparison

	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 142,052	\$ 15,937	\$ 157,989	\$ 145,750	108.40%
Administration-Services	1,543,141	134,593	1,677,734	1,588,750	105.60%
Administration-District	1,343,320	127,340	1,470,660	1,612,750	91.19%
Engineering	1,145,964	100,504	1,246,469	1,279,250	97.44%
Facilities	5,918,810	450,894	6,369,704	6,513,750	97.79%
Operations	2,435,616	187,137	2,622,753	2,449,250	107.08%
Finance	1,127,639	95,383	1,223,022	1,168,250	104.69%
Water Conservation	214,252	15,684	229,935	239,250	96.11%
Human Resources	362,492	23,118	385,611	420,350	91.74%
Information Technology	660,021	111,873	771,894	867,750	88.95%
Customer Care	1,203,384	110,831	1,314,215	1,386,750	94.77%
Source of Supply-Purchased Water	1,780,065	539	1,780,604	1,725,000	103.22%
Plant Expenditures	506,245	41,273	547,518	-	
GAC Filter Media Replacement	690,541	-	690,541	934,500	73.89%
<b>Total Cash Operating Expenses</b>	<b>\$ 19,073,543</b>	<b>\$ 1,415,106</b>	<b>\$ 20,488,649</b>	<b>\$ 20,331,350</b>	<b>100.77%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 5,146,659	\$ 453,081	\$ 5,599,740	\$ 7,200,000	77.77%
OPEB Accrual Expense	2,154,462	195,860	2,350,322	2,250,000	104.46%
Bad Debts	74,104	2,134	76,238	50,000	152.48%
Service Costs Construction	92,579	5,204	97,783	125,000	78.23%
Capitalized Construction	(733,981)	(39,337)	(773,318)	(1,000,000)	77.33%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 6,733,823</b>	<b>\$ 616,942</b>	<b>\$ 7,350,765</b>	<b>\$ 8,625,000</b>	<b>85.23%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 2,035,956	\$ 182,248	\$ 2,218,205	\$ 2,228,000	99.56%
Amortization of SWP	2,165,884	196,904	2,362,788	2,238,000	105.58%
Change in Investments in PRWA	105,316	-	105,316	-	
Water Conservation Programs	47,313	9,830	57,143	126,500	45.17%
<b>Total Non-Operating Expenses</b>	<b>\$ 4,354,469</b>	<b>\$ 388,983</b>	<b>\$ 4,743,451</b>	<b>\$ 4,592,500</b>	<b>103.29%</b>
<b>Total Expenses</b>	<b>\$ 30,161,834</b>	<b>\$ 2,421,031</b>	<b>\$ 32,582,865</b>	<b>\$ 33,548,850</b>	<b>97.12%</b>

## EXPENSE COMPARISON YEAR-TO-DATE

### December 2016-To-December 2017



**Palmdale Water District**  
**2017 Directors Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ -	\$ -	\$ -	\$ -	
Employee Benefits					
1-01-4005-000 Payroll Taxes	4,705	5,500		795	85.54%
Subtotal (Benefits)	4,705	5,500	-	795	85.54%
Total Personnel Expenses	<u>\$ 4,705</u>	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 795</u>	<u>85.54%</u>
OPERATING EXPENSES:					
1-01-xxxx-007 Director Share - Alvarado, Robert	\$ 20,512	\$ 22,000		\$ 1,488	93.24%
1-01-xxxx-008 Director Share - Mac Laren, Kathy	19,443	22,000		2,557	88.38%
1-01-xxxx-009 Director Share - Estes, Joe	22,843	22,000		(843)	103.83%
1-01-xxxx-010 Director Share - Dino, Vincent	21,275	22,000		725	96.71%
1-01-xxxx-011 Director Share - Henriquez, Marco	20,030	22,000		1,970	91.04%
Subtotal Operating Expenses	104,103	110,000	-	1,970	94.64%
Total O & M Expenses	<u>\$ 108,807</u>	<u>\$ 115,500</u>	<u>\$ -</u>	<u>\$ 2,765</u>	<u>94.21%</u>

**Palmdale Water District**  
**2017 Administration District Wide Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 68,836	\$ 90,000		\$ 21,164	76.48%
Subtotal (Salaries)	\$ 68,836	\$ 90,000	\$ -	\$ 21,164	76.48%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 472,523	\$ 472,000		(523)	100.11%
1-02-5070-003 Workers Compensation	189,902	185,000		(4,902)	102.65%
1-02-5070-004 Vacation Benefit Expense	(6,272)	35,000		41,272	-17.92%
1-02-5070-005 Life Insurance	6,312	7,500		1,188	84.15%
Subtotal (Benefits)	\$ 662,464	\$ 699,500	\$ -	\$ 37,036	94.71%
Total Personnel Expenses	\$ 731,300	\$ 789,500	\$ -	\$ 58,200	92.63%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 30,069	\$ 20,000		(10,069)	150.35%
1-02-5070-007 Consultants	60,568	70,000		9,432	86.53%
1-02-5070-008 Insurance	286,478	305,000		18,522	93.93%
1-02-5070-009 Groundwater Adjudication	82,277	50,000		(32,277)	164.55%
1-02-5070-010 Legal Services	85,014	150,000		64,986	56.68%
1-02-5070-011 Memberships/Subscriptions	124,247	125,000		753	99.40%
1-02-5070-099 100th Anniversary***	40,443	-	60,000	19,557	67.40%
Subtotal Operating Expenses	\$ 709,097	\$ 720,000	\$ 60,000	\$ 70,903	90.91%
Total Departmental Expenses	\$ 1,440,397	\$ 1,509,500	\$ 60,000	\$ 129,103	91.77%

\*\*\* Budget adjustments by Board action 07/05/17

**Palmdale Water District**  
**2017 Administration Services Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-02-4000-000 Salaries*	\$ 1,078,885	\$ 1,220,500	\$ (16,000)	\$ 125,615	89.57%
1-02-4000-100 Overtime	7,946	8,500		554	93.49%
Subtotal (Salaries)	\$ 1,086,831	\$ 1,229,000	\$ (16,000)	\$ 126,169	89.60%
<b>Employee Benefits</b>					
1-02-4005-000 Payroll Taxes	\$ 74,016	\$ 87,000		12,984	85.08%
1-02-4010-000 Health Insurance	151,134	171,000		19,866	88.38%
1-02-4015-000 PERS	111,903	145,000		33,097	77.17%
Subtotal (Benefits)	\$ 337,053	\$ 403,000	\$ -	\$ 65,947	83.64%
Total Personnel Expenses	\$ 1,423,884	\$ 1,632,000	\$ (16,000)	\$ 192,116	88.11%
<b>OPERATING EXPENSES:</b>					
1-02-4050-000 Staff Travel	\$ 17,071	\$ 14,000	\$ -	\$ (3,071)	121.94%
1-02-4050-100 General Manager Travel	7,091	5,000		(2,091)	141.82%
1-02-4060-000 Staff Conferences & Seminars	1,683	6,000		4,317	28.05%
1-02-4060-100 General Manager Conferences & Seminars	3,306	4,000		695	82.64%
1-02-4130-000 Bank Charges	157,343	140,000		(17,343)	112.39%
1-02-4150-000 Accounting Services	24,351	27,500		3,149	88.55%
1-02-4175-000 Permits	11,228	17,500		6,272	64.16%
1-02-4180-000 Postage	13,006	25,000		11,994	52.03%
1-02-4190-100 Public Relations - Publications	20,479	30,000		9,521	68.26%
1-02-4190-700 Public Relations - General*	40,847	20,000	(2,000)	(22,847)	226.93%
1-02-4200-000 Advertising	1,902	4,000		2,098	47.55%
1-02-4205-000 Office Supplies	24,494	18,000		(6,494)	136.08%
1-02-4210-000 Office Furniture*	5,917	-	5,000	(917)	118.33%
Subtotal Operating Expenses	\$ 328,717	\$ 311,000	\$ 3,000	\$ (14,717)	104.69%
Total Departmental Expenses	\$ 1,752,601	\$ 1,943,000	\$ (13,000)	\$ 177,399	90.81%

\* Budget adjustments by General Manager per Appendix A



**Palmdale Water District**  
**2017 Engineering Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries**	\$ 1,025,227	\$ 983,500	\$ 45,000	\$ 3,273	99.68%
1-03-4000-100 Overtime	12,745	6,500		(6,245)	196.08%
Subtotal (Salaries)	\$ 1,037,973	\$ 990,000	\$ 45,000	\$ (2,973)	104.85%
Employee Benefits					
1-03-4005-000 Payroll Taxes**	77,032	73,000	4,750	718	99.08%
1-03-4010-000 Health Insurance**	181,559	164,000	16,000	(1,559)	100.87%
1-03-4015-000 PERS**	102,417	104,500	3,000	5,083	95.27%
Subtotal (Benefits)	\$ 361,008	\$ 341,500	\$ 23,750	\$ 4,242	98.84%
Total Personnel Expenses	\$ 1,398,981	\$ 1,331,500	\$ 68,750	\$ 1,269	99.91%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 3,095	\$ 2,500		\$ (595)	123.80%
1-03-4060-000 Staff Conferences & Seminars	3,895	2,500		(1,395)	155.80%
1-03-4155-000 Contracted Services	7,544	41,500		33,956	18.18%
1-03-4165-000 Memberships/Subscriptions	4,470	2,500		(1,970)	178.80%
1-03-4250-000 General Materials & Supplies	1,460	11,000		9,540	13.27%
1-03-8100-100 Computer Software - Maint. & Support	36,672	60,000		23,328	61.12%
Subtotal Operating Expenses	\$ 57,136	\$ 120,000	\$ -	\$ 62,864	47.61%
Total Departmental Expenses	\$ 1,456,117	\$ 1,451,500	\$ 68,750	\$ 64,133	95.78%

\*\* Budget adjustments by Board action 04/12/17

**Palmdale Water District**  
**2017 Facilities Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-04-4000-000 Salaries**	\$ 2,047,671	\$ 2,096,000	\$ (52,500)	\$ (4,171)	100.20%
1-04-4000-100 Overtime	114,871	100,000		(14,871)	114.87%
Subtotal (Salaries)	\$ 2,162,542	\$ 2,196,000	\$ (52,500)	\$ (19,042)	100.89%
<b>Employee Benefits</b>					
1-04-4005-000 Payroll Taxes**	167,159	172,000	(4,750)	91	99.95%
1-04-4010-000 Health Insurance**	469,406	453,500	(8,500)	(24,406)	105.48%
1-04-4015-000 PERS**	196,596	258,000	(3,000)	58,404	77.10%
Subtotal (Benefits)	\$ 833,161	\$ 883,500	\$ (16,250)	\$ 34,089	96.07%
Total Personnel Expenses	\$ 2,995,704	\$ 3,079,500	\$ (68,750)	\$ 15,046	99.50%
<b>OPERATING EXPENSES:</b>					
1-04-4050-000 Staff Travel	\$ 3,969	\$ 3,000		\$ (969)	132.31%
1-04-4060-000 Staff Conferences & Seminars	297	3,000		2,703	9.90%
1-04-4155-000 Contracted Services	495,345	491,500		(3,845)	100.78%
1-04-4175-000 Permits-Dams	7,433	25,000		17,567	29.73%
1-04-4215-100 Natural Gas - Wells & Boosters	170,596	225,000		54,404	75.82%
1-04-4215-200 Natural Gas - Buildings	6,613	9,000		2,387	73.48%
1-04-4220-100 Electricity - Wells & Boosters	1,091,131	1,320,000		228,869	82.66%
1-04-4220-200 Electricity - Buildings	73,376	88,000		14,624	83.38%
1-04-4225-000 Maint. & Repair - Vehicles	21,897	35,000		13,103	62.56%
1-04-4230-100 Maint. & Rep. Office Building	21,364	25,000		3,636	85.45%
1-04-4235-110 Maint. & Rep. Equipment	8,512	6,500		(2,012)	130.96%
1-04-4235-400 Maint. & Rep. Operations - Wells	55,508	100,000		44,492	55.51%
1-04-4235-405 Maint. & Rep. Operations - Boosters	27,474	80,000		52,526	34.34%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	20,786	10,000		(10,786)	207.86%
1-04-4235-415 Maint. & Rep. Operations - Facilities	16,691	15,000		(1,691)	111.27%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	318,750	250,000		(68,750)	127.50%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	1,642	15,000		13,358	10.95%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	4,070	7,500		3,430	54.26%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	4,837	10,000		5,163	48.37%
1-04-4235-440 Maint. & Rep. Operations - Large Meters	34,420	20,000		(14,420)	172.10%
1-04-4235-445 Maint. & Rep. Operations - Telemetry	2,125	5,000		2,875	42.50%
1-04-4235-450 Maint. & Rep. Operations - Hypo Generators	2,645	10,000		7,355	26.45%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	43,617	45,000		1,383	96.93%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	2,367	5,000		2,633	47.33%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	139,830	250,000		110,170	55.93%
1-04-4270-300 Telecommunication - Other	5,732	4,000		(1,732)	143.30%
1-04-4300-100 Testing - Regulatory Compliance	9,612	20,000		10,388	48.06%
1-04-4300-200 Testing - Large Meters	11,357	12,500		1,143	90.86%
1-04-4300-300 Testing - Edison Testing	2,755	30,000		27,245	9.18%
1-04-5070-009 Groundwater Adjudication-Pumping Assessment	19,552	50,000		30,448	39.10%
1-04-6000-000 Waste Disposal	15,183	20,000		4,817	75.91%
1-04-6100-100 Fuel and Lube - Vehicle	84,621	105,000		20,379	80.59%
1-04-6100-200 Fuel and Lube - Machinery	17,842	40,000		22,158	44.60%
1-04-6200-000 Uniforms	20,803	28,000		7,197	74.30%
1-04-6300-100 Supplies - General	52,867	47,500		(5,367)	111.30%
1-04-6300-200 Supplies - Hypo Generators	3,340	7,500		4,160	44.53%
1-04-6300-300 Supplies - Electrical	2,944	3,000		56	98.14%
1-04-6300-400 Supplies - Telemetry	6,070	5,000		(1,070)	121.39%
1-04-6300-800 Supplies - Construction Materials*	37,608	40,000	(5,000)	(2,608)	107.45%
1-04-6400-000 Tools	28,064	25,000		(3,064)	112.26%
1-04-7000-100 Leases -Equipment	22,460	15,000		(7,460)	149.74%
1-04-7000-100 Leases -Vehicles	33,524	38,000		4,476	88.22%
Subtotal Operating Expenses	\$ 2,949,628	\$ 3,544,000	\$ (5,000)	\$ 589,372	83.35%
Total Departmental Expenses	\$ 5,945,331	\$ 6,623,500	\$ (73,750)	\$ 604,419	90.77%

\* Budget adjustments by General Manager per Appendix A

\*\* Budget adjustments by Board action 04/12/17

**Palmdale Water District**  
**2017 Operation Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-05-4000-000 Salaries	\$ 953,323	\$ 920,000		\$ (33,323)	103.62%
1-05-4000-100 Overtime	78,833	56,000		(22,833)	140.77%
Subtotal (Salaries)	\$ 1,032,157	\$ 976,000	\$ -	\$ (56,157)	105.75%
<b>Employee Benefits</b>					
1-05-4005-000 Payroll Taxes	79,405	67,000		(12,405)	118.52%
1-05-4010-000 Health Insurance	160,866	144,250		(16,616)	111.52%
1-05-4015-000 PERS	98,359	111,000		12,641	88.61%
Subtotal (Benefits)	\$ 338,630	\$ 322,250	\$ -	\$ (16,380)	105.08%
Total Personnel Expenses	\$ 1,370,787	\$ 1,298,250	\$ -	\$ (72,537)	105.59%
<b>OPERATING EXPENSES:</b>					
1-05-4050-000 Staff Travel	\$ 3,875	\$ 2,500		\$ (1,375)	155.02%
1-05-4060-000 Staff Conferences & Seminars	1,855	2,500		645	74.20%
1-05-4155-000 Contracted Services	88,423	88,000		(423)	100.48%
1-05-4175-000 Permits	67,631	40,000		(27,631)	169.08%
1-05-4215-200 Natural Gas - WTP	1,063	3,000		1,937	35.42%
1-05-4220-200 Electricity - WTP	297,253	125,000		(172,253)	237.80%
1-05-4230-110 Maint. & Rep. - Office Equipment	183	500		317	36.67%
1-05-4235-110 Maint. & Rep. Operations - Equipment	18,068	20,000		1,932	90.34%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	1,818	6,000		4,182	30.29%
1-05-4235-415 Maint. & Rep. Operations - Facilities*	81,972	65,000	17,000	28	99.97%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator*	52,898	65,000	(17,000)	(4,898)	110.20%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	1,345	30,000		28,655	4.48%
1-05-4236-000 Palmdale Lake Management	65,913	40,000		(25,913)	164.78%
1-05-6000-000 Waste Disposal	3,678	20,000		16,322	18.39%
1-05-6200-000 Uniforms	13,155	16,000		2,845	82.22%
1-05-6300-100 Supplies - General	13,955	15,000		1,045	93.04%
1-05-6300-600 Supplies - Lab	51,859	50,000		(1,859)	103.72%
1-05-6300-700 Outside Lab Work	53,280	60,000		6,720	88.80%
1-05-6400-000 Tools	6,504	6,500		(4)	100.06%
1-05-6500-000 Chemicals	779,292	560,000		(219,292)	139.16%
1-05-7000-100 Leases -Equipment	-	3,000		3,000	0.00%
3-05-4300-100 Filter Media Testing/Inspection	18,348	30,000		11,652	61.16%
Subtotal Operating Expenses	\$ 1,622,369	\$ 1,248,000	\$ -	\$ (374,369)	130.00%
Total Departmental Expenses.	\$ 2,993,156	\$ 2,546,250	\$ -	\$ (446,906)	117.55%

\* Budget adjustments by General Manager per Appendix A



**Palmdale Water District**  
**2017 Finance Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-06-4000-000 Salaries	\$ 670,064	\$ 683,500		\$ 13,436	98.03%
1-06-4000-100 Overtime	1,808	4,000		2,192	45.21%
Subtotal (Salaries)	\$ 671,872	\$ 687,500	\$ -	\$ 15,628	97.73%
<b>Employee Benefits</b>					
1-06-4005-000 Payroll Taxes	46,901	53,000		6,099	88.49%
1-06-4010-000 Health Insurance	88,182	88,500		318	99.64%
1-06-4015-000 PERS	70,754	87,000		16,246	81.33%
Subtotal (Benefits)	\$ 205,836	\$ 228,500	\$ -	\$ 22,664	90.08%
Total Personnel Expenses	\$ 877,709	\$ 916,000	\$ -	\$ 38,291	95.82%
<b>OPERATING EXPENSES:</b>					
1-06-4155-000 Contracted Services	\$ 12,740	\$ 6,000		\$ (6,740)	212.33%
1-06-4155-100 Contracted Services - Infosend	261,932	280,000		18,068	93.55%
1-06-4165-000 Memberships/Subscriptions	330	500		170	66.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	-	3,000		3,000	0.00%
1-06-4260-000 Business Forms	1,598	4,000		2,402	39.95%
1-06-4270-100 Telecommunication - Office	29,872	18,000		(11,872)	165.96%
1-06-4270-200 Telecommunication - Cellular Stipend	19,655	15,500		(4,155)	126.81%
1-06-7000-100 Leases - Equipment	2,605	3,000		395	86.82%
Subtotal Operating Expenses	\$ 328,732	\$ 330,500	\$ -	\$ 1,768	99.46%
Total Departmental Expenses	\$ 1,206,440	\$ 1,246,500	\$ -	\$ 40,060	96.79%

**Palmdale Water District**  
**2017 Water Conservation Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-07-4000-000 Salaries	\$ 142,927	\$ 144,000		\$ 1,073	99.25%
1-07-4000-100 Overtime	540	1,000		460	54.02%
Subtotal (Salaries)	\$ 143,467	\$ 145,000		\$ 1,533	98.94%
<b>Employee Benefits</b>					
1-07-4005-000 Payroll Taxes	11,628	11,000		(628)	105.71%
1-07-4010-000 Health Insurance	36,439	36,500		61	99.83%
1-07-4015-000 PERS	16,189	18,500		2,311	87.51%
Subtotal (Benefits)	\$ 64,256	\$ 66,000	\$ -	\$ 1,744	97.36%
Total Personnel Expenses	\$ 207,723	\$ 211,000	\$ -	\$ 2,817	98.45%
<b>OPERATING EXPENSES:</b>					
1-07-4050-000 Staff Travel	\$ 703	\$ 1,000		\$ 297	
1-07-4060-000 Staff Conferences & Seminar	470	1,500		1,030	
1-07-4190-300 Public Relations - Landscape Workshop/Training	124	1,000		876	12.43%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs*	6,461	2,500	4,000	39	258.45%
1-07-4190-900 Public Relations - Other*	546	5,000	(2,000)	2,454	10.92%
1-07-6300-100 Supplies - Misc.	659	5,000		4,341	13.18%
Subtotal Operating Expenses	\$ 8,963	\$ 17,000	\$ 2,000	\$ 10,037	52.73%
Total Departmental Expenses	\$ 216,687	\$ 228,000	\$ 2,000	\$ 12,853	95.04%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2017 Human Resources Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 133,004	\$ 122,000		\$ (11,004)	109.02%
1-08-4000-200 Salaries - Intern Program*	6,236	-	16,000	9,764	38.98%
Subtotal (Salaries)	\$ 139,240	\$ 122,000	\$ 16,000	\$ (1,240)	114.13%
Employee Benefits					
1-08-4005-000 Payroll Taxes	10,749	9,500		(1,249)	113.14%
1-08-4010-000 Health Insurance	19,570	19,500		(70)	100.36%
1-08-4015-000 PERS	8,753	8,000		(753)	109.41%
Subtotal (Benefits)	\$ 39,071	\$ 37,000	\$ -	\$ (2,071)	105.60%
Total Personnel Expenses	\$ 178,312	\$ 159,000	\$ 16,000	\$ (3,312)	101.89%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,433	\$ 1,500		\$ 67	95.51%
1-08-4060-000 Staff Conferences & Seminars	749	1,500		751	49.93%
1-08-4070-000 Employee Expense	59,206	50,000		(9,206)	118.41%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	5,036	3,000		(2,036)	167.85%
1-08-4100-000 Employee Retention	3,009	5,000		1,991	60.18%
1-08-4105-000 Employee Relations	3,752	3,500		(252)	107.19%
1-08-4120-100 Training-Safety	24,220	35,000		10,780	69.20%
1-08-4120-200 Training-Speciality	11,862	15,000		3,138	79.08%
1-08-4121-000 Safety Program	-	1,000		1,000	0.00%
1-08-4165-000 Membership/Subscriptions	1,535	1,600		65	95.94%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	29,338	20,000		(9,338)	146.69%
Subtotal Operating Expenses	\$ 140,139	\$ 138,100	\$ -	\$ (2,039)	101.48%
Total Departmental Expenses	\$ 318,450	\$ 297,100	\$ 16,000	\$ (5,350)	101.71%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2017 Information Technology Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 178,266	\$ 176,000		\$ (2,266)	101.29%
1-09-4000-100 Overtime	981	2,500		1,519	39.22%
Subtotal (Salaries)	\$ 179,247	\$ 178,500		\$ (747)	100.42%
Employee Benefits					
1-09-4005-000 Payroll Taxes	12,979	18,250		5,271	71.12%
1-09-4010-000 Health Insurance	27,143	38,500		11,357	70.50%
1-09-4015-000 PERS	17,825	22,750		4,925	78.35%
Subtotal (Benefits)	\$ 57,947	\$ 79,500	\$ -	\$ 21,553	72.89%
Total Personnel Expenses	\$ 237,194	\$ 258,000	\$ -	\$ 19,287	91.94%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 610	\$ 3,000		\$ 2,390	20.35%
1-09-4060-000 Staff Conferences & Seminars	6,433	3,500		(2,933)	183.80%
1-09-4155-000 Contracted Services*	74,270	101,500	(15,000)	12,230	85.86%
1-09-4165-000 Memberships/Subscriptions	459	2,000		1,541	22.95%
1-09-4270-000 Telecommunications	90,343	87,250		(3,093)	103.54%
1-09-8000-100 Computer Equipment - Computers	40,143	45,000		4,857	89.21%
1-09-8000-200 Computer Equipment - Laptops	37,199	45,000		7,801	82.66%
1-09-8000-300 Computer Equipment - Monitors	1,470	2,000		530	73.50%
1-09-8000-400 Computer Equipment - Printers	-	5,000		5,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	159	3,000		2,841	5.31%
1-09-8000-550 Computer Equipment - Telephony	840	2,500		1,660	33.59%
1-09-8000-600 Computer Equipment - Other	27,649	40,000		12,351	69.12%
1-09-8100-100 Computer Software - Maint. and Support*	146,339	60,000	15,000	(71,339)	195.12%
1-09-8100-150 Computer Software - Dynamics GP Support	46,847	60,000		13,153	78.08%
1-09-8100-200 Computer Software - Software and Upgrades	16,845	15,000		(1,845)	112.30%
Subtotal Operating Expenses	\$ 489,605	\$ 474,750	\$ -	\$ (14,855)	103.13%
Total Departmental Expenses	\$ 726,798	\$ 732,750	\$ -	\$ 4,432	99.19%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2017 Customer Care Budget**  
For the Twelve Months Ending Sunday, December 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-10-4000-000 Salaries	\$ 871,635	\$ 886,000		\$ 14,365	98.38%
1-10-4000-100 Overtime	4,872	10,000		5,129	48.72%
Subtotal (Salaries)	\$ 876,506	\$ 896,000	\$ -	\$ 19,494	97.82%
<b>Employee Benefits</b>					
1-10-4005-000 Payroll Taxes	64,404	65,500		1,096	98.33%
1-10-4010-000 Health Insurance	176,657	166,000		(10,657)	106.42%
1-10-4015-000 PERS	90,241	113,500		23,259	79.51%
Subtotal (Benefits)	\$ 331,302	\$ 345,000	\$ -	\$ 13,698	96.03%
Total Personnel Expenses	\$ 1,207,808	\$ 1,241,000	\$ -	\$ 33,192	97.33%
<b>OPERATING EXPENSES:</b>					
1-10-4050-000 Staff Travel	\$ 1,759	\$ 1,000		\$ (759)	175.92%
1-10-4060-000 Staff Conferences & Seminars	2,090	2,000		(90)	104.50%
1-10-4155-000 Contracted Services	21,415	22,000		585	97.34%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	500		500	0.00%
1-10-4250-000 General Material & Supplies	7,055	7,500		445	94.06%
1-10-4260-000 Business Forms	-	4,000		4,000	0.00%
Subtotal Operating Expenses	\$ 32,319	\$ 37,000	\$ -	\$ 4,681	87.35%
Total Departmental Expenses	\$ 1,240,127	\$ 1,278,000	\$ -	\$ 37,873	97.04%



**Palmdale Water District**  
**2017 Capital Projects - Contractual Commitments and Needs**

**AGENDA ITEM NO. 4.4**

Updated: 2/21/2018

**New and Replacement Capital Projects**

Budget Year	Work Order	Project Title	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total	2018 Carryover
2017	14-603	Upper Amargosa Recharge Project	City of Palmdale	\$ 1,250,000	12/04/2013	\$ 129,215	\$ 1,120,785	129,215													-	
2017	16-408	Water Meter Replacement Projects (Spec 1602) - Purchase	Inland Water Works	439,419	10/10/2016	431,459	7,960		113,859	231,921	80,893		4,786								431,459	
2017	12-609	Ave. Q-1, Q-2, Q-3 Water Main Replacement (Spec 1211)	Bob O Const.	57,500	10/12/2016	57,500	-	42,750	9,975		1,900	2,875									14,750	
2017	16-408	Water Meter Replacement Projects (Spec 1602) - Installation	Bob O Const.	144,443	10/12/2016	132,826	11,617				40,472	37,251		48,461	6,641						132,826	
2017	15-615	Well No. 15 Rehabilitation - Water Quality	Layne	114,826	10/26/2016	114,826	-			114,826											114,826	
2017	16-609	Board Room Video Upgrades	CWI/Backyard Images	60,000	10/26/2016	57,016	2,984	28,508	28,508												28,508	2,984
2017	16-415	El Camino Underground Booster - 40hp	Roadrunner Pump	16,196	11/01/2016	13,834	2,362	10,531	3,303												3,303	
2017	16-610	Well No. 18 Rehabilitation	Roadrunner Pump	17,418	11/02/2016	14,687	-		12,342		2,344										14,687	
2017	17-364	75 hp - Underground Booster Station	Roadrunner Pump	5,665	01/25/2017	5,665	-			5,665											5,665	
2017	15-612	El Camino Watermain Replacement - Paving	ANM	36,700	01/31/2017	36,700	-			36,700											36,700	
2017	16-612	Well No. 8A Rehabilitation - Emergency	Best Drilling & Pump, Inc.	141,180	01/23/2017	139,535	1,645		14,820	44,265	74,452	1,389	4,608								139,535	
2017	17-269	Washwater Return Pump Replacement	Rockwell/Electric Motors	20,802	02/15/2017	15,599	5,203				15,599										15,599	
2017	17-269	Washwater Return Pump Replacement	Surface Pumps	20,140		20,139	1					20,139									20,139	
2017	17-286	3600' Back-up Booster Pump	Roadrunner Pump			1,871	(1,871)			1,871											1,871	
2017	17-260	Wind Turbine Interconnection Repairs	Hot-Line	13,107	02/01/2017	12,591	516			43,148	16,095	8,601	13,720	(68,973)							12,591	
2017	17-605	Wind Turbine Generator Rebuild/Repairs (Reclassified from 17-260)	Worldwind Services, Inc.	68,973	02/01/2017	68,973	-							68,973							68,973	
2017	17-601	Well 10 Emergency Rehabilitation	Roadrunner Pump	39,469	03/23/2017	65,875	(26,406)									27,625		16,150	22,099		65,875	
2017	16-411	Clearwell 2950' Discharge Piping and Valve	Southwest Valve & Equip.	36,961	03/01/2017	77,344	(40,383)					33,907	27,413						16,025		77,344	
2017	16-607	2800' Booster No. 1 and 3 Repair	Best Drilling & Pump, Inc.	114,295		63,740	50,555									63,740					63,740	63,440
2017	17-603	WTP Control Room Upgrades	Kuhnhofer	30,458	03/27/2017	19,708	10,750					6,898	12,810								19,708	
2017	12-400	PRGRRP - Construction of Monitoring Wells / Test Basin	Environmental Const.	427,490	04/26/2017	259,212	168,278												66,657	192,555	259,212	160,833
2017	15-611	Camares and Avenue S-14 Water Main Replacement (Spec 1502)				-	-														-	110,000
2017	15-613	Avenue V-5 Water Main Replacement (Spec 1504)				-	-														-	45,000
2017	16-608	Ave. Q-1, Q-2, Q-3, Q-4, and Q-5 @ 5th St. E. Water Main Repl. (Spec 1603)				-	-														-	25,000
2017		Water Meter Replacement Program for 2017				-	-														-	300,000
2017		Parking Lot Resurfacing				-	-														-	110,000
2017		Well No. 6A Rehabilitation				-	-														-	75,000
2017		Well No. 29 Rehabilitation				-	-														-	60,000
2017		Well No. 35 Rehabilitation				-	-														-	60,000
2017	16-611	CL2 Monitoring @ Well Sites				-	-														-	110,000
2017	15-614	Drainage Improvements @ WTP				-	-														-	80,000
2017	16-605	Additional Brine Tank @ WTP				-	-														-	90,000
2017	17-600	Entry Buildings @ Filter and GAC Pipe Gallery Entrance				-	-														-	
2018	12-611	Avenue P-8 Water Main Replacement				-	-														-	
2018	16-602	Avenue P and 25th Water Main Replacement (Spec 1601)				-	-														-	
2018	17-602	13th Street East and Avenue R Water Main Replacement (Spec 1703)				-	-														-	
2018		Ave. P-12, Division, 2nd, 3rd, Stanridge Water Main Repl.				-	-														-	
2018		Sierra Hwy. Tie-In and Abandonment				-	-														-	
2018		Ave. Q-14 and 17th Street East Water Main Replacement				-	-														-	
2018		Ave. Q-10 and 12th Street East Water Main Replacement				-	-														-	
2018		Protective Coatings on WTP Structures				-	-														-	
2018		WTP Infrastructure and Process/Equipment Repairs				-	-														-	
2018	17-606	Electric Car Charging Station	Various Vendors			27,693											21,545	3,752	2,341	55	27,693	
2018-2020		Replacement of Structural Support Beams - WTP Sed. Basins				-	-														-	
2017	17-610	WTP 30" Effluent Flow Meter	Various Vendors			16,699														16,699	16,699	
						-	-														-	
						-	-														-	
						-	-														-	
2017		Ancillary costs related to all project over and above the main contractor	Various Vendors			83,778			7,119	1,325	6,645	5,702	6,602	9,994	2,738	9,628	5,644	7,717	12,812	7,851	83,778	
				\$ 3,055,041		\$ 1,866,484	\$ 1,313,996	211,004	175,106	450,276	208,214	149,021	67,301	103,287	9,380	100,993	27,188	27,619	119,934	217,161	1,655,480	1,292,257

Palmdale Water District

2017 Capital Projects - Contractual Commitments and Needs

Consulting and Engineering Support

Budget Year	Work Order	Project Title	Consultant	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total	2018 Carryover
2017	12-400	PRGRRP - CEQA, Permitting, Pre-Design, and Pilot	Kennedy/Jenks	\$ 1,627,000	05/12/2016	\$ 1,516,389	\$ 110,611	1,293,991	2,581	39,889		19,546	70,147	26,806		46,387	10,090	6,952			222,398	110,611
2017	16-412	Well CT Study	Carollo	9,700	09/14/2016	9,700	-	8,245										1,455			1,455	
2017	14-603	Upper Amargosa Recharge Project	City of Palmdale	\$ 1,250,000	12/04/2013	136,561	\$ 1,113,439	129,215							7,346						7,346	
2017	04-501	Littlerock Sediment Removal Project (EIR/EIS/Permitting)	Aspen	869,023	09/14/2016	841,883	27,140	671,136	19,873	10,988	39,137	41,337		20,137	15,089	7,590		16,596			170,747	16,539
		Paid by General Fund	Aspen			65,154								12,192		12,682	12,285			27,994	65,154	34,846
2017	04-501	Littlerock Sediment Removal (Cost Recovery Agreement)	Forest Service	100,000	04/26/2017	100,000	-									100,000					100,000	
2017	15-403	Water Mangement Information System Database	DCSE	12,060	10/26/2016	12,060	-					12,060									12,060	116,069
2017	14-404	Water System Master Plan - CEQA	ESA	174,715	11/09/2016	137,179	37,536			2,230	4,323		10,571	50,504		19,822	22,179	5,222	8,060	14,269	137,179	
2017	17-405	WTP Process Evaluation (As-Needed)	Carollo	35,000	01/11/2017	31,500	3,500						17,500					14,000			31,500	
2017	04-501	Littlerock Sediment Removal Project - Design Grade Control Structure		-		-	-														-	40,000
2017	17-410	Sanitary Survey Update	Black & Veatch	49,773	07/26/2017	16,012	33,761													16,012	16,012	33,761
2018		System Valuation Study		-		-	-														-	
2018		Electrical Engineering (As-Needed)		-		-	-														-	
2018		Energy Storage - Feasibility and Pilot Study		-		-	-														-	
				\$ 4,127,271		\$ 2,866,438	\$ 1,325,987	2,102,587	22,454	53,107	43,460	72,943	98,218	109,638	22,435	186,481	44,554	44,225	8,060	58,275	763,851	351,827

New and Replacement Equipment

Budget Year	Work Order	Project Title	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total	2018 Carryover
2017	16-413	CIS Software Replacement (Holman Capital Financed)	TruePoint	\$ 475,000	09/14/2016	\$ 425,000	\$ 50,000	50,000	78,284	48,593	42,405	39,858	44,220	94,177	18,563			58,900			425,000	
2017	17-402	Security Improvements @ WTP (Holman Capital Financed) Spec. No. 1702	Siemens	225,674	02/08/2017	214,390	11,284					75,801		68,457	56,050			14,082			214,390	
2017		Security Improvements @ WTP (PWD Paid Expenses) Spec. No. 1702	Siemens																20,849		20,849	
2017	N/A	Increased Data Storage to Support CMS and Growth (Holman Capital Financed)		98,000	01/26/2017	64,825	33,175											64,825		33,175	98,000	
		Paid by General Fund																				31,650
2017	N/A	IVR (Holman Capital Financed)	PALITTO	16,000	01/26/2017	15,594	406			7,797							7,797				15,594	
2017	N/A	Payment Kiosk for Customer Care Lobby (Holman Capital Financed)	ADCOMP	21,000	01/26/2017	20,947	53			20,425							522				20,947	
2017	N/A	LIMS - Laboratory Information Management System (Holman Capital Financed)	Promium	40,600	02/08/2017	40,731	(131)					11,406	9,775		9,775	5,865	3,910				40,731	
2018		Water Meter Calibration Bench		-		-	-														-	
2017		Power Broom Attachment		-		-	-														-	
2018		Online Forms		-		-	-														-	
2018		Customer Texting / Mass Communication - Everbridge		-		-	-														-	
2018		Conference Bridge - Shoretel		-		-	-														-	
2018		Data Center UPS - Whole Room UPS		-		-	-														-	
				\$ 876,274		\$ 781,487	\$ 94,787	50,000	78,284	76,815	42,405	127,066	53,995	162,634	84,388	5,865	12,229	137,807	-	54,024	835,511	31,650

Water Quality Fee Funded Projects

Year	Order	Project Title	Vendor/Supplier	Contract Amount	Approval	Approved to	Contract Balance	Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
2017	17-401	GAC Replacements @ WTP	Calgon Carbon	\$ 549,477	07/09/2014	\$ 508,431	\$ 41,046				169,477					169,477		169,477		169,477	677,908
2017	17-402	GAC Replacement @ Underground Booster Station	Evoqua	250,000	03/10/2017	245,907	4,093						91,409	91,462			63,036				245,907
2017	17-403	Filter Media Testing/Inspection	ERS	18,348	02/10/2017	18,348	-					18,348									18,348
2017	17-404	Replacement Lab Equipment - GCMS/Autosampler	Agilent	125,042	01/11/2017	125,042	-			121,780		3,262									125,042
				\$ 942,867		\$ 897,728	\$ 45,139			121,780	169,477	21,610	91,409	91,462	-	169,477	63,036	169,477	-	169,477	1,067,205

- = Projects that originated from 2013 WRB Funds
- = Project had additional funding paid out by the general fund to complete.
- = General O&M Project that will be re-classed in the near future to capital expenditure.
- = Project is now deemed complete with no further expense.

Summary (W/O GAC)		Totals	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
Total Approved Contracts to Date	\$	8,058,586													
Total Payments on Approved Contracts to Date		5,514,409													
Total Contract Balance to Date		2,734,770													
Non-Operating Capital Expenditures (Committed)		2,433,927	253,390	529,321	254,941	288,147	149,368	328,617	93,767	287,474	125,197	143,092	200,653	317,670	2,433,927
Non-Operating Capital Expenditures (Paid)			175,106	452,506	212,536	161,081	95,373	165,982							
Non-Operating Capital Expenditures (Projected)		(42,289)	-	-	-	-	-	-	-	-	-	-	-	(42,234)	(42,289)
Funding Through Series 2013A WRB (Remaining)		403,920	(22,454)	(50,877)	(39,137)	(60,883)	(70,147)	(46,943)	(22,435)	(53,976)	(10,090)	(23,548)			(400,491)
Funding Through Holman Capital (Remaining)		41,513	(78,284)	(76,815)	(42,405)	(127,066)	(53,995)	(162,634)	(84,388)	(5,865)	(12,229)	(137,807)	-		(781,487)
Funding Available Through Water Supply Fees		629,380	-	(133,286)	-	(178,810)	(24,683)	-	(277,954)	(192,074)					(806,806)

**P A L M D A L E   W A T E R   D I S T R I C T**  
**B O A R D   M E M O R A N D U M**

**DATE:** February 21, 2018 **February 26, 2018**  
**TO:** Finance Committee **Committee Meeting**  
**FROM:** Mr. Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 4.5 – CONSIDERATION AND POSSIBLE ACTION ON  
RESOLUTION NO. 18-3 BEING A RESOLUTION OF THE BOARD OF  
DIRECTORS OF THE PALMDALE WATER DISTRICT REGARDING ITS  
INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR VARIOUS  
CAPITAL PROJECTS***

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**Recommendation:**

Staff recommends that the Committee recommend adoption of Resolution No. 18-3 to the full Board.

**Alternative Options:**

The Committee can not approve Resolution No. 18-3.

**Impact of Taking No Action:**

The impact of taking no action would restrict the District's ability to reimburse the General Fund and/or Water Supply Fund for costs associated with certain projects from any proceeds from the sale of Obligations for such projects.

**Background:**

The District desires to finance the costs of acquiring and constructing certain capital facilities, improvements and equipment as provided in Exhibit A of the attached Resolution. Prior to the issuance of the Obligations, the District expects to incur certain expenditures with respect to the project from available monies of the District, which expenditures are desired to be reimbursed by the District from a portion of the proceeds of the sale of the Obligations. The total of the Obligations for both projects is not-to-exceed \$64 million.

This Resolution will allow reimbursement of expenses over the past 60 days as well as cover expenses over the next 18 months or until the Obligations are sold. The reimbursement must be made within 3 years after the project is complete.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 4: Financial Health and Stability  
This item directly relates to the District's Mission Statement.

**Budget:**

This item is not related to any budget number.

**Supporting Documents:**

- Resolution No. 18-3



## **RESOLUTION NO. 18-3**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR VARIOUS CAPITAL PROJECTS**

WHEREAS, the Palmdale Water District is a water district organized and existing under the laws of the State of California (the “District”); and

WHEREAS, the Board of Directors of the District (the “Board”) desires to finance the costs of acquiring and constructing certain capital facilities, improvements and equipment, as provided in Exhibit A attached hereto and incorporated herein (the “Project”); and

WHEREAS, the District intends to finance the costs of the Project, or portions of the Project, with the proceeds of the sale of obligations, the interest on which is excluded from gross income for federal income tax purposes (the “Obligations”); and

WHEREAS, prior to the issuance of the Obligations, the District expects to incur certain expenditures with respect to the Project from available monies of the District, which expenditures are desired to be reimbursed by the District from a portion of the proceeds of the sale of the Obligations; and

NOW, THEREFORE, the Board of Directors of the Palmdale Water District hereby finds, determines, declares and resolves as follows:

SECTION 1. The District hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes the general character, type, purpose and function of the Project.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$64,000,000.

SECTION 3. Except as to certain costs described in Section 7 below, this resolution is being adopted not later than 60 days after the payment of the original expenditures (the “Expenditures Date or Dates”).

SECTION 4. Except as described in Section 7 below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the Expenditure Date.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of the District (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the District, as of the date hereof. No monies from sources other than the Obligations are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finance the Project for which the preliminary expenditures were incurred.

SECTION 8. This resolution is adopted as official action of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of issue of the Obligations, is part of the District's official proceedings, and will be available for inspection by the general public at the main administrative office of the District.

SECTION 9. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District,  
California, this 28<sup>th</sup> day of February 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

PALMDALE WATER DISTRICT

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President of the Board of Directors

ATTEST:

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Secretary of the Board of Directors

## **EXHIBIT A**

### **DESCRIPTION OF PROJECT**

Capital expenditures related to the acquisition and construction of the Palmdale Regional Groundwater Recharge and Recovery Project, a grade control structure and related improvements associated with a sediment removal project for the Littlerock Dam and miscellaneous capital replacement projects throughout the District's water system.

**PALMDALE WATER DISTRICT**  
**Debt Service Coverage (\$'000s)**

Fiscal Year Ending September 30	Audited 2012	Audited 2013	Audited 2014	Audited 2015	Audited 2016	Nov 2016 - Oct 2017	Dec 2016 - Nov 2017	Jan 2017 - Dec 2017
<b>OPERATING REVENUES</b>	22,597	24,125	23,342	21,248	22,587	23,328	23,377	23,606
Rate Stabilization Fund		(480)						
	22,597	23,645	23,342	21,248	22,587	23,328	23,377	23,606
<b>OPERATING EXPENSES</b>								
Gross operating expenses	22,216	20,665	22,405	20,974	22,704	20,808	20,849	20,846
Overhead adjustment	(43)	(217)	(509)	(26)	(153)			
SWP Fixed operations and maint	(915)	(720)	(363)	(126)	(126)	(46)	(36)	(36)
Non-Cash Related OPEB Expense	(1,565)	(1,455)	(1,786)	(1,828)	(1,872)			
Capital portion included above								
<b>TOTAL EXPENSES</b>	19,693	18,273	19,748	18,994	20,553	20,762	20,813	20,811
<b>NET OPERATING REVENUES</b>	2,904	5,372	3,594	2,254	2,033	2,566	2,564	2,795
<b>NON-OPERATING REVENUE</b>								
Ad valorem property taxes	1,704	2,573	2,132	2,146	2,189	2,253	2,249	2,289
Interest income	25	44	45	43	43	140	144	146
Capital improvement fees	1,258	245	14	367	235	196	197	206
Other income	843	421	306	768	403	339	339	359
<b>TOTAL NON-OPERATING INCOME</b>	3,830	3,284	2,497	3,324	2,870	2,927	2,929	3,000
<b>NET REV AVAILABLE FOR DEBT SERVICE</b>	6,734	8,655	6,091	5,578	4,903	5,493	5,493	5,796
<b>NET DEBT SERVICE</b>								
1998 Certificates of Participation	1,507							
2004A Certificates of Participation	2,127	1,373	1,373					
2012 Issue - Bank of Nevada				1,372	1,372	1,373	1,373	1,373
2013A Water Revenue Bond		2,247	2,344	2,350	2,350	2,339	2,339	2,339
2012 Capital Lease		190	190	190	190	218	218	218
<b>TOTAL DEBT SERVICE</b>	3,634	3,810	3,908	3,912	3,912	3,930	3,930	3,930
<b>DEBT SERVICE COVERAGE</b>	<b>1.85</b>	<b>2.27</b>	<b>1.56</b>	<b>1.43</b>	<b>1.25</b>	<b>1.40</b>	<b>1.40</b>	<b>1.47</b>
<b>NET REV AVAILABLE AFTER D/S</b>	3,100	4,846	2,183	1,665	991	1,563	1,563	1,866