



BOARD OF DIRECTORS

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DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys

February 20, 2019

**AGENDA FOR REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
to be held at the District’s office at 2029 East Avenue Q, Palmdale
MONDAY, February 25, 2019
6:00 p.m.**

NOTES: 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.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Dawn Deans at 661-947-4111 x1003 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Dawn Deans al 661-947-4111 x1003 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

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) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.



- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held February 11, 2019.
 - 6.2) Payment of bills for February 25, 2019.
 - 6.3) Approval of revisions to the District's Capitalization Policy. (No Budget Impact – Finance Manager Williams/Finance Committee)
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on Resolution No. 19-5 being a Resolution of the Board of Directors of the Palmdale Water District Approving the District's Grant Application for a Landscape Water Use Efficiency Phase 2 Project Under the U.S. Bureau of Reclamation's WaterSMART Program Entitled "Small-Scale Water Efficiency Projects for Fiscal Year 2019." (Potential revenue – Engineering/Grant Manager Riley)
 - 7.2) Discussion and possible action on lobbying and marketing efforts for District projects. (Director Mac Laren)
 - 7.3) Consideration and possible action on outreach activities for 2019. (Public Affairs Director Shay)
 - a) Outreach report.
 - b) Upcoming events/2019 plans.
 - c) Outreach recommendations from Directors.
 - 7.4) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2019 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Finance Reports:
 - a) Status report on Cash Flow Statement and Current Cash Balances as of December 2018. (Financial Advisor Egan/Finance Committee)
 - b) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 2018. (Finance Manager Williams/Finance Committee)

- c) Status report on committed contracts issued. (Finance Manager Williams/Finance Committee)
- 8.2) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) Finance Committee
 - 2) Antelope Valley State Water Contractors Association.
 - 3) Palmdale Recycled Water Authority.
- 8.3) Report of General Manager.
 - a) February 2019 written report of activities through January 2019.
- 8.4) Report of General Counsel.
 - a) Update on statewide amendments affecting recycled water policies. (Director Alvarado)
 - b) Update on water tax. (Director Alvarado)
- 9) Board members' requests for future agenda items.
- 10) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

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 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF REVISIONS TO THE DISTRICT’S CAPITALIZATION POLICY. (NO BUDGET IMPACT – FINANCE MANAGER WILLIAMS/FINANCE COMMITTEE)***

Recommendation:

Staff and the Finance Committee recommend approval of the revised Capitalization Policy. The policy is a requirement under GASB 34 and was originally adopted September 26, 2007.

Alternative Options:

The Board can not approve and keep the current outdated policy.

Impact of Taking No Action:

There is no impact from no action.

Background:

The policy is based on current best practices as seen by the California Society of Municipal Finance Officer (CSMFO) of which I am a member, as well as the State Controller’s Office (SCO) Special District Uniform Accounting and Reporting Procedures manual. The threshold of \$5,000.00 and the depreciable life of the asset is based on appendix “A” of the SCO manual.

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 has no impact on the budget.

Supporting Documents:

- Revised Capitalization Policy

Palmdale Water District

Capitalization Policy

Adopted: September 26, 2007

Revised: February 25, 2019

1.0 Purpose of the Policy

The purpose of this policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

1.1 Definitions

A capital asset is defined under this Policy as an asset owned by the District that – 1) is acquired for use in District operations, 2) is long-term in nature (i.e., useful life exceeds 2 years), and 3) is subject to depreciation.

2.0 Policy

It is the policy of the District that the following types of assets will be considered Capital Assets of the District.

2.1 Capital Assets

The District operations program will be maintained at a level that assures system reliability and efficiency. A well thought out maintenance program will extend the life of the water production and distribution system and in turn reduce infrastructure costs in the long-term.

- A. Funding to Meet Regulations and Standards - The District will adequately fund costs to meet current industry standards and regulations (e.g. Safe Drinking Water Act, etc.) in the annual budgeting process.
- B. Capital Improvement Plan - The District, as part of its routine planning process, will develop a Water System Master Plan and update it.
- C. Adopted Capital Plan - The District will undertake all capital improvements approved by the Board annually at budget adoption according to the District's Asset Management Practice.
- D. Types of Capital Projects - The District's capital improvement program will consider mandated capital, growth related capital and renewal and replacement capital.
 - E. Financing of Growth-Related Projects - The financing of growth-related capital projects will be funded from Capital Improvement Fee Policy.

2.2 Capital Asset Categories

Capital assets shall be segregated into the following categories:

- A. Land and Land Improvements with a limited life, such as driveways, walks, fences, landscaping, and parking areas.
- B. Buildings and Building Improvements, such as HVAC equipment, interior remodeling features, and landscaping.
- C. Hydrants, pressure modulating facilities, Valves and related appurtenances.
- D. Transmission and Distribution pipelines.
- E. Water Storage Facilities.
- F. Groundwater Wells
- G. Pumps, Motors and Water Treatment Facilities
- H. Water Meters.
- I. Machinery and Equipment, such as generators, compressors, jackhammers, tools, trimmers, etc.
- J. Fleet Equipment, such as cars, trucks, trailers and backhoes.
- K. Office Equipment such as furniture and fixtures.
- L. Computer Systems, Purchased Software and Telephones.
- M. Intangible Assets, such as easements and internally generated computer software.
- N. SCADA, including location and mapping features.

2.3 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

- 1) an estimated useful life of at least two years from the date of acquisition
- 2) and a minimum value of \$5,000,
- 3) Once Furniture, fixtures and office equipment, computers are fully depreciated, they will be removed from the capitalization valuation in the Districts financial system as the residual value will be minimal and the amounts immaterial to continue to track; and
- 4) Such criteria shall be applied to individual assets and not to groups of assets.

3.0 Valuation of Capital Assets

The value assigned to capital assets shall be determined as follows:

3.1 Purchased Capital Assets

The capitalized value of purchased Capital assets shall be determined using the original cost of the asset. Specific costs eligible for capitalization are identified under section 3.4. If the original cost of an asset is not available or cannot be reasonably determined, an estimated current cost may be utilized.

3.2 District-Constructed Capital Assets

District-constructed water system infrastructure assets intended to be used in District operations are eligible for capitalization. The capitalized value of such assets shall be determined using direct costs and material costs associated with the construction up until the time the asset is complete and ready for use.

3.3 Donated Capital Assets

The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separate from donated tangible capital assets.

3.4 Capitalizable Costs

Costs eligible for capitalization under this policy are:

For land:

- Purchase price or appraised value, whichever is more readily determinable;
- Closing costs, such as title fees, attorneys’ fees, environmental assessments, appraisals, taxes and recording fees;
- Costs necessary to get the land ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Assumptions of liens, encumbrances or mortgages;

For purchased assets other than land:

- Purchase price, including all taxes
- Freight, handling and in-transit insurance charges
- Assembling and installation charges
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Applicable purchase discounts or rebates

For District-constructed assets:

- Direct labor costs (to include wages and benefits);
- Direct materials cost;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Insurance premiums and related costs incurred during construction;
- Costs necessary to get the site ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Costs for intangible assets as determined in accordance with Governmental Accounting Standards Board, Statement No. 51 “Accounting and Financial Reporting for Intangible Assets.”

For donated Capital assets:

- Fair Market or Appraised Value at date of donation;
- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

4.0 Capitalization of Costs Subsequent to Acquisition

Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

4.1 Additions

An “Addition” is defined as an expenditure that either significantly extends the useful life or productivity of the existing capital asset or creates a new capital asset. All “Additions” to existing capital assets should be capitalized if the asset meets the criteria of section 2.3 above.

4.2 Improvements and Replacements

“Improvements and Replacements” are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All “Improvements and Replacements” to existing capital assets should be capitalized if the asset meets the criteria of section 2.3 above. If the existing asset’s book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded. If the existing asset is not separately identifiable, then the replacement should still be capitalized as the existing asset’s book value is assumed to be negligible.

4.3 Rearrangement or Reinstallation

“Rearrangement or Reinstallation” costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All “Rearrangement or Reinstallation” costs should be expensed in the period incurred.

4.4 Repairs and Maintenance

“Repairs and Maintenance” costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All “Repairs and Maintenance” costs should be expensed in the period incurred.

5.0 Depreciation or Amortization of Capital Assets

Capital assets shall be depreciated or amortized on a straight-line basis beginning the first day of the month following acquisition in accordance with the following schedule:

Category	Depreciation/Amortization Period
Land	None
Land Improvements	15 Years
Buildings	50 Years
Building Improvements	10 Years
Hydrants, PRV Stations, Valves and similar assets	30 Years
Transmission and Distribution pipelines	80 Years
Storage Facilities (reservoirs)	40 Years
Pumps	25 Years
Wells	50 Years
Water Meters	10-15 Years
Machinery and Equipment (generators, compressors, jackhammers, tools and equipment)	5 Years
Fleet Equipment (cars, trucks, backhoes, other mobile motorized equipment)	5-10 Years
Office Furniture and Fixtures	7 Years
Computer Equipment, Purchased Software and Telephones	4 Years
Intangible Assets, such as easements	Permanent Easements – None;

5.1 Physical Inventory of Capital Assets

A physical inventory of the following categories of capital assets shall be performed at least annually:

- Inventory Items
- Machinery and
Equipment Fleet
- Equipment
- Office Furniture and Fixtures
- Computer Equipment, Purchased Software and Telephones

The results of the physical inventory shall be reconciled with the District's asset inventory system. Differences will be reported, along with explanations, to the Board of Directors.

6.0 Disposal of Capital Assets

Capital assets that have become obsolete shall be disposed in a manner most favorable and advantageous to the District.

7.0 Policy Review

This policy shall be reviewed at least biennially.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: James Riley, Engineering/Grant Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
Mr. Adam Ly, Assistant General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 19-5 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING THE DISTRICT’S GRANT APPLICATION FOR A LANDSCAPE WATER USE EFFICIENCY PHASE 2 PROJECT UNDER THE U.S. BUREAU OF RECLAMATION’S WATERSMART PROGRAM ENTITLED “SMALL-SCALE WATER EFFICIENCY PROJECTS FOR FISCAL YEAR 2019.” (POTENTIAL REVENUE-ENGINEERING/GRANT MANAGER RILEY)***

Recommendation:

That the Board:

1. Approve the submittal of a grant application to U.S. Bureau of Reclamation’s WaterSMART Small-Scale Water Efficiency Projects for the District’s Turf Removal Program for residential water users;
2. Approve entering into a cost sharing agreement with the U.S. Bureau of Reclamation through monetary contributions in an amount not-to-exceed \$75,000.

Background:

Under Agreement No. R17AP00037 with the Bureau of Reclamation’s WaterSMART Small-Scale Water Efficiency Project Funding Announcement BOR-DO-17-F011, the Palmdale Water District implemented Phase 1 of its Landscape Water Efficiency Program. During 2017 and 2018, the project removed approximately 101,500 square feet of turf and installed water-efficient landscaping resulting in annual water savings of 15 acre-feet. In the end, 77 residential customers replaced their turf with water efficient landscaping.

The Palmdale Water District will continue to expand its existing residential turf replacement program. For January 1, 2019 to December 31, 2020, the Phase 2 program will provide incentives to replace approximately 92,000 square feet of turf with water-efficient landscaping. Using a water usage of 48 gallons per square foot of turf removed,

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager
Mr. Adam Ly, Assistant General Manager

February 19, 2019

the Phase 2 program is expected to result in annual water savings of 13.5 acre-feet. The conserved water will go to beneficial uses within the District's service area. It is expected that 56 residential customers would be able to replace their turf with water efficient landscaping.

Strategic Plan Initiative/Mission Statement:

This work is part of Strategic Initiative No. 1 – Water Resource Reliability
This item directly relates to the District's Mission Statement.

Budget:

The proposed budget of \$75,000 would be split between 2019 (\$37,500) and 2020 (\$37,500).

Supporting Documents included as part of the Agenda Packet:

- Resolution No. 19-5
- Grant application
- PWD presentation "Landscape Water-Use Efficiency Project-Phase 1 2017 to 2018 Turf Removal Accomplishments"

RESOLUTION NO. 19-5
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
APPROVING THE DISTRICT'S GRANT APPLICATION FOR A
LANDSCAPE WATER USE EFFICIENCY PHASE 2 PROJECT UNDER
THE U.S. BUREAU OF RECLAMATION'S
WATERSMART GRANTS SMALL SCALE WATER EFFICIENCY
PROJECTS FOR FISCAL YEAR 2019

WHEREAS, the United States Department of Interior, Bureau of Reclamation (the "Bureau") has established the WaterSMART: Small-Scale Water Efficiency Projects Program for 2019 (the "WaterSMART Program") to provide funding opportunities for entities seeking new water supplies using water efficiency technology;

WHEREAS, the Palmdale Water District has need for funding to complete a Landscape Water Use Efficiency Phase 2 Project to meet future municipal and industrial water needs;

WHEREAS, the WaterSMART Program requires at least 50 percent non-Federal cost share funding and/or in-kind contribution from applicants, and the Board finds the District has the capability of funding its required share of the Project.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Funding for the Landscape Water Use Efficiency Phase 2 Project (the "Project") under the WaterSMART Grant Program meets the objectives of Strategic Initiative No. 1 – Water Resource Reliability.

SECTION 2. If selected for a WaterSMART Grant, up to 50% (\$75,000) of the total project costs of \$150,000 through monetary contribution shall be committed for funding the District's proportionate share of the Project, as may be required by the Bureau of Reclamation under the WaterSMART Grant Program, and the District will work with the Bureau to meet established deadlines for entering into an agreement to commit such funds.

PASSED, APPROVED AND ADOPTED THIS: 25th day of February 2019.

Vincent Dino, President
Board of Directors
Palmdale Water District

Don Wilson, Secretary
Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder, LLP
District Legal Counsel

Funding Opportunity Announcement No. BOR-DO-19-F005

**WaterSMART Grants:
Small-Scale Water Efficiency
Projects for Fiscal Year 2019**

PALMDALE WATER DISTRICT

Landscape Water Use Efficiency Project – Phase 2



**February 25, 2019
Palmdale, California
Los Angeles County**



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1.0 EXECUTIVE SUMMARY

Date: February 25, 2019

Applicant: Palmdale Water District

Location: Palmdale, Los Angeles County, California

Under Agreement No. R17AP00037 with the Bureau of Reclamation's WaterSMART Small-Scale Water Efficiency Project Funding Announcement BOR-DO-17-F011, the Palmdale Water District implemented Phase 1 of its Landscape Water Efficiency Program. During 2017 and 2018 the project removed approximately 101,500 square feet of turf and installed water-efficient landscaping resulting in annual water savings of 15 acre-feet. In the end, 77 residential customers replaced their turf with water efficient landscaping.

Under funding announcement BOR-DO-19-F005, the Palmdale Water District will continue to expand its existing residential turf replacement program. For January 1, 2019 to December 31, 2020 the Phase 2 program will provide incentives to replace approximately 92,000 square feet of turf with water-efficient landscaping. Using a water usage of 48 gallons per square foot of turf removed, the Phase 2 program is expected to result in annual water savings of 13.5 acre-feet. The conserved water will go to beneficial uses within the District's service area. It is expected that 56 residential customers would be able to replace their turf with water efficient landscaping.

2.0 RECLAMATION RELATIONSHIP

The federal project most likely affected would be the Central Valley Project (CVP) of California. By implementing this Landscape Water Use Efficiency Phase 2 Project demand on diversions from imports outside of the Antelope Valley could be reduced.

3.0 BACKGROUND DATA

PWD provides water services to the City of Palmdale and unincorporated areas in Los Angeles County. The water system currently includes seven main pressure zones. Within these zones, there are approximately 414 miles of pipelines ranging in diameter from 4 inches to 42 inches, 21 storage reservoirs with an approximate total storage capacity of 50 million gallons (MG), 17 booster pump stations, and 23 active groundwater wells.

The water system has 27,000 connections for the PWD service area with a population of 120,000. The District serves a combination of residential, commercial, and industrial users, with essentially no agriculture. The District's current water delivery system provided approximately 17,000 acre-feet in 2018.

Table 1 provides a water demand projection for the District’s service area, based on the District’s Water Master Plan of 2016. By 2040, demand is projected to be 31,100 acre-feet per year. A land use analysis indicates that demand will be 44,600 acre-feet per year under build-out conditions.

Table 1: Projected Water Demands for Palmdale Water District Service Area

Year	Annual Average Demand (AF/yr)
2015	24,809
2020	25,900
2030	28,500
2040	31,100
2050	33,873
2060	36,892
2070	40,181
2080	43,764
<i>Buildout</i>	<i>44,600</i>

4.0 PROJECT DESCRIPTION

4.1 Problems and Needs

Southern California has experienced a prolonged drought over the last seven to eight years. In April 2014 Governor Edmund J. Brown’s issued an emergency declaration requiring that all state agencies that distribute funding for projects that impact water resources, including groundwater resources, will require recipients of future financial assistance to have appropriate conservation and efficiency programs in place.

The District’s existing water supply is acquired from a State Water Project allocation via the California Aqueduct, local surface water from Littlerock Reservoir, and groundwater. However, the groundwater basin has been in an overdraft condition (i.e., pumping greater than natural recharge) since approximately 1930. As a result, the groundwater basin adjudication process was completed in December 2015.

To determine the future water demands several assumptions were made as follows:

- from adjudication of the Antelope Valley Groundwater Basin the District would receive a groundwater right of 7,200 acre-feet/year beginning with an effective date of 2022.
- District would receive an average allocation of 58% of its 21,300 acre-feet /year Table A allocation from the State Water Project which would amount to 12,354 acre-feet/year; and
- 3,000 acre-feet/year of local surface water would be available in Littlerock Reservoir

Based on these assumptions future water supply deficits would likely occur during these time frames.

- a water supply deficit could start by 2021.
- by 2040, it is estimated that the deficit will reach approximately 7,500 acre-feet/year.
- by 2067, this deficit would reach approximately 15,600 acre-feet/year; and
- At build-out (2080) the deficit would reach 21,600 acre-feet/year.

In dry years, when the State Water Project allocation is less than 58% of Table A allocation, these deficits would be much larger without long-term water supply storage such as with groundwater banking.

4.2 How Project Addresses the Problem and Needs

4.2.1 Demand Management

This section describes the Demand Management Measures (DMM) that the District is currently implementing, and plans to implement in order to meet its urban water use reduction targets.

Recent legislation significantly revised the California Urban Water Management Plan (UWMP) Act to simplify and clarify the DMM reporting requirements for the 2015 UWMP cycle. Since the District is a member of the California Urban Water Conservation Council (CUWCC) it may continue to submit its annual reports as required by Section 6.2 of the Memorandum of Understanding Regarding Urban Water Conservation in California in order to comply with this section of the UWMP Act.

The District recognizes that conserving water is an integral component of a responsible water management strategy. The District has a uniquely low water use for a high desert area, located in the South Lahontan Hydrologic Region. Based on data reported in the 2010 UWMPs, the South Lahontan Hydrologic Region had a population-weighted baseline 5-year average water use of 258 gpcd with an average population-weighted 2020 target of 207 gpcd. With a 2015 gpcd of 124 gallons, the District's water use is significantly lower than the rest of the South Lahontan Hydrologic Region. The District has achieved its goals largely by focusing on system performance, rate increases and a community culture of conservation and small landscapes. It will maintain this level of demand, and possibly reduce demand even further, by continuing to implement the CUWCC Best Management Practices.

For the purposes of the District's UWMP the DMMs were categorized as "Foundational" and "Other." Foundational DMMs, listed below, are those DMMs that the UWMP Act and Water Code specifically mention for retail water suppliers such as PWD:

1. Water waste prevention ordinances
2. Metering
3. Conservation Pricing
4. Public Education and Outreach
5. Programs to assess and manage distribution system real loss
6. Water conservation program coordination and staff support

Activities outside of the Foundational DMMs that encourage less water use in the District's service area fall in the "Other" category.

4.2.2 Plan to Reduce Water Use

The District currently has a water conservation program and will continue to expand this program over the next five years. The District is dedicated to water conservation as a vital part of its water supply portfolio. The District has implemented water conservation programs over the last few decades, including classroom education programs, public outreach, and various rebate programs. The District will continue to provide these programs as part of its conservation efforts on a yearly basis.

4.2.3 Foundational DMMs

This section describes the District's plan to achieve the water use reductions necessary to meet the per capita water use targets, consistent with the California Water Conservation Act of 2009.

4.2.3.1 Water Waste Prevention Ordinances and Prohibition

In 2001 the District's Board of Directors adopted the Waste of Water Policy, which outlines actions to be taken by the District to prevent and address waste and unreasonable use of water, including penalties for violations. In December 2009, the Board of Directors adopted and approved Resolution No. 09-19 declaring water conservation regulations, with the intent to meet the water use reduction goals of 20 percent by 2020 and ensure adequate water supply for human consumption, sanitation, and fire protection.

4.2.3.2 Metering

The District is fully metered; all customers have metered accounts. The District is in the process of changing older and outdated meters with new efficient meters to ensure more accurate reading and data capture. This is considered a water conservation initiative, in addition to a financial best management practice.

4.2.3.3 Conservation Pricing

The District uses a tiered approach for water pricing. The most recent September 17th 2014 Proposition 218 process redistributed the old Tier 1 pricing into a new two-tier approach. Tier 1 now is a customer's Indoor allocation for use of all residential activities inside the home. Tier 2 is a customer's Outdoor water allocation. Pricing varies between the two Tiers. Tier 1 is the least expensive while Tier 2 water increases in price due to increased water usage for irrigation. Four (4) additional tiers remain, with the cost per unit increasing progressively at each tier.

4.2.3.4 Public Education and Outreach

The District has school education programs in place that provide educational materials and instructional assistance. This program is intended to reach the youngest water users and emphasize the need to engage them in water conservation.

To provide District customers with the tools to maintain water conservation goals, public education efforts have included, radio spots, TV public service announcements, bill inserts, newsletters, press releases, rebate programs including Cash 4 Grass and some indoor high efficiency appliances, booths at local events, parades, public speaking engagements, and school interaction. The District is committed to providing its customers with the education and tools to maintain their low use, all of which can be found on the District's website at: <http://www.palmdalewater.org/conservation/> .

4.2.3.5 Programs to assess and manage distribution system real loss

The District regularly checks and evaluates the mainline piping system to detect leaks.

4.2.3.6 Water conservation program coordination and staffing support

Water conservation activities include significant public outreach efforts as described earlier. In addition, there are two full-time conservation staff members with a moderate budget.

4.2.4 Other DMMs

4.2.4.1 Rebate Programs

The District started several rebate programs for customers in the later part of 2009. The District began to give customers rebates as credits on their water bills if they

filled out an application after buying the rebated product and returning the original receipt and a copy of the water bill to the District. The District implements a number of different rebate programs to encourage water conservation:

1. High Efficiency Toilet (HET) Rebate Program: The District started an HET rebate program in 2009 for residential and commercial customers. The rebate amount for this program is a credit on their water bill of \$60.00 per toilet installed. If a customer replaces an Ultra-Low-Flush toilet (ULFT) with an HET, the rebate amount will consist of \$30.00.
2. High Efficiency Washing Machines Rebate Program: The District currently has a washing machine rebate program for its customers who wish to purchase a water efficient washing machine with a water factor of 5.0 or less. The rebate amount for this program is a credit on the customer's account of \$100.00 per washer bought.
3. Cash for Grass: The District has been working with the City of Palmdale, the local high school, local elementary schools, and residential customers to substitute grass on large landscape areas by implementing the cash for grass program. This program encourages the replacement of grass with "water-smart" landscaping to conserve water.

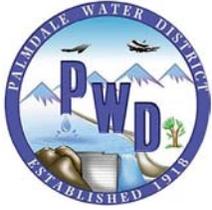
Rebate programs were previously available for sprinkler devices and systems, but the District is moving away from incentivizing any outdoor irrigation and no longer offers those programs.

4.3 Identify the expected outcomes

The District will continue to implement the DMMs described in this section. These programs, taken together, will help the District to maintain progress on meeting the 20x2020 water use targets through the continuation of existing methods of conservation that have been proven successful to date.

Using results of turf removal under Agreement No. R17AP00037 as a benchmark, the District during 2017 and 2018 provided funds to 77 residential customers to replace 101,500 square feet of turf at a cost of \$165,747. This equates to a cost of \$1.63 per square foot of turf removed. This represents an average of 1,300 square feet per residential landowner. For this application and with the District's budget of \$75,000 plus \$75,000 from the WaterSMART program, a total of \$150,000 would be available for turf replacement. Assuming \$1.63 per square foot, a total of 92,000 square feet could be replaced during 2019 and 2020. Using the 2017 and 2018 numbers of 1,300 square feet per residential home owner, a total 56 customers could be funded to replace their turf resulting in 13.5 acre-feet of water savings.

On the following pages, the procedure used by the District is presented.



PALMDALE WATER DISTRICT Turf Replacement Program

DO YOU QUALIFY/SUBMIT CASH FOR GRASS APPLICATION

- 1 **DO YOU QUALIFY:** View sheet one to see if you qualify for the “Cash for Grass Program.”
- 1a **APPLICATION:** The owner of the property to be re-landscaped or the owner’s legally appointed representative must sign and submit the application. Keep the other Cash for Grass sheets handy, some will be turned in later.

As soon as PWD receives your application a representative will call to set up an appointment to take pictures and measure the area. Wait for a pre-conversion site visit from PWD before you take your grass out. PWD must measure and take pictures before your grass is removed -*this is a program requirement*. After the initial first site visit a representative will call to let you know that you can proceed to the next phase of qualifying. You will be notified if you qualify for the rebate amount of \$.50, \$1.00, \$1.50 or \$2.00 rebate amount. The District will determine the rebate amount based on the condition of the existing grass and the completion of renovation requirements. *(NOTE: The district will only provide two inspections; one for the initial picture taking and measuring and one for the final completion inspection. A fee of \$30.00 for each additional trip will be deducted from the rebate amount if the District is required to provide additional inspections.)*

RECEIVE TRAINING/DESIGN LANDSCAPE

If your application is approved, you will have 45 days to complete both of the following:

- 2 You must either complete the free online landscape design class at www.saves-water.com (about an hour) or attend PWD’s in-classroom training. Training classes will be posted on our website at www.palmdalewater.org or call PWD 661 947-4111 ext. 5031 for the next available design class.
- 2a PWD must receive a simple drawing showing the proposed design of your new landscape including the plant coverage sheet. This design must comply with the requirements spelled out in PWD’s Design Requirements. The drawings can be pencil drawings drawn by your average homeowner, and
- 2b are not required to be done by a professional. PWD has developed several landscape designs that can be used. If you modify one of PWD’s design plans you must provide PWD with your modified layout.

INSTALL NEW LANDSCAPE DESIGN

- 3 You must complete the installation within six (6) months and complete the final check list and return it to PWD. The District will then contact you for final inspection. Please make sure everything on your check list is complete and that the landscape matches the design layout to continue to be qualified for the rebate. *(NOTE: The District will only provide two inspections; one for the initial picture taking and measuring and one for the final completion inspection. A fee of \$30.00 for each additional trip will be deducted from the rebate amount if the District is required to provide additional inspections.)*

RECEIVE INCENTIVE REBATE/MAINTAIN LANDSCAPE

- 4 After completion of the project and final inspection the District will issue your rebate incentive in about 3-4 weeks. PWD expects that the owner’s new landscape will be kept free of weeds and maintained for five full years after final inspection as stated in the Terms and Conditions of the contract.

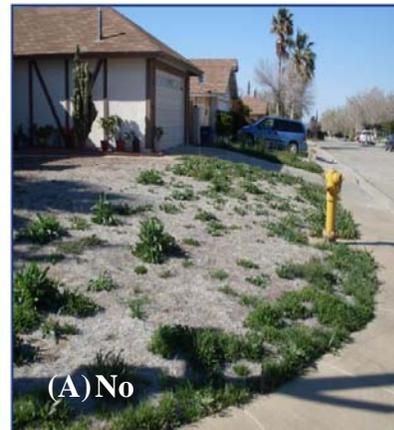
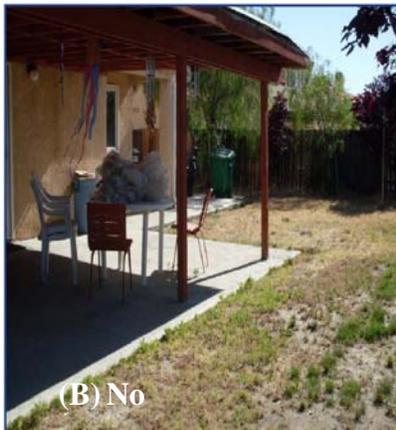
DOES MY GRASS QUALIFY FOR A REBATE?

PWD uses a sliding scale rebate based on the condition of existing grass and adhering to the conditions of the Rebate Application and Terms. To qualify for the Cash for Grass Program you must have grass, rebates will not be given to customers with dirt, weeds and dead grass. Rebate amounts will be determined by staff and the decision will be final. **Do Not** take grass out until PWD has taken photos and measured the landscape area.



Scale of Rebate Amount

- (A) \$2.00 SF, healthiest grass
- (B) \$1.50 SF, green-slight yellow spot
- (C) \$1.00 SF, green/yellow spot
- (D) \$0.50 SF yellow living grass
- (E) \$ none dead grass



5.0 ENVIRONMENTAL AND CULTURAL RESOURCES COMPLIANCE

None affected

6.0 REQUIRED PERMITS OR APPROVALS

None required

7.0 PROJECT BUDGET

The Palmdale Water District will contribute cash of \$75,000 for the project. The project would help meet the District's water conservation goals as mandated by the State of California. The table below displays a summary of non-Federal and Federal funding sources.

Funding Sources	Amount
Non-Federal	
1. Palmdale Water District (Cash)	\$75,000
Non-Federal Total	\$75,000
Other Federal Entities	
Other Federal Entities	\$ 0
Requested Reclamation Funding	\$75,000

7.1 Budget Proposal

BUDGET ITEM DESCRIPTION	COMPUTATION		Quantity Type	TOTAL COST
	\$/Unit	Quantity		
Salaries and Wages				
Employee 1	Not applicable			\$ 0
Fringe Benefits				
Full-Time Employees	Not applicable			\$ 0
Equipment				
Item A	Not applicable			\$ 0
Supplies and Materials				
Item A	Not applicable			\$ 0
Contractual/Construction				
Estimate of 56 home owners	\$ 1.63/Sq. Ft.	92,000	Sq. Ft.	\$150,000
TOTAL DIRECT COSTS				\$150,000
Indirect Costs				
Type of rate	Not applicable			\$ 0
TOTAL ESTIMATED PROJECT COSTS				\$150,000

7.2 Budget Narrative

7.2.1 Salaries and Wages

Answer: Not applicable

7.2.2 Fringe Benefits

Answer: Not applicable

7.2.3 Travel

Answer: Not applicable

7.2.4 Equipment

Answer: Not applicable

7.2.5 Materials and Supplies

Answer: Not applicable

7.2.6 Contractual

Answer: Each home owner will be required to fill out an application as presented in Section 4 of this WaterSMART application. Each homeowner will be reimbursed based on the square footage of turf replacement and the present condition of the lawn. The following guidelines are used to determine the amount of reimbursement.

Scale of Rebate Amount

- (A) \$2.00 SF, healthiest grass
- (B) \$1.50 SF, green-slight yellow spot
- (C) \$1.00 SF, green/yellow spot
- (D) \$0.50 SF yellow living grass
- (E) \$ none dead grass

7.2.7 Environmental and Regulatory Compliance Costs

Answer: Not applicable

7.2.8 Other Expenses

Answer: Not applicable

7.2.9 Indirect Costs

Answer: *Not applicable*

7.2.10 Total Costs

Answer: **\$150,000**

8.0 EVALUATION CRITERIA

8.1 Evaluation Criterion A—Project Benefits (35 points)

What are the benefits to the applicant's water supply delivery system?

Answer: Benefits include less water deliveries through the District's water treatment plant, reduce requirements for pumping energy and overall increase in water efficiency.

Extent to which the proposed project improves overall water supply reliability

Answer: Benefits include stretching existing supplies to meet future water demands and improving overall water supply reliability.

The expected scope of positive impact from the proposed project (e.g., local, sub-basin, basin)

Answer: Project would benefit the Antelope Valley of Los Angeles County. The area has a population of 400,000 with an annual rainfall of only 6 inches per year. Therefore, water conserving activities are critical to the growth of the region.

Extent to which the proposed project will increase collaboration and information sharing among water managers in the region

Answer: No direct collaboration is needed to carry out this Landscape Water Use Efficiency Phase 2 Project. However, the District does meet frequently other water agencies and water conservation is frequently a topic of discussion. The opportunity to inform other agencies of the District's success will most certainly take place.

Any anticipated positive impacts/benefits to local sectors and economies (e.g., agriculture, environment, recreation, tourism)

Answer: The project would provide increased water supply to an area with very limited water supplies. Increased water supply would most directly affect the economy of the area. The area has been designated as an economically distressed area by the State of California. A more reliable water supply would attract new business

8.2 Evaluation Criterion B—Planning Efforts Supporting the Project (35 points)

Does the proposed project implement a goal or address a need or problem identified in the existing planning effort?

Answer: The proposed Landscape Water Efficiency Phase 2 Project would meet the turf replacement component of the District’s water demand reduction program as described in Section 4 of this WaterSMART application

Explain how the proposed project has been determined as a priority in the existing planning effort as opposed to other potential projects/measures.

Answer: In 2009 the State of California passed the California Water Conservation Act of 2009 that directed water agencies to meet reductions in per capita water use targets. In December 2009, the Board of Directors adopted and approved Resolution No. 09-19 declaring water conservation regulations, with the intent to meet the water use reduction goals of 20 percent by 2020 and ensure adequate water supply for human consumption, sanitation, and fire protection. This Landscape Water Efficiency Phase 2 Project is part of the effort by the District to reduce per capita water use in its service area.

8.3 Evaluation Criterion C—Project Implementation (10 points)

Describe the implementation plan for the proposed project. Please include an estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates.

Answer: Project would extend from January 1, 2019 to December 31, 2020 which corresponds to the District calendar year budgets. Applicants are free to apply for the turf replacement program at any point during that time frame.

Describe any permits that will be required, along with the process for obtaining such permits.

Answer: None required

Identify and describe any engineering or design work performed specifically in support of the proposed project.

Answer: None required

Describe any new policies or administrative actions required to implement the project

Answer: None required.

8.4 Evaluation Criterion D—Nexus to Reclamation (15 points)

How is the proposed project connected to a Reclamation project or activity?

Answer: Project would contribute indirectly to the Central Valley Project in that it would reduce demands on trans-basin diversions from California’s Central Valley.

Will the project help Reclamation meet trust responsibilities to any tribe(s)?

Answer: No.

Does the applicant receive Reclamation project water?

Answer: No.

Is the project on Reclamation project lands or involving Reclamation facilities?

Answer: No.

Is the project in the same basin as a Reclamation project or activity?

Answer: No.

Will the proposed work contribute water to a basin where a Reclamation project is located?

Answer: Project would contribute indirectly to the Central Valley Project in that it would reduce demands on trans-basin diversions from California’s Central Valley.

8.5 Evaluation Criterion D—Department of Interior Priorities (10 points)

Creating a conservation stewardship legacy second only to Teddy Roosevelt

Answer: The Palmdale Water District’s Landscape Water Use Efficiency Project Phase 2 promotes wise use of our water resources. The project will conserve water in a drought-stricken area of California. The Antelope Valley is a closed basin with only one small surface stream that has an annual flow of 2000 to 3000 acre-feet per year. The area relies upon imports from the State Water Project through the East Branch of the California Aqueduct. Any conservation efforts by Palmdale Water District should be viewed as having a direct positive effect on reducing water demands impacting the Bay-Delta area of California and Bureau of Reclamation’s Central Valley Project of California.

9.0 OFFICIAL RESOLUTION



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

Landscare Water-Use Efficiency Project - Phase 1 2017 to 2018 Turf Removal Accomplishments

February 25, 2019



Phase 1 – Turf Removal Grant

- Bureau of Reclamation Grant – Awarded June 2017
 - Grant Amount = \$75,000
- District Cost Share of \$75,000 (minimum required)
- Time frame of 2017 and 2018



Phase 1 – Turf Removal Comparison

	Estimated	Accomplished
Turf Removal (square feet)	75,000	101,500
Water Savings (acre-feet)	11	15
Number of Participants	68	77



Before



After



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

36520 Nickel Street

Before



After



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

37163 Daisy Street

Before



After



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

5001 Essex Street

Before



After



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

2022 Moonflower Street

Before



After



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

6334 Atlas Street



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

Thank you!



**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.2 – DISCUSSION AND POSSIBLE ACTION ON LOBBYING AND MARKETING EFFORTS FOR DISTRICT PROJECTS. (DIRECTOR MAC LAREN)*

Staff has no recommendation on this item. This item is presented for the Board’s discussion and possible action to determine Board direction at the state and federal levels.

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 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Ms. Judy Shay, Public Affairs Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION
ON OUTREACH ACTIVITIES FOR 2019. (PUBLIC AFFAIRS
DIRECTOR SHAY)***

A detailed report on the Outreach activities listed below will be provided at the Board meeting.

- a) Outreach report.
- b) Upcoming events/2019 plans.
- c) Outreach recommendations from Directors.

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Bob Egan, Financial Advisor
RE: ***AGENDA ITEM NO. 8.1.a – STATUS REPORT ON CASH FLOW STATEMENT
AND CURRENT CASH BALANCES AS OF DECEMBER 2018. (FINANCIAL
ADVISOR EGAN/FINANCE COMMITTEE)***

Attached is the Investment Funds Report and current cash balance as of December 2018. The reports will be reviewed in detail at the Board meeting.

**PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
December 31, 2018**

		<u>December 2018</u>	<u>November 2018</u>	<u>October 2018</u>			
CASH							
1-00-0103-100	Citizens - Checking	565,323.53	112,277.63	114,571.45			
1-00-0103-200	Citizens - Refund	-	-	-			
1-00-0103-300	Citizens - Merchant	139,314.66	144,229.40	288,642.06			
	Bank Total	704,638.19	256,507.03	403,213.51			
1-00-0110-000	PETTY CASH	300.00	300.00	300.00			
1-00-0115-000	CASH ON HAND	5,400.00	5,400.00	5,400.00			
	TOTAL CASH	710,338.19	262,207.03	408,913.51			
INVESTMENTS							
1-00-0135-000	Local Agency Investment Fund	Acct. Total	12,129.91	12,129.91			
1-00-0120-000	UBS Money Market Account General (SS 11469)						
	UBS RMA Government Portfolio	1,994,998.47	238,941.19	105,228.31			
	UBS Bank USA Dep acct	250,000.00	250,000.00	250,000.00			
	Accrued interest	11,726.51	10,197.40	9,812.69			
		2,256,724.98	499,138.59	365,041.00			
US Government Securities							
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value	Market Value
912828C24	US Treasury Note	02/28/2019	1.490	1,000,000	998,570.00	997,830.00	997,030.00
				1,000,000	998,570.00	997,830.00	997,030.00
Certificates of Deposit							
	Issuer	Maturity Date	Rate	Face Value			
1	Midland States Bank	02/28/2019	1.400	240,000	239,642.40	239,433.60	239,328.00
2	Key Bank	03/29/2019	1.500	240,000	239,438.40	239,318.40	239,227.20
3	Safra National Bank	04/30/2019	1.850	240,000	239,491.20	239,460.00	239,419.20
4	Wells Fargo	05/20/2019	1.250	240,000	238,900.80	238,780.80	238,644.00
5	Capital Bank	06/17/2019	1.850	200,000	199,158.00	199,120.00	199,062.00
6	Discover Bank	07/24/2019	1.850	200,000	199,192.00	199,178.00	199,174.00
7	BMO Harris Bank	08/26/2019	2.350	240,000	239,623.20	239,695.20	239,745.60
8	US Bank	09/12/2019	2.400	240,000	239,661.60	239,692.80	239,760.00
				1,840,000	1,835,107.60	1,834,678.80	1,834,360.00
	Acct. Total				5,090,402.58	3,331,647.39	3,196,431.00
1-00-1110-000	UBS Money Market Account Capital (SS 11475)						
	UBS Bank USA Dep acct				124,130.31	124,089.51	124,053.17
	UBS RMA Government Portfolio				-	-	-
	Acct. Total				124,130.31	124,089.51	124,053.17
1-00-0125-000	UBS Access Account General (SS 11432)						
	UBS Bank USA Dep acct				250,000.00	250,000.00	250,000.00
	UBS RMA Government Portfolio				33,488.44	263,306.06	18,646.64
	Accrued interest				22,279.48	23,965.23	20,718.72
					305,767.92	537,271.29	289,365.36
US Government Securities							
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value	Market Value
912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,500,630.00	1,501,080.00	1,501,620.00
912828P95	US Treasury Note	03/15/2019	1.000	1,358,000	1,354,197.60	1,352,581.58	1,351,047.04
9128283N8	US Treasury Note	12/31/2019	1.875	1,000,000	992,730.00	990,510.00	989,840.00
				3,858,000	3,847,557.60	3,844,171.58	3,842,507.04
Certificates of Deposit							
	Issuer	Maturity Date	Rate	Face Value			
1	BMW Bank	11/15/2018	1.960	240,000	-	-	239,997.60
2	La Salle Bank	03/01/2019	1.350	240,000	239,630.40	239,421.60	239,304.00
3	American Express	04/29/2019	1.440	240,000	239,356.80	239,292.00	239,222.40
4	Synchrony Bank	04/14/2020	1.850	240,000	237,489.60	237,108.00	237,208.80
5	JP Morgan Chase Bank	11/18/2020	1.600	240,000	232,396.80	231,705.60	231,631.20
6	Bank of Baroda NY	11/23/2020	1.600	77,000	74,576.04	74,355.82	74,333.49
7	Wells Fargo	12/14/2020	3.100	240,000	240,252.00	-	-
8	Comenity Cap Bank	01/19/2021	1.900	163,000	160,664.21	160,354.51	160,462.09
				1,680,000	1,424,365.85	1,182,237.53	1,422,159.58
	Acct. Total				5,577,691.37	5,563,680.40	5,554,031.98
	Total Managed Accounts				10,804,354.17	9,031,547.21	8,886,646.06
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted						
	UBS Bank USA Dep acct				244,209.62	12,104.77	11,815.11
	UBS RMA Government Portfolio				-	-	-
	Accrued interest				-	1,689.18	1,402.53
					244,209.62	13,793.95	13,217.64
Certificates of Deposit							
	Issuer	Maturity Date	Rate	Face Value			
1	Webbank UT US	12/19/2018	1.400	240,000	-	239,916.00	239,781.60
2	Ally Bank UT US	12/24/2018	1.500	240,000	-	239,908.80	239,788.80
				480,000	-	479,824.80	479,570.40
	Acct. Total				244,209.62	493,618.75	492,788.04
	GRAND TOTAL CASH AND INVESTMENTS				11,758,901.98	9,787,372.99	9,788,347.61
	Increase (Decrease) in Funds				1,971,528.99		
1-00-1135-000	2018A Bonds - Project Funds (BNY Mellon)						
	Construction Funds				11,694,254.63	12,437,945.87	13,259,423.41
	Issuance Funds				12,192.16	12,171.33	12,150.39
					11,706,446.79	12,450,117.20	13,271,573.80

PALMDALE WATER DISTRICT

2018 Cash Flow Report (Based on Nov. 8, 2017 Approved Budget)

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Budget 2019 Carryover Information
Budgeted Water Sales	1,670,000	1,520,000	1,595,000	1,740,000	1,800,000	1,967,500	2,390,000	2,400,000	2,450,000	2,260,000	2,005,000	1,790,000	23,587,500	
Actual/Projected Water Sales	1,806,228	1,751,584	1,669,989	1,855,229	1,958,139	2,114,370	2,361,114	2,422,737	2,565,589	2,396,882	2,070,453	1,892,830	24,865,145	
Total Cash Beginning Balance (BUDGET)	14,278,355	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		
Total Cash Beginning Balance	14,278,355	14,185,206	14,474,248	13,088,750	14,753,769	15,025,830	13,747,742	12,855,412	12,404,076	10,070,582	9,788,348	9,787,373		
Budgeted Water Receipts	1,670,000	1,520,000	1,595,000	1,740,000	1,800,000	1,967,500	2,390,000	2,400,000	2,450,000	2,260,000	2,005,000	1,790,000	23,587,500	
Water Receipts	2,116,603	1,774,995	1,931,155	1,961,685	1,876,558	1,910,375	2,378,794	2,340,708	2,400,582	2,791,844	2,257,891	1,967,870	25,709,060	
DWR Refund (Operational Related)				3,133			5,148						8,281	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	2,116,603	1,774,995	1,931,155	1,964,818	1,876,558	1,910,375	2,383,942	2,340,708	2,400,582	2,791,844	2,257,891	1,967,870	25,717,341	
Total Operating Expenses excl GAC (BUDGET)	(1,718,376)	(1,415,195)	(1,718,255)	(1,670,308)	(1,740,651)	(1,641,522)	(1,935,060)	(1,855,136)	(1,964,289)	(1,653,641)	(1,539,559)	(1,669,723)	(20,521,714)	
GAC (BUDGET)	(169,500)			(169,500)		(169,500)		(169,500)		(169,500)		(162,000)	(1,009,500)	
Operating Expenses excl GAC (ACTUAL)	(1,769,807)	(1,433,115)	(1,387,688)	(1,747,506)	(1,966,250)	(2,041,400)	(2,074,852)	(2,252,628)	(2,215,191)	(2,342,224)	(1,911,830)	(1,520,837)	(22,663,327)	(115,000)
GAC		(169,477)			(10,192)	(169,477)		(338,954)		(386,780)			(1,074,880)	(123,876)
Prepaid Insurance (paid)/refunded			(62,653)					(33,363)		(145,558)			(241,574)	
Total Operating Expense (ACTUAL)	(1,769,807)	(1,602,592)	(1,450,341)	(1,747,506)	(1,976,442)	(2,210,877)	(2,074,852)	(2,624,945)	(2,215,191)	(2,874,562)	(1,911,830)	(1,520,837)	(23,979,781)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	696,050	264,605	18,650	2,197,790	760,795	13,325	86,225	134,500	-	-	137,500	2,640,560	6,950,000	
Actual/Projected Assessments, net	701,263	620,847	9,652	1,846,539	694,915	19,792	202,238	166,793	-	-	129,887	2,503,209	6,895,135	
Asset Sale/Unencumbered Money (Taxes)				7,346	10,182		2,401		4,168				24,097	
RDA Pass-through (Successor Agency)						403,992.27							403,992	
Interest	15,415	14,909	15,158	16,980	15,691	16,922	20,843	36,912	36,795	35,153	35,728	35,102	295,606	
Market Adjustment	(10,587)	(9,273)	(1,384)	(3,365)	2,993	(1,366)	6,291	7,554	(5,543)	1,776	3,116	6,858	(2,930)	
Grant Re-imbusement		18,520				29,147							47,667	
Capital Improvement Fees - Infrastructure				288	8,806	4,277			5,124	18,573			37,068	
Capital Improvement Fees - Water Supply					20,295				12,286	37,298			69,879	
DWR Refund (Capital Related)				102,567	63,603			24,192		72,308	4,207		266,877	
Other	0	22	-	-	-	(1)	3,074	(8)	151	6,413	18,602	41,963	70,216	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	706,091	645,025	23,426	1,970,356	816,485	472,763	234,846	235,443	52,980	171,521	191,539	2,587,132	8,107,607	
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	(212,684)	(206,512)	(25,461)	(150,188)	(113,469)	(198,789)	(522,916)	(202,228)	(74,060)	(193,191)	(317,865)	(90,117)	(2,307,479)	(1,133,500)
WRB Capital Expenditures									(18,806)				(18,806)	(1,120,785)
Const. of Monitoring Wells/Test Basin (Water Supply)	(112,490)	(115,024)	(26,385)	(138,979)	(104,239)	(28,083)	(22,792)		(11,634)		(42,409)	(39,798)	(641,834)	(293,500)
Grade Control Structure (Water Supply)	(33,598)	(32,887)	(36,486)	(58,809)	(52,790)		(106,519)	(21,145)		(862)	(59)	(64)	(343,219)	
SWP Capitalized	(686,846)	(167,019)	(189,997)	(167,019)	(167,019)	(167,019)	(686,843)	(167,018)	(196,327)	(167,018)	(167,018)	(167,018)	(3,096,161)	
Investment in PRWA						(300,000)								
Butte County Water Transfer						(747,466)							(1,502,448)	
Bond Payments - Interest			(1,036,228)						(1,174,371)				(2,210,599)	
Principal			(569,131)						(1,087,953)				(1,657,084)	
Capital leases - Holman Capital (2017 Lease)	(89,477)						(89,477)						(178,953)	
Capital leases - Enterprise FM Trust (Vehicles)	(2,678)	(2,678)	(1,918)	(3,326)	(2,696)	(4,664)	(3,393)	(7,824)	(4,387)	(5,640)	(6,895)	(6,330)	(52,427)	
Capital leases - Wells Fargo (Printers)	(8,265)	(4,266)	(4,132)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(55,610)	
Total Non-Operating Expenses (ACTUAL)	(1,146,037)	(528,385)	(1,889,738)	(522,648)	(444,540)	(1,450,349)	(1,436,267)	(402,542)	(2,571,864)	(371,038)	(538,575)	(1,062,636)	(12,064,619)	
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	11,703,986		
Total Cash Ending Balance (ACTUAL)	14,185,206	14,474,248	13,088,750	14,753,769	15,025,830	13,747,742	12,855,412	12,404,076	10,070,582	9,788,348	9,787,373	11,758,902		
														Budget 11,703,986
														Carryover (2,547,785)
														Difference 54,915.98
														Adj. Difference (2,492,869)
2017 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		

Indicates actual expenditures/revenues:
 Indicates anticipated expenditures/revenues:

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 8.1.b – STATUS REPORT ON 2018 FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR DECEMBER 2018. (FINANCE MANAGER WILLIAMS/FINANCE COMMITTEE)*

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending December 31, 2018. Also included are Year-To-Year Comparisons, Quarter-To-Quarter Comparisons, and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of December 2018.

This is the 12th month/4th quarter of the District's Budget Year 2018. The target percentage is 100%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1-2 is our balance sheet on December 31, 2018.
- The significant change is the increase in investments of \$1.5M primarily due to assessments received.

Profit/Loss Statement:

- Page 4 is our profit/loss statement on December 31, 2018.
- Operating revenue is at 105% of budget.
- Cash operating expense is at 99% of budget.
- All departmental budgets are at or below the target percentage, with the exception of Administration-District Wide, and that's due to the non-budgeted Big Rock Creek Recharge project and IRWMP. Operations Department due to the payment of back pay on shift change overlap and chemical cost overrun. Customer Care is slightly over budget due to the use of temporary labor and changes in employee medical coverages.
- GAC has exceeded budget due to increased contact replacements.
- Under Non-Operating Revenue, interest finished the year approximately \$200K over budget.
- Revenues have exceeded expenses for the month by \$111K and year-to-date revenues have exceeded expenditures by \$952K.
- Page 6 shows the distribution of the almost \$24M in operating expense. Operations, Facilities, and Engineering Departments utilizes 50% of the resources.
- Page 7 is showing the distribution of expense between labor and operations. Labor costs are currently at 50% of total expenses with salaries making up 33% of that.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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February 19, 2019

Year-To-Year Comparison P&L:

- Page 8 is our comparison of December 2017 to December 2018.
- Total operating revenue is down \$54K, or 3%.
- Operating expenditures are up \$369K, or 26%.
- Page 9 is a graphic presentation of water consumption comparison for 2017.
 - Units billed in acre feet for 2017 comparison were down by 69, or 6%.
 - Total revenue per unit sold was up \$0.13, or 3.5%.
 - Total revenue per connection was down \$2.13, or 3%.
 - Units billed per connection was down 1.15, or 6%.

- Page 10 is our comparison of December 2016 to December 2018.
- Total operating revenue was up \$175K, or 10%.
- Total operating expenses were up \$367K, or 26%.
- Page 11 is a graphic presentation of the water consumption comparison for 2016.
 - Units billed in acre feet for 2016 comparison were up by 66, or 7%.
 - Total revenue per unit sold was down \$0.13, or 3%.
 - Total revenue per connection was up \$6.36, or 10%.
 - Units billed per connection is up 1.04, or 6%.

Quarter-To-Quarter Comparison P&L:

- Page 11-1 is our 3rd to 4th quarter comparison.
- Total operating revenue decreased \$988K.
- Total operating expense decreased \$1.1M.
- Units billed decreased by 797K.
- Revenue per unit sold increased \$0.74.
- Revenue per connection decreased \$12.38.
- Units sold per connection decreased by 9.96.

- Page 11-2 is our yearly 4th quarter comparison.
- Total operating revenue increased \$258K.
- Total operating expense increased \$902K.
- Units billed increased by 45K.
- Revenue per unit sold decreased \$0.69.
- Revenue per connection increased \$15.48.
- Units sold per connection increased 10.5.

Revenue Analysis Year-To-Date:

- Page 12 is our comparison of revenue, year-to-date.
- Operating revenue through December 2018 is up \$1.26M, or 5%.
- Retail water revenue from all areas are up by \$1.03M 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 \$510K.
- Total revenue is up \$353K, or 1%. In 2017, Capital Improvement fees were just over \$1M.
- Operating revenue is at 105% of budget, last year was at 102% of budget.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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February 19, 2019

Expense Analysis Year-To-Date:

- Page 14 is our comparison of expense, year-to-date.
- Cash Operating Expenses through December 2018 are up \$3.07M, or 13%, compared to 2017; note that the 2018 budget is approximately \$2.5MM higher.
- Total Expenses are up \$1.7M, or 5%.

Departments:

- Pages 17 through 27 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 12/31/2018

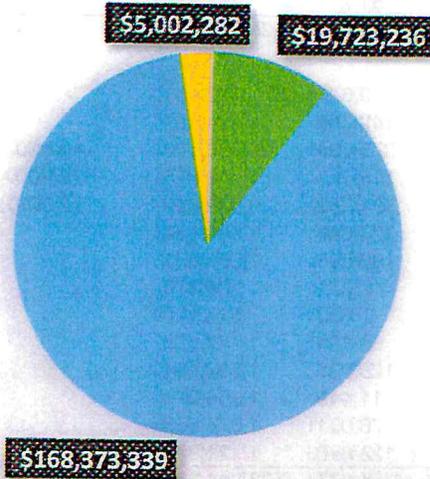
	December 2018	November 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 723,987	\$ 255,630
Investments	11,014,558	9,525,166
Accrued interest receivable	34,079	-
Accounts receivable - water sales and services, net	1,748,400	1,780,474
Accounts receivable - property taxes and assessments	4,353,483	7,056,692
Accounts receivable - other	10,727	10,103
Materials and supplies inventory	1,022,601	1,037,204
Prepaid items and other deposits	815,400	728,039
Total Current Assets	\$ 19,723,236	\$ 20,393,308
Non-Current Assets:		
Restricted - cash and cash equivalents	\$ 11,706,447	\$ 12,427,119
Investment in Palmdale Recycled Water Authority	1,392,933	1,392,933
Capital assets - not being depreciated	12,121,525	11,928,318
Capital assets - being depreciated, net	143,152,434	142,998,614
Total Non-Current Assets	\$ 168,373,339	\$ 168,746,984
TOTAL ASSETS	\$ 188,096,575	\$ 189,140,291
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on debt defeasance, net	\$ 2,165,132	\$ 2,178,189
Deferred outflows of resources related to pensions	2,837,150	2,837,150
Total Deferred Outflows of Resources	\$ 5,002,282	\$ 5,015,339
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 193,098,856	\$ 194,155,631

Palmdale Water District
Balance Sheet Report
For the Twelve Months Ending 12/31/2018

	December 2018	November 2018
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 990,686	\$ 1,312,594
Customer deposits for water service	3,125,962	3,161,936
Construction and developer deposits	1,638,385	1,638,385
Accrued interest payable	648,626	432,751
Long-term liabilities - due in one year:	-	-
Compensated absences	355,371	343,784
Capital lease payable	(667,430)	(577,953)
Loan payable	577,953	577,953
Revenue bonds payable	-	-
Total Current Liabilities	\$ 6,669,553	\$ 6,889,451
Non-Current Liabilities:		
Long-term liabilities - due in more than one year:		
Compensated absences	\$ 118,457	\$ 114,595
Capital lease payable	610,703	610,703
Loan payable	9,948,081	9,959,679
Revenue bonds payable	54,010,000	54,010,000
Net other post employment benefits payable	15,563,256	15,455,959
Aggregate net pension liability	9,265,615	9,265,615
Pension-related debt	816,046	816,046
Total Non-Current Liabilities	\$ 90,332,159	\$ 90,232,597
Total Liabilities	\$ 97,001,712	\$ 97,122,047
DEFERRED INFLOWS OF RESOURCES:		
Unearned property taxes and assessments	\$ 3,300,000	\$ 3,883,333
Deferred inflows of resources related to pensions	493,082	493,082
Total Deferred Inflows of Resources	\$ 3,793,082	\$ 4,376,415
NET POSITION:		
Profit/(Loss) from Operations	\$ (2,634,604)	\$ (2,281,498)
Restricted for investment in Palmdale Recycled Water Authority	1,697,671	1,697,671
Unrestricted	93,240,996	93,240,996
Total Net Position	\$ 92,304,063	\$ 92,657,168
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 193,098,856	\$ 194,155,631

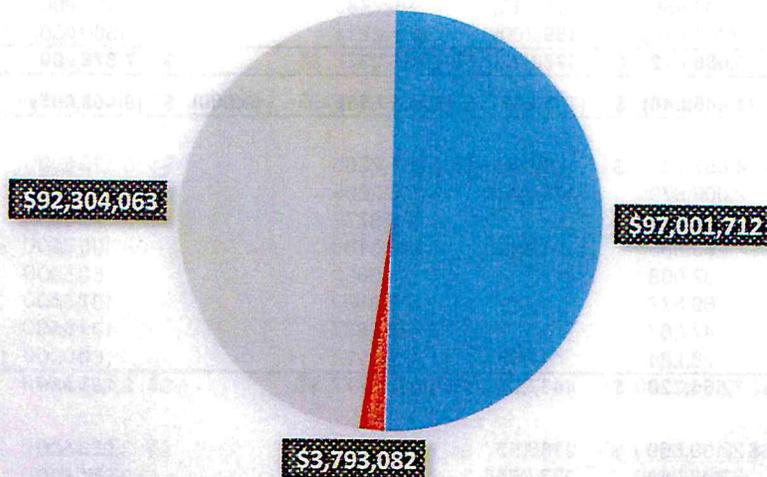
BALANCE SHEET AS OF DECEMBER, 2018

ASSETS \$193,098,856



- Current Assets
- Non-Current Assets
- Deferred Outflows

Liabilities & Net Position \$193,098,856



- Liabilities
- Deferred Inflows
- Net Position

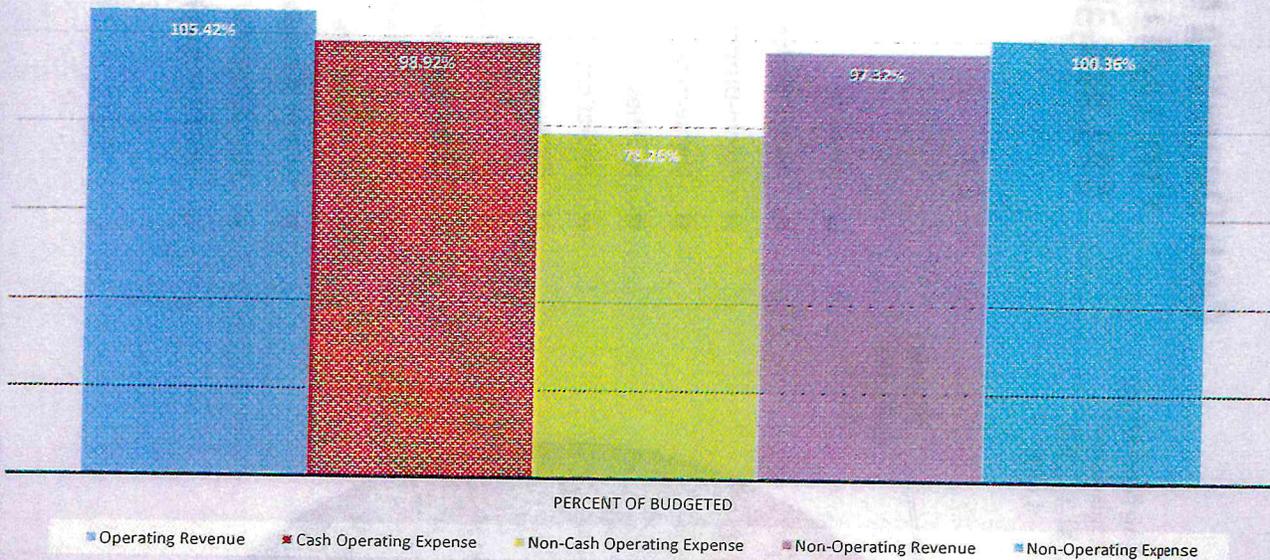
Palmdale Water District
Consolidated Profit and Loss Statement
For the Twelve Months Ending 12/31/2018

	Thru November	December	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 433,013	\$ 63,962	\$ 496,976		\$ 160,000	310.61%
Water Sales	8,424,650	598,868	9,023,517		8,320,000	108.46%
Meter Fees	12,051,932	1,104,026	13,155,958		13,006,500	101.15%
Water Quality Fees	751,826	51,480	803,306		941,000	85.37%
Elevation Fees	355,597	22,783	378,380		360,000	105.11%
Other	956,177	51,711	1,007,888		800,000	125.99%
Total Operating Revenue	\$ 22,973,195	\$ 1,892,830	\$ 24,866,025	\$ -	\$ 23,587,500	105.42%
Cash Operating Expenses:						
Directors	\$ 113,268	\$ 9,683	\$ 122,951		\$ 140,500	87.51%
Administration-Services	1,711,781	142,386	1,854,167		1,957,200	94.74%
Administration-District*	1,731,009	275,184	2,006,193	40,000	1,770,000	113.34%
Engineering**	1,632,458	114,157	1,746,615	72,000	1,734,900	100.68%
Facilities**	6,273,428	397,202	6,670,630	(72,000)	7,019,750	95.03%
Operations	3,223,499	324,643	3,548,142		3,032,007	117.02%
Finance	1,165,035	90,595	1,255,631		1,291,250	97.24%
Water Conservation	217,155	17,221	234,376		300,000	78.13%
Human Resources	520,831	(7,653)	513,178		636,850	80.58%
Information Technology	661,965	80,164	742,129		896,350	82.79%
Customer Care	1,231,557	126,937	1,358,494		1,312,700	103.49%
Source of Supply-Purchased Water	1,653,427	11,449	1,664,876		2,100,000	79.28%
Plant Expenditures	999,634	76,031	1,075,665		1,144,000	94.03%
GAC Filter Media Replacement	997,384	123,876	1,121,260		840,000	133.48%
Total Cash Operating Expenses	\$ 22,132,431	\$ 1,781,877	\$ 23,914,308	\$ 40,000	\$ 24,175,507	98.92%
Net Cash Operating Profit/(Loss)	\$ 840,764	\$ 110,953	\$ 951,717	\$ (40,000)	\$ (588,007)	-161.85%
Non-Cash Operating Expenses:						
Depreciation	\$ 4,869,565	\$ 447,626	\$ 5,317,191		\$ 6,000,000	88.62%
OPEB Accrual Expense	1,404,811	127,710	1,532,521		2,300,000	66.63%
Bad Debts	90,192	2,207	92,399		50,000	184.80%
Service Costs Construction	106,956	(11,213)	95,743		125,000	76.59%
Capitalized Construction	(784,912)	(89,709)	(874,621)		(600,000)	145.77%
Total Non-Cash Operating Expenses	\$ 5,686,612	\$ 476,620	\$ 6,163,232	\$ -	\$ 7,875,000	78.26%
Net Operating Profit/(Loss)	\$ (4,845,848)	\$ (365,667)	\$ (5,211,515)	\$ (40,000)	\$ (8,463,007)	61.58%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 4,857,731	\$ (45,996)	\$ 4,811,735		\$ 5,125,000	93.89%
Assessments (1%)	2,006,879	429,330	2,436,209		2,375,000	102.58%
DWR Fixed Charge Recovery	266,877	-	266,877		175,000	152.50%
Interest	250,356	41,960	292,316		90,000	324.80%
CIF - Infrastructure	37,068	-	37,068		62,500	59.31%
CIF - Water Supply	69,879	-	69,879		187,500	37.27%
Grants - State and Federal	47,667	-	47,667		178,000	26.78%
Other	28,264	41,963	70,227		60,000	117.05%
Total Non-Operating Revenues	\$ 7,564,720	\$ 467,257	\$ 8,031,977	\$ -	\$ 8,253,000	97.32%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 2,190,669	\$ 218,157	\$ 2,408,826		\$ 2,063,500	116.73%
Amortization of SWP	2,408,646	237,754	2,646,400		2,851,000	92.82%
Change in Investments in PRWA	304,738	-	304,738		300,000	101.58%
Water Conservation Programs	81,273	13,829	95,102		221,000	43.03%
Total Non-Operating Expenses	\$ 4,985,326	\$ 469,740	\$ 5,455,065	\$ -	\$ 5,435,500	100.36%
Net Earnings	\$ (2,266,454)	\$ (368,150)	\$ (2,634,604)	\$ (40,000)	\$ (5,645,507)	46.67%

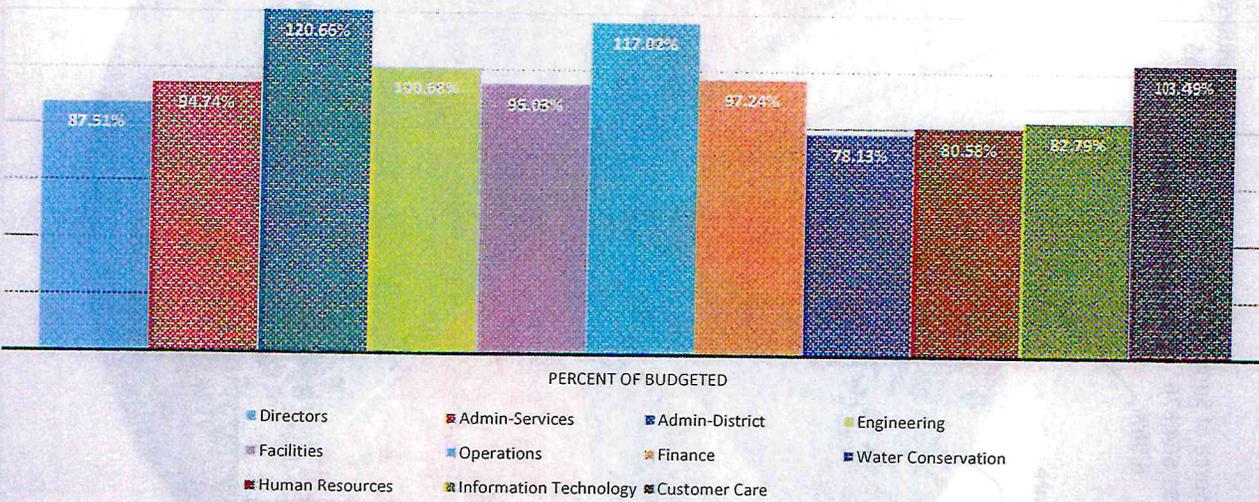
* Budget adjustment by Board action 05/29/18

** Budget adjustment by Board action 08/13/18

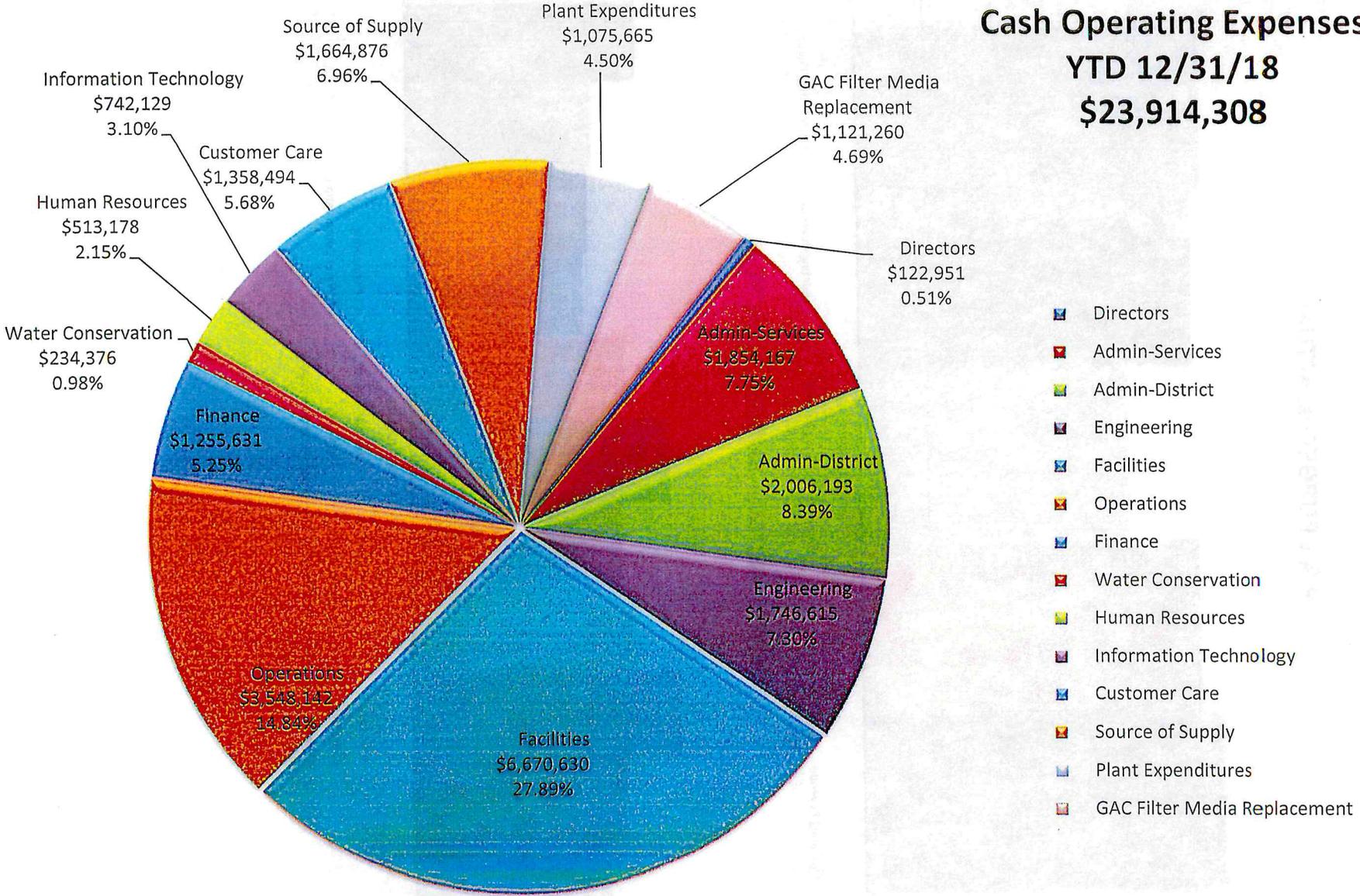
P & L BUDGET vs. ACTUAL



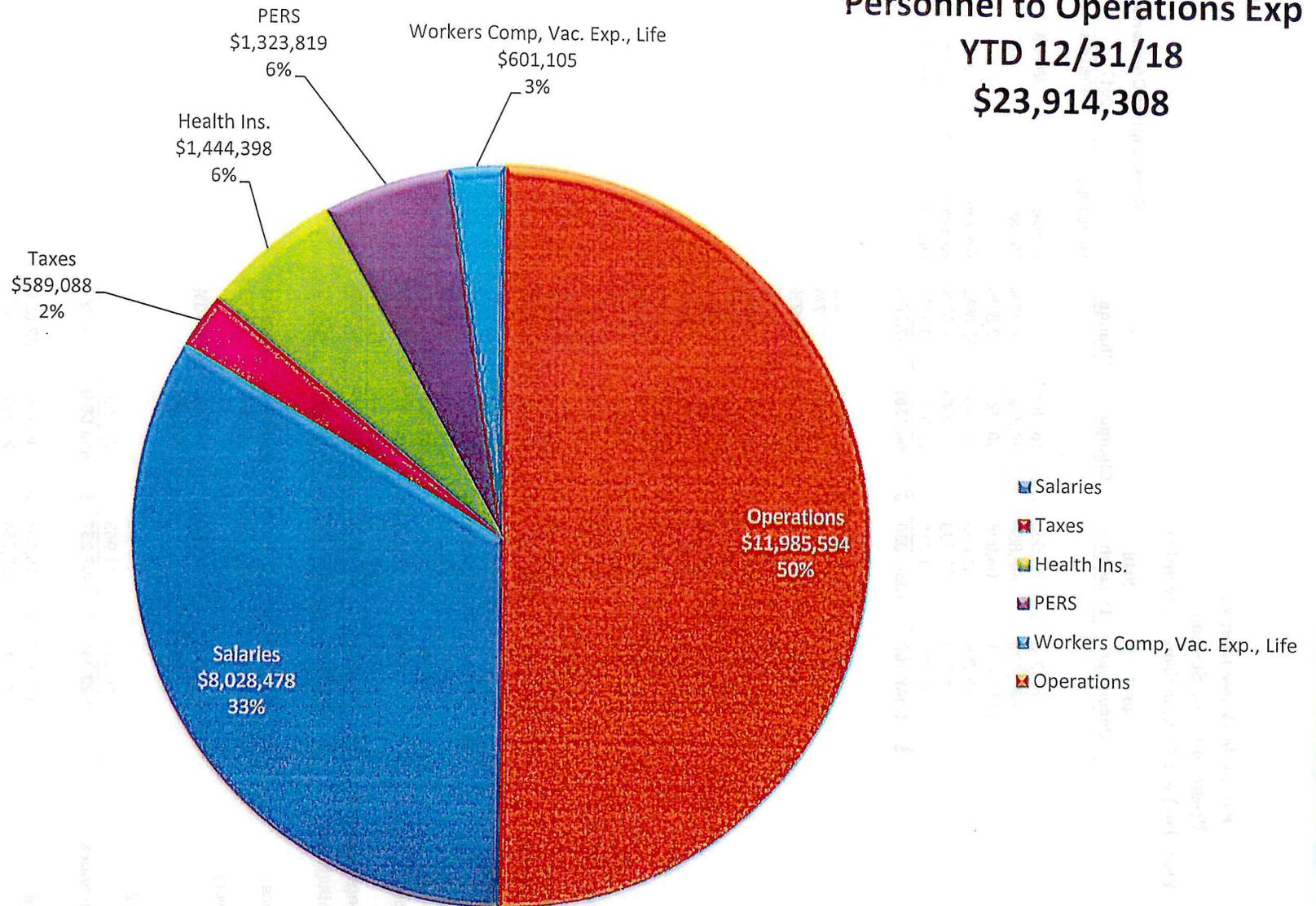
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses YTD 12/31/18 \$23,914,308



**Personnel to Operations Exp
YTD 12/31/18
\$23,914,308**

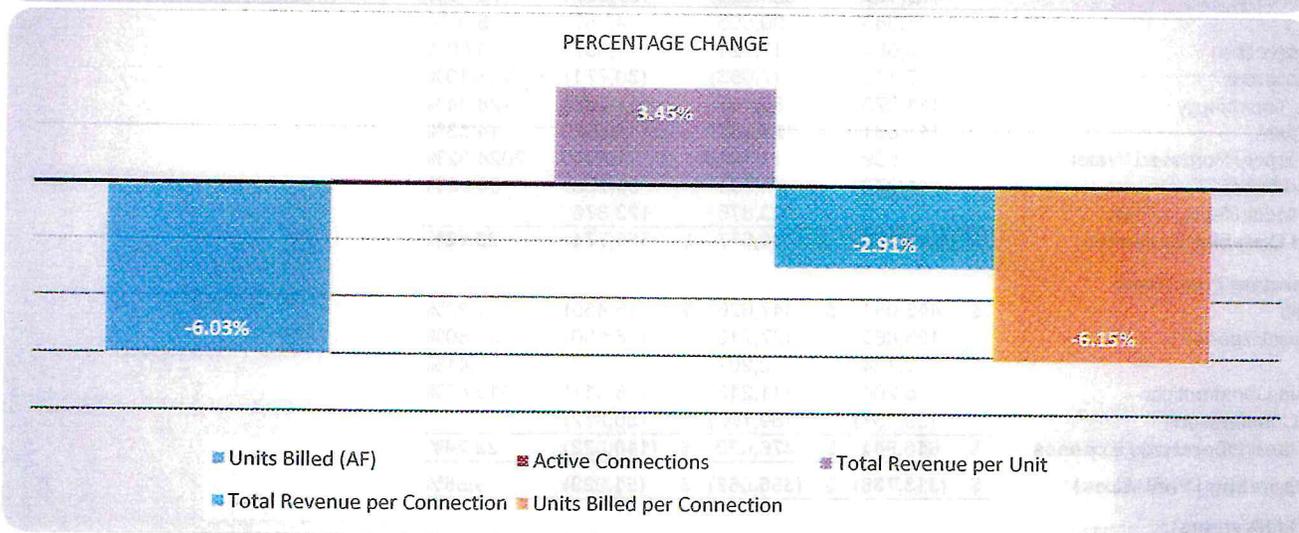
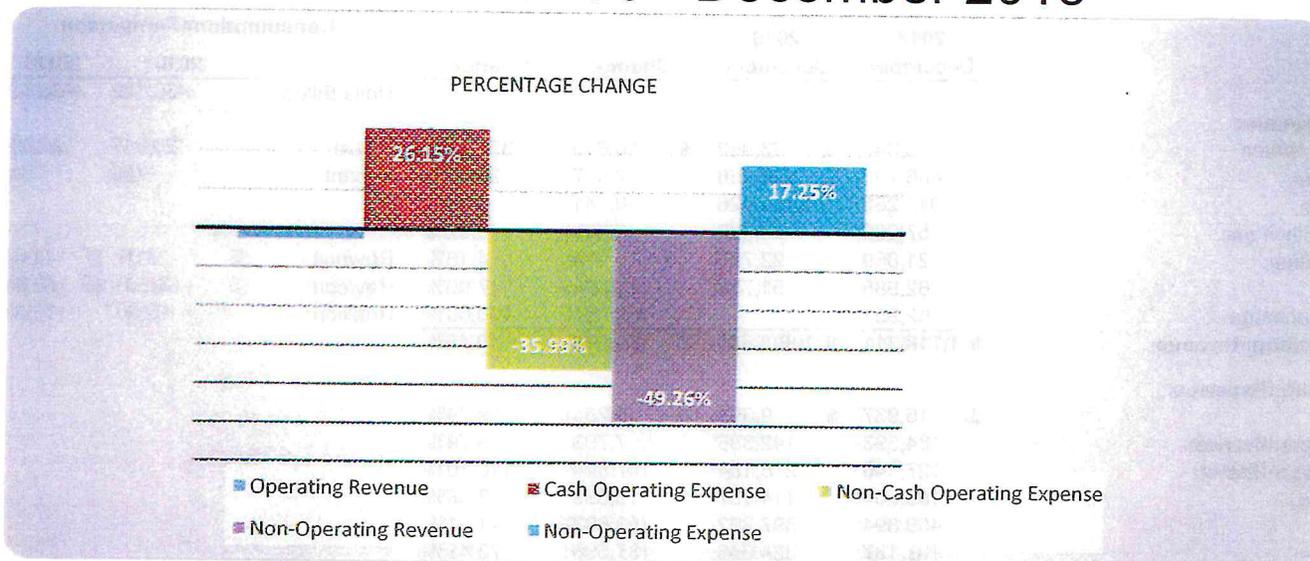


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - December

	2017		2018		Change	% Change	Consumption Comparison		
	December	December	December	December			2017	2018	
Operating Revenue:							Units Billed	498,064	468,023
Wholesale Water	\$ 82,042	\$ 63,962	\$ (18,080)				Active	26,658	26,692
Water Sales	663,430	598,868	(64,562)		-9.73%		Vacant	741	711
Meter Fees	1,063,471	1,104,026	40,555		3.81%		Rev/unit	\$ 3.91	\$ 4.04
Water Quality Fees	59,766	51,480	(8,286)		-13.86%		Rev/con	\$ 73.04	\$ 70.91
Elevation Fees	24,719	22,783	(1,936)		-7.83%		Unit/con	18.68	17.53
Other	53,732	51,711	(2,021)		-3.76%				
Total Operating Revenue	\$ 1,947,160	\$ 1,892,830	\$ (54,330)		-2.79%				
Cash Operating Expenses:									
Directors	\$ 9,857	\$ 9,683	\$ (174)		-1.76%				
Administration-Services	132,117	142,386	10,269		7.77%				
Administration-District	95,910	275,184	179,274		186.92%				
Engineering	112,190	114,157	1,967		1.75%				
Facilities	362,327	397,202	34,874		9.63%				
Operations	199,779	324,643	124,864		62.50%				
Finance	89,040	90,595	1,556		1.75%				
Water Conservation	15,998	17,221	1,223		7.64%				
Human Resources	7,334	(7,653)	(14,987)		-204.34%				
Information Technology	67,695	80,164	12,469		18.42%				
Customer Care	120,133	126,937	6,804		5.66%				
Source of Supply-Purchased Water	2,022	11,449	9,427		466.22%				
Plant Expenditures	28,629	76,031	47,402		165.58%				
GAC Filter Media Replacement	169,477	123,876	(45,601)		-26.91%				
Total Cash Operating Expenses	\$ 1,412,509	\$ 1,781,877	\$ 369,368		26.15%				
Non-Cash Operating Expenses:									
Depreciation	\$ 511,446	\$ 447,626	\$ (63,820)		-12.48%				
OPEB Accrual Expense	182,900	127,710	(55,189)		-30.17%				
Bad Debts	82,966	2,207	(80,759)						
Service Costs Construction	(824)	(11,213)	(10,389)		1260.70%				
Capitalized Construction	(31,916)	(89,709)	(57,793)		181.08%				
Total Non-Cash Operating Expenses	\$ 744,571	\$ 476,620	\$ (267,951)		-35.99%				
Net Operating Profit/(Loss)	\$ (209,920)	\$ (365,667)	\$ (155,747)		74.19%				
Non-Operating Revenues:									
Assessments (Debt Service)	\$ 493,050	\$ (45,996)	\$ (539,046)		-109.33%				
Assessments (1%)	400,637	429,330	28,692		7.16%				
DWR Fixed Charge Recovery	-	-	-						
Interest	(1,851)	41,960	43,812		-2366.73%				
CIF - Infrastructure	9,494	-	(9,494)						
CIF - Water Supply	-	-	-						
Grants - State and Federal	-	-	-						
Other	19,511	41,963	22,452						
Total Non-Operating Revenues	\$ 920,841	\$ 467,257	\$ (453,584)		-49.26%				
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 177,918	\$ 218,157	\$ 40,239		22.62%				
Amortization of SWP	216,743	237,754	21,011		9.69%				
Change in Investments in PRWA	-	-	-						
Water Conservation Programs	5,979	13,829	7,851		131.31%				
Total Non-Operating Expenses	\$ 400,639	\$ 469,740	\$ 69,100		17.25%				
Net Earnings	\$ 310,281	\$ (368,150)	\$ (678,431)		-218.65%				

YEAR-TO-YEAR COMPARISON

December 2017 - To - December 2018



	2017	2018	Change	
Units Billed (AF)	1,143	1,074	-69	-6.03%
Active Connections	26,658	26,692	34	0.13%
Non-Active	741	711	-30	-4.05%
Total Revenue per Unit	\$3.91	\$4.04	\$0.13	3.45%
Total Revenue per Connection	\$73.04	\$70.91	-\$2.13	-2.91%
Units Billed per Connection	18.68	17.53	-1.15	-6.15%

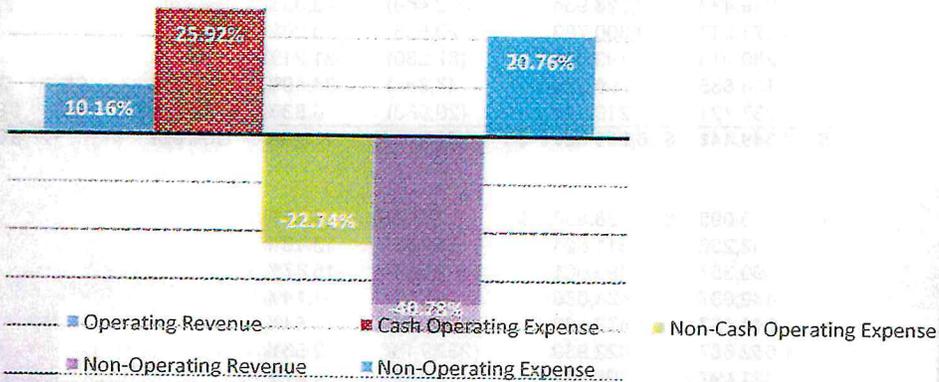
Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison-2 Years - December

	2016		2018		Consumption Comparison		
	December	December	Change	% Change	Units Billed	2016	2018
Operating Revenue:							
Wholesale Water	\$ 13,343	\$ 63,962	\$ 50,619	379.36%	Active	26,617	26,692
Water Sales	486,791	598,868	112,077	23.02%	Vacant	790	711
Meter Fees	1,013,285	1,104,026	90,741	8.96%			
Water Quality Fees	57,086	51,480	(5,606)	-9.82%	Rev/unit	\$ 3.91	\$ 4.04
Elevation Fees	21,869	22,783	914	4.18%	Rev/con	\$ 64.56	\$ 70.91
Other	62,985	51,711	(11,274)	-17.90%	Unit/con	16.50	17.53
Drought Surcharge	62,951	-	(62,951)	-100.00%			
Total Operating Revenue	\$ 1,718,311	\$ 1,892,830	\$ 174,520	10.16%			
Cash Operating Expenses:							
Directors	\$ 15,937	\$ 9,683	\$ (6,254)	-39.24%			
Administration-Services	134,593	142,386	7,793	5.79%			
Administration-District	127,340	275,184	147,844	116.10%			
Engineering	100,504	114,157	13,653	13.58%			
Facilities	450,894	397,202	(53,692)	-11.91%			
Operations	187,137	324,643	137,506	73.48%			
Finance	95,383	90,595	(4,787)	-5.02%			
Water Conservation	15,684	17,221	1,537	9.80%			
Human Resources	23,118	(7,653)	(30,771)	-133.10%			
Information Technology	111,873	80,164	(31,709)	-28.34%			
Customer Care	110,831	126,937	16,106	14.53%			
Source of Supply-Purchased Water	539	11,449	10,910	2024.32%			
Plant Expenditures	41,273	76,031	34,758	84.22%			
GAC Filter Media Replacement	-	123,876	123,876				
Total Cash Operating Expenses	\$ 1,415,106	\$ 1,781,877	\$ 366,771	25.92%			
Non-Cash Operating Expenses:							
Depreciation	\$ 453,081	\$ 447,626	\$ (5,455)	-1.20%			
OPEB Accrual Expense	195,860	127,710	(68,150)	-34.80%			
Bad Debts	2,134	2,207	73	3.41%			
Service Costs Construction	5,204	(11,213)	(16,417)	-315.47%			
Capitalized Construction	(39,337)	(89,709)	(50,372)				
Total Non-Cash Operating Expenses	\$ 616,942	\$ 476,620	\$ (140,322)	-22.74%			
Net Operating Profit/(Loss)	\$ (313,738)	\$ (365,667)	\$ (51,929)	16.55%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 440,417	\$ (45,996)	\$ (486,413)	-110.44%			
Assessments (1%)	360,148	429,330	69,182	19.21%			
DWR Fixed Charge Recovery	-	-	-	#DIV/0!			
Interest	(11,930)	41,960	53,890	-451.72%			
CIF - Infrastructure	288	-	(288)				
CIF - Water Supply	-	-	-				
Grants - State and Federal	-	-	-				
Other	49	41,963	41,914	85260.15%			
Total Non-Operating Revenues	\$ 788,972	\$ 467,257	\$ (321,715)	-40.78%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 182,248	\$ 218,157	\$ 35,908	19.70%			
Amortization of SWP	196,904	237,754	40,850	20.75%			
Change in Investments in PRWA	-	-	-				
Water Conservation Programs	9,830	13,829	3,999				
Total Non-Operating Expenses	\$ 388,983	\$ 469,740	\$ 80,757	20.76%			
Net Earnings	\$ 86,252	\$ (368,150)	\$ (454,402)	-526.83%			

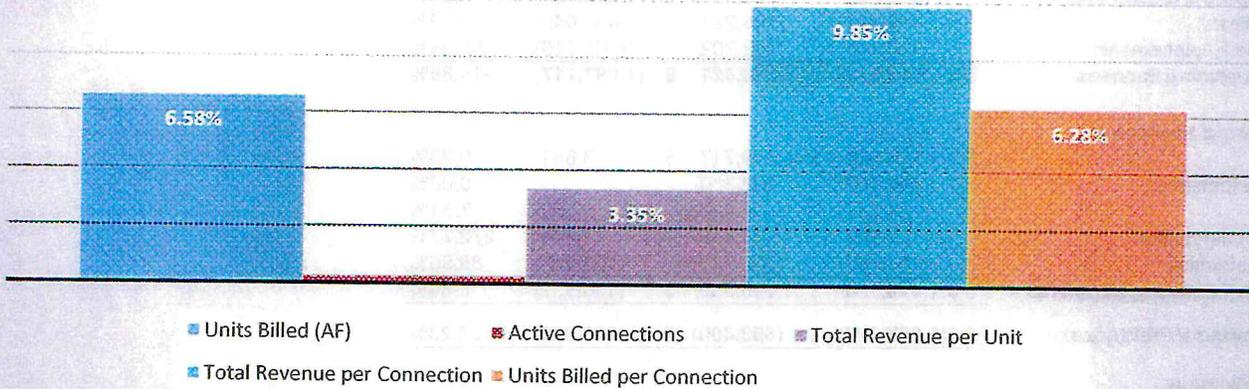
YEAR-TO-YEAR COMPARISON

December 2016 - To - December 2018

PERCENTAGE CHANGE



PERCENTAGE CHANGE



	2016	2018	Change	
Units Billed (AF)	1,008	1,074	66	6.58%
Active Connections	26,617	26,692	75	0.28%
Non-Active	790	711	-79	-10.00%
Total Revenue per Unit	\$3.91	\$4.04	\$0.13	3.35%
Total Revenue per Connection	\$64.56	\$70.91	\$6.36	9.85%
Units Billed per Connection	16.50	17.53	1.04	6.28%

Palmdale Water District
Profit and Loss Statement
Quarterly Comparison - December

	3rd Qtr	4th Qtr	Change	%	Consumption Comparison		
	December	December			3rd Qtr	4th Qtr	Units Billed
Operating Revenue:							
Wholesale Water	\$ 171,290	\$ 230,348	\$ 59,059	34.48%	Active	80,051	80,080
Water Sales	3,249,433	2,328,964	(920,469)	-28.33%	Vacant	2,140	2,123
Meter Fees	3,271,247	3,300,783	29,535	0.90%			
Water Quality Fees	280,915	193,235	(87,680)	-31.21%	Rev/unit	\$ 2.88	\$ 3.62
Elevation Fees	138,835	90,949	(47,886)	-34.49%	Rev/con	\$ 91.81	\$ 79.43
Other	237,721	216,741	(20,980)	-8.83%	Unit/con	31.91	21.94
Total Operating Revenue	\$ 7,349,441	\$ 6,361,020	\$ (988,421)	-13.45%			
Cash Operating Expenses:							
Directors	\$ 30,098	\$ 28,500	\$ (1,598)	-5.31%			
Administration-Services	452,258	511,624	59,365	13.13%			
Administration-District	590,357	499,001	(91,356)	-15.47%			
Engineering	439,037	434,036	(5,001)	-1.14%			
Facilities	1,744,557	1,438,500	(306,057)	-17.54%			
Operations	1,062,687	822,939	(239,748)	-22.56%			
Finance	321,497	305,832	(15,665)	-4.87%			
Water Conservation	58,137	62,391	4,254	7.32%			
Human Resources	137,898	127,079	(10,819)	-7.85%			
Information Technology	157,192	182,464	25,272	16.08%			
Customer Care	329,795	359,676	29,881	9.06%			
Source of Supply-Purchased Water	882,537	209,456	(673,081)	-76.27%			
Plant Expenditures	172,176	606,221	434,045	252.09%			
GAC Filter Media Replacement	539,412	232,702	(306,710)	-56.86%			
Total Cash Operating Expenses	\$ 6,917,638	\$ 5,820,421	\$ (1,097,217)	-15.86%			
Non-Cash Operating Expenses:							
Depreciation	\$ 1,316,066	\$ 1,319,717	\$ 3,651	0.28%			
OPEB Accrual Expense	383,130	383,130	-	0.00%			
Bad Debts	4,780	4,430	(350)	-7.31%			
Service Costs Construction	6,287	23,435	17,148	272.77%			
Capitalized Construction	(181,067)	(336,713)	(155,646)	85.96%			
Total Non-Cash Operating Expenses	\$ 1,529,196	\$ 1,393,999	\$ (135,197)	-8.84%			
Net Operating Profit/(Loss)	\$ (1,097,393)	\$ (853,400)	\$ 243,993	-22.23%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 1,321,250	\$ 834,837	\$ (486,413)	-36.81%			
Assessments (1%)	435,319	715,163	279,844	64.28%			
DWR Fixed Charge Recovery	24,192	76,515	52,323	216.28%			
Interest	102,491	117,733	15,242	14.87%			
CIF - Infrastructure	5,124	18,573	13,449	262.50%			
CIF - Water Supply	12,286	37,298	25,012	203.57%			
Grants - State and Federal	29,147	-	(29,147)	-100.00%			
Other	3,217	66,978	63,761	1982.14%			
Total Non-Operating Revenues	\$ 1,933,025	\$ 1,867,097	\$ (65,928)	-3.41%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 671,448	\$ 654,471	\$ (16,977)	-2.53%			
Amortization of SWP	692,246	713,262	21,016	3.04%			
Change in Investments in PRWA	2,730	-	(2,730)	-100.00%			
Water Conservation Programs	16,435	23,425	6,989	42.53%			
Total Non-Operating Expenses	\$ 1,382,859	\$ 1,391,157	\$ 8,298	0.60%			
Net Earnings	\$ (547,227)	\$ (377,461)	\$ 169,767	-31.02%			

**Palmdale Water District
Profit and Loss Statement
Quarterly Comparison**

	4th Qtr	4th Qtr	Change	%	Consumption Comparison		
	2017	2018			2017	2018	
Operating Revenue:					Units Billed	1,712,136	1,757,111
Wholesale Water	\$ 217,568	\$ 230,348	\$ 12,780	5.87%	Active	79,953	80,080
Water Sales	2,225,357	2,328,964	103,607	4.66%	Vacant	2,236	2,123
Meter Fees	3,175,085	3,300,783	125,697	3.96%			
Water Quality Fees	205,426	193,235	(12,192)	-5.93%			
Elevation Fees	87,074	90,949	3,875	4.45%			
Other	192,512	216,741	24,229	12.59%			
Total Operating Revenue	\$ 6,103,023	\$ 6,361,020	\$ 257,997	4.23%	Rev/unit	\$ 3.56	\$ 2.88
					Rev/con	\$ 76.33	\$ 91.81
					Unit/con	21.41	31.91
Cash Operating Expenses:							
Directors	\$ 31,592	\$ 28,500	\$ (3,092)	-9.79%			
Administration-Services	440,377	511,624	71,247	16.18%			
Administration-District	403,264	499,001	95,737	23.74%			
Engineering	376,892	434,036	57,144	15.16%			
Facilities	1,390,381	1,438,500	48,119	3.46%			
Operations	730,221	822,939	92,718	12.70%			
Finance	298,751	305,832	7,080	2.37%			
Water Conservation	55,173	62,391	7,218	13.08%			
Human Resources	81,026	127,079	46,053	56.84%			
Information Technology	243,098	182,464	(60,633)	-24.94%			
Customer Care	337,391	359,676	22,285	6.61%			
Source of Supply-Purchased Water	300,249	209,456	(90,793)	-30.24%			
Plant Expenditures	60,349	606,221	545,872	904.52%			
GAC Filter Media Replacement	169,477	232,702	63,225	37.31%			
Total Cash Operating Expenses	\$ 4,918,241	\$ 5,820,421	\$ 902,180	18.34%			
Non-Cash Operating Expenses:							
Depreciation	\$ 1,391,254	\$ 1,319,717	\$ (71,537)	-5.14%			
OPEB Accrual Expense	(261,639)	383,130	644,770	-246.43%			
Bad Debts	82,899	4,430	(78,469)	-94.66%			
Service Costs Construction	13,483	23,435	9,951	73.80%			
Capitalized Construction	(113,908)	(336,713)	(222,805)	195.60%			
Total Non-Cash Operating Expenses	\$ 1,112,089	\$ 1,393,999	\$ 281,910	25.35%			
Net Operating Profit/(Loss)	\$ 72,692	\$ (853,400)	\$ (926,092)	-1273.99%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 1,348,717	\$ 834,837	\$ (513,879)	-38.10%			
Assessments (1%)	678,304	715,163	36,859	5.43%			
DWR Fixed Charge Recovery	76,317	76,515	198				
Interest	(4,861)	117,733	122,594	-2522.13%			
CIF - Infrastructure	10,943	18,573	7,630	69.72%			
CIF - Water Supply	8,665	37,298	28,633	330.44%			
Grants - State and Federal	35,669	-	(35,669)	-100.00%			
Other	20,505	66,978	46,472	226.64%			
Total Non-Operating Revenues	\$ 2,174,259	\$ 1,867,097	\$ (307,162)	-14.13%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 545,291	\$ 654,471	\$ 109,180	20.02%			
Amortization of SWP	650,226	713,262	63,036	9.69%			
Change in Investments in PRWA	(1,332,282)	-	1,332,282				
Water Conservation Programs	20,732	23,425	2,693	12.99%			
Total Non-Operating Expenses	\$ (116,034)	\$ 1,391,157	\$ 1,507,191	-1298.93%			
Net Earnings	\$ 2,362,984	\$ (377,461)	\$ (2,740,445)	-115.97%			

Palmdale Water District
Revenue Analysis
For the Twelve Months Ending 12/31/2018
2018

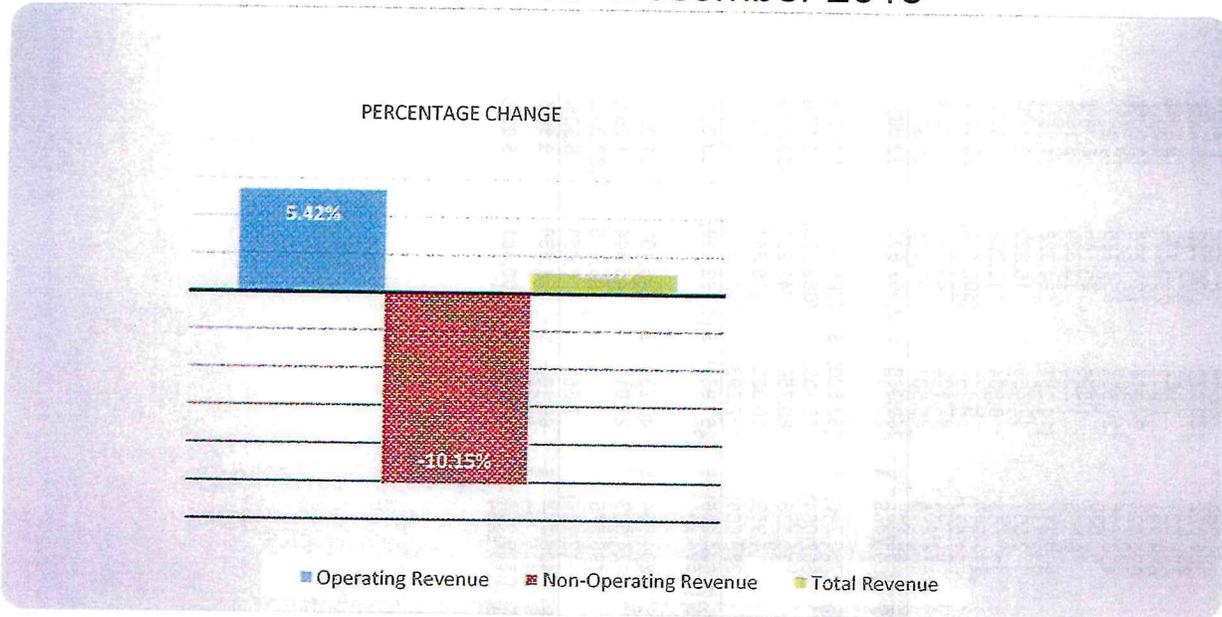
2017 to 2018 Comparison

	2018					2017 to 2018 Comparison			
	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget	Thru November	December	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	\$ 433,013	\$ 63,962	\$ 496,976	\$ 160,000	310.61%	\$ 135,973	\$ (18,080)	\$ 117,893	31.10%
Water Sales	8,424,650	598,868	9,023,517	8,320,000	108.46%	670,918	(64,562)	606,356	7.20%
Meter Fees	12,051,932	1,104,026	13,155,958	13,006,500	101.15%	405,188	40,555	445,743	3.51%
Water Quality Fees	751,826	51,480	803,306	941,000	85.37%	(33,933)	(8,286)	(42,219)	-4.99%
Elevation Fees	355,597	22,783	378,380	360,000	105.11%	14,698	(1,936)	12,762	3.49%
Other	956,177	51,711	1,007,888	800,000	125.99%	187,666	(2,021)	185,645	22.58%
Drought Surcharge	-	-	-	-	-	(66,226)	-	(66,226)	-100.00%
Total Water Sales	\$ 22,973,195	\$ 1,892,830	\$ 24,866,025	\$ 23,587,500	105.42%	\$ 1,314,284	\$ (54,330)	\$ 1,259,954	5.42%
Non-Operating Revenues:									
Assessments (Debt Service)	\$ 4,857,731	\$ (45,996)	\$ 4,811,735	\$ 5,125,000	93.89%	\$ 248,008	\$ (539,046)	\$ (291,039)	-5.70%
Assessments (1%)	2,006,879	429,330	2,436,209	2,375,000	102.58%	118,179	28,692	146,872	6.42%
DWR Fixed Charge Recovery	266,877	-	266,877	175,000	152.50%	239	-	239	0.09%
Interest	250,356	41,960	292,316	90,000	324.80%	192,450	43,812	236,262	421.49%
CIF - Infrastructure	37,068	-	37,068	62,500	59.31%	(159,373)	(9,494)	(168,867)	-82.00%
CIF - Water Supply	69,879	-	69,879	187,500	37.27%	(745,592)	-	(745,592)	-91.43%
Grants - State and Federal	47,667	-	47,667	178,000	26.78%	(63,002)	-	(63,002)	
Other	28,264	41,963	70,227	60,000	117.05%	(44,313)	22,452	(21,861)	-23.74%
Total Non-Operating Revenues	\$ 7,564,720	\$ 467,257	\$ 8,031,977	\$ 8,253,000	97.32%	\$ (453,404)	\$ (453,584)	\$ (906,988)	-10.15%
Total Revenue	\$ 30,537,915	\$ 2,360,087	\$ 32,898,002	\$ 31,840,500	103.32%	\$ 860,879	\$ (507,914)	\$ 352,965	1.10%

	2017				
	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
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	-	
Total Water Sales	\$ 21,361,870	\$ 1,865,118	\$ 23,226,988	\$ 22,800,000	101.87%
Non-Operating Revenues:					
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	57,500	358.15%
CIF - Water Supply	815,471	-	815,471	192,500	423.62%
Grants - State and Federal	110,669	-	110,669	178,000	62.17%
Other	72,577	19,511	92,088	60,000	153.48%
Total Non-Operating Revenues	\$ 8,018,124	\$ 920,841	\$ 8,938,965	\$ 7,705,500	116.01%
Total Revenue	\$ 29,379,995	\$ 2,785,959	\$ 32,165,953	\$ 30,505,500	105.44%

REVENUE COMPARISON YEAR-TO-DATE

December 2017-To- December 2018



**Palmdale Water District
Operating Expense Analysis
For the Twelve Months Ending 12/31/2018**

2018

2017 to 2018 Comparison

	2018			Adjusted Budget	% of Budget	2017 to 2018 Comparison			
	Thru November	December	Year-to-Date			Thru November	December	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 113,268	\$ 9,683	\$ 122,951	\$ 140,500	87.51%	\$ 14,317	\$ (174)	\$ 14,144	13.00%
Administration-Services	1,711,781	142,386	1,854,167	1,957,200	94.74%	91,296	10,269	101,566	5.80%
Administration-District	1,731,009	275,184	2,006,193	1,730,000	115.96%	386,522	179,274	565,796	39.28%
Engineering	1,632,458	114,157	1,746,615	1,662,900	105.03%	288,531	1,967	290,499	19.95%
Facilities	6,273,428	397,202	6,670,630	7,091,750	94.06%	690,424	34,874	725,298	12.20%
Operations	3,223,499	324,643	3,548,142	3,032,007	117.02%	430,122	124,864	554,986	18.54%
Finance	1,165,035	90,595	1,255,631	1,291,250	97.24%	47,635	1,556	49,190	4.08%
Water Conservation	217,155	17,221	234,376	300,000	78.13%	16,466	1,223	17,689	8.16%
Human Resources	520,831	(7,653)	513,178	636,850	80.58%	209,715	(14,987)	194,728	61.15%
Information Technology	661,965	80,164	742,129	896,350	82.79%	2,861	12,469	15,330	2.11%
Customer Care	1,231,557	126,937	1,358,494	1,312,700	103.49%	111,563	6,804	118,368	9.54%
Source of Supply-Purchased Water	1,653,427	11,449	1,664,876	2,100,000	79.28%	(511,537)	9,427	(502,110)	-23.17%
Plant Expenditures	999,634	76,031	1,075,665	1,144,000	94.03%	677,492	47,402	724,895	206.66%
GAC Filter Media Replacement	997,384	123,876	1,121,260	840,000	133.48%	243,046	(45,601)	197,445	21.37%
Total Cash Operating Expenses	\$ 22,132,431	\$ 1,781,877	\$ 23,914,308	\$ 24,135,507	99.08%	\$ 2,698,455	\$ 369,368	\$ 3,067,823	12.83%
Non-Cash Operating Expenses:									
Depreciation	\$ 4,869,565	\$ 447,626	\$ 5,317,191	\$ 6,000,000	88.62%	\$ (732,740)	\$ (63,820)	\$ (796,561)	-13.03%
OPEB Accrual Expense	1,404,811	127,710	1,532,521	2,300,000	66.63%	(607,084)	(55,189)	(662,273)	-30.17%
Bad Debts	90,192	2,207	92,399	50,000	184.80%	39,538	(80,759)	(41,221)	-30.85%
Service Costs Construction	106,956	(11,213)	95,743	125,000	76.59%	(4,952)	(10,389)	(15,341)	-13.81%
Capitalized Construction	(784,912)	(89,709)	(874,621)	(600,000)	145.77%	(289,008)	(57,793)	(346,800)	65.70%
Total Non-Cash Operating Expenses	\$ 5,686,612	\$ 476,620	\$ 6,163,232	\$ 7,875,000	78.26%	\$ (1,594,245)	\$ (267,951)	\$ (1,862,196)	-30.21%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 2,190,669	\$ 218,157	\$ 2,408,826	\$ 2,063,500	116.73%	\$ 204,864	\$ 40,239	\$ 245,103	11.33%
Amortization of SWP	2,408,646	237,754	2,646,400	2,851,000	92.82%	24,533	21,011	45,544	1.75%
Change in Investments in PRWA	304,738	-	304,738	300,000	101.58%	198,575	-	198,575	187.05%
Water Conservation Programs	81,273	13,829	95,102	221,000	43.03%	(2,218)	7,851	5,633	6.30%
Total Non-Operating Expenses	\$ 4,985,326	\$ 469,740	\$ 5,455,065	\$ 5,435,500	100.36%	\$ 425,754	\$ 69,100	\$ 494,855	9.98%
Total Expenses	\$ 32,804,369	\$ 2,728,237	\$ 35,532,605	\$ 37,446,007	94.89%	\$ 1,529,964	\$ 170,517	\$ 1,700,481	5.03%

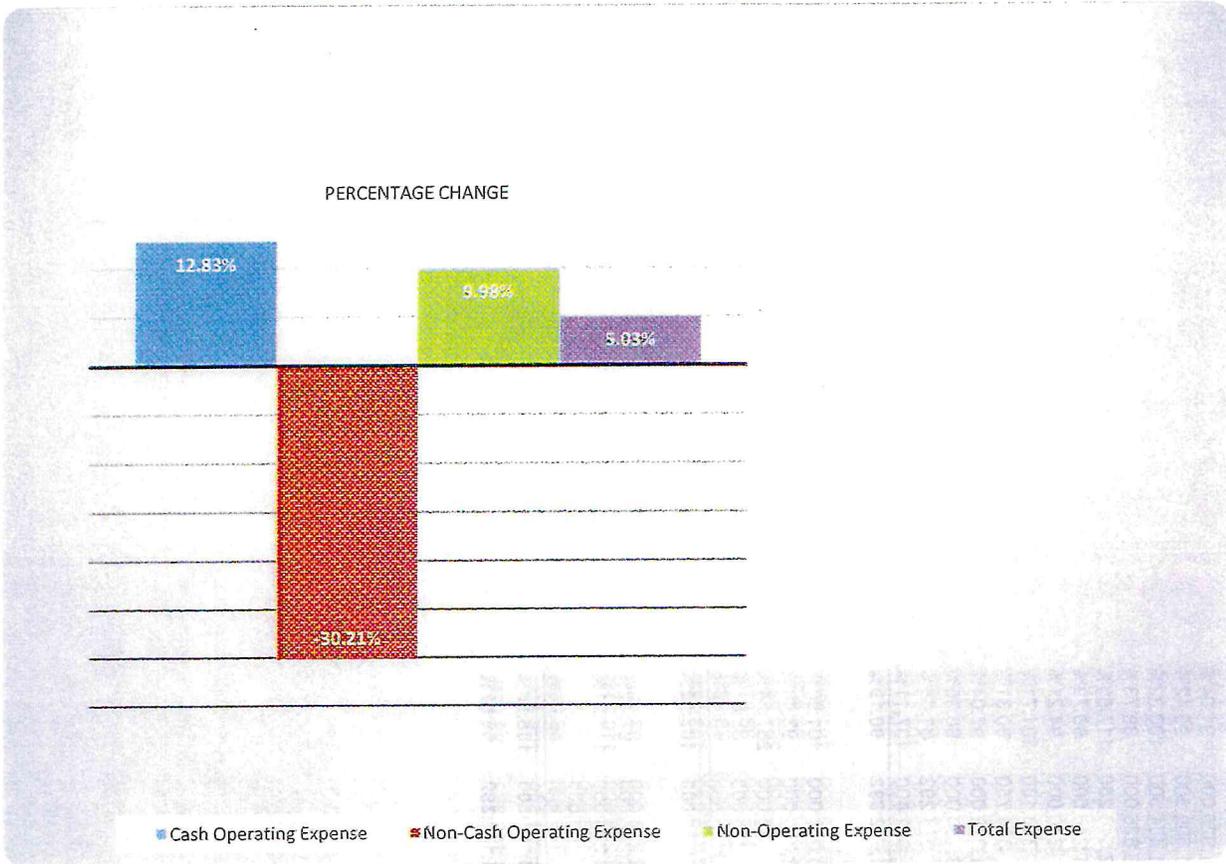
Palmdale Water District
Operating Expense Analysis
For the Twelve Months Ending 12/31/2018
2017

	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 98,950	\$ 9,857	\$ 108,807	\$ 115,500	94.21%
Administration-Services	1,620,485	132,117	1,752,601	1,925,000	91.04%
Administration-District	1,344,487	95,910	1,440,397	1,509,500	95.42%
Engineering	1,343,927	112,190	1,456,117	1,451,500	100.32%
Facilities	5,583,004	362,327	5,945,331	6,626,000	89.73%
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	230,000	94.21%
Human Resources	311,116	7,334	318,450	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%
Total Cash Operating Expenses	\$ 19,433,976	\$ 1,412,509	\$ 20,846,485	\$ 21,672,892	96.19%
Non-Cash Operating Expenses:					
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%
Total Non-Cash Operating Expenses	\$ 7,280,857	\$ 744,571	\$ 8,025,428	\$ 7,775,000	103.22%
Non-Operating Expenses:					
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	
Water Conservation Programs	83,491	5,979	89,469	135,500	66.03%
Total Non-Operating Expenses	\$ 4,559,571	\$ 400,639	\$ 4,960,211	\$ 4,701,500	105.50%
Total Expenses	\$ 31,274,405	\$ 2,557,720	\$ 33,832,124	\$ 34,149,392	99.07%

2018-12-31 10:53 AM
 PALMDALE WATER DISTRICT
 OPERATING EXPENSE ANALYSIS

EXPENSE COMPARISON YEAR-TO-DATE

December 2017-To-December 2018



Palmdale Water District
2018 Directors Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ -	\$ -	\$ -	\$ -	
Employee Benefits					
1-01-4005-000 Payroll Taxes	3,909	5,500		1,591	71.07%
Subtotal (Benefits)	3,909	5,500	-	1,591	71.07%
Total Personnel Expenses	<u>\$ 3,909</u>	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 1,591</u>	<u>71.07%</u>
OPERATING EXPENSES:					
1-01-xxxx-007 Director Share - Alvarado, Robert	\$ 26,050	\$ 27,000		\$ 950	96.48%
1-01-xxxx-008 Director Share - Mac Laren, Kathy	18,516	27,000		8,484	68.58%
1-01-xxxx-009 Director Share - Estes, Joe	25,765	27,000		1,235	95.43%
1-01-xxxx-010 Director Share - Dino, Vincent	20,522	27,000		6,478	76.01%
1-01-xxxx-011 Director Share - Henriquez, Marco	27,589	27,000		(589)	102.18%
1-01-xxxx-012 Director Share - Wilson, Don	600	-		(600)	
Subtotal Operating Expenses	119,042	135,000	-	15,958	88.18%
Total O & M Expenses	<u>\$ 122,951</u>	<u>\$ 140,500</u>	<u>\$ -</u>	<u>\$ 17,549</u>	<u>87.51%</u>

Palmdale Water District
2018 Administration Services Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 1,162,862	\$ 1,215,500		\$ 52,638	95.67%
1-02-4000-100 Overtime	4,556	9,000		4,444	50.62%
Subtotal (Salaries)	\$ 1,167,418	\$ 1,224,500	\$ -	\$ 57,082	95.34%
Employee Benefits					
1-02-4005-000 Payroll Taxes	\$ 78,250	\$ 86,500		8,250	90.46%
1-02-4010-000 Health Insurance	166,558	171,500		4,942	97.12%
1-02-4015-000 PERS	114,537	141,000		26,464	81.23%
Subtotal (Benefits)	\$ 359,345	\$ 399,000	\$ -	\$ 39,655	90.06%
Total Personnel Expenses	\$ 1,526,763	\$ 1,623,500	\$ -	\$ 96,737	94.04%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 16,589	\$ 14,000	\$ -	\$ (2,589)	118.49%
1-02-4050-100 General Manager Travel	7,462	5,000		(2,462)	149.24%
1-02-4060-000 Staff Conferences & Seminars	1,749	6,000		4,251	29.15%
1-02-4060-100 General Manager Conferences & Seminars	3,246	4,000		754	81.15%
1-02-4130-000 Bank Charges	163,799	140,000		(23,799)	117.00%
1-02-4150-000 Accounting Services	25,043	27,500		2,457	91.07%
1-02-4175-000 Permits	11,844	17,500		5,656	67.68%
1-02-4180-000 Postage	15,224	25,000		9,776	60.90%
1-02-4190-100 Public Relations - Publications	20,931	30,000		9,069	69.77%
1-02-4190-700 Public Affairs - Marketing/Outreach	27,222	25,000		(2,222)	108.89%
1-02-4190-710 Public Affairs -Advertising	65	4,000		3,935	1.63%
1-02-4190-720 Public Affairs - Equipment	1,548	2,500		952	61.92%
1-02-4190-730 Public Affairs -Conference/Seminar/Travel	1,025	2,500		1,475	41.00%
1-02-4190-740 Public Affairs - Consultants	1,000	3,000		2,000	33.33%
1-02-4190-750 Public Affairs - Membership	675	700		25	96.43%
1-02-4200-000 Advertising	4,006	4,000		(6)	100.14%
1-02-4205-000 Office Supplies	25,977	18,000		(7,977)	144.31%
1-02-4210-000 Office Furniture	-	5,000		5,000	0.00%
Subtotal Operating Expenses	\$ 327,404	\$ 333,700	\$ -	\$ 6,296	98.11%
Total Departmental Expenses	\$ 1,854,167	\$ 1,957,200	\$ -	\$ 103,033	94.74%

Palmdale Water District
2018 Administration District Wide Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 72,726	\$ 90,000		\$ 17,274	80.81%
Subtotal (Salaries)	\$ 72,726	\$ 90,000	\$ -	\$ 17,274	80.81%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 571,885	\$ 568,500		(3,385)	100.60%
1-02-5070-003 Workers Compensation	437,754	280,000		(157,754)	156.34%
1-02-5070-004 Vacation Benefit Expense	39,573	25,000		(14,573)	158.29%
1-02-5070-005 Life Insurance	6,344	6,500		156	97.60%
Subtotal (Benefits)	\$ 1,055,555	\$ 880,000	\$ -	\$ (175,555)	119.95%
Total Personnel Expenses	\$ 1,128,281	\$ 970,000	\$ -	\$ (158,281)	116.32%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 22,916	\$ 20,000		(2,916)	114.58%
1-02-5070-007 Consultants	272,436	70,000		(202,436)	389.19%
1-02-5070-008 Insurance	241,076	305,000		63,924	79.04%
1-02-5070-009 Groundwater Adjudication	42,477	50,000		7,523	84.95%
1-02-5070-010 Legal Services	89,038	150,000		60,962	59.36%
1-02-5070-011 Memberships/Subscriptions	94,942	125,000		30,058	75.95%
1-02-5070-099 100th Anniversary*	115,028	40,000	40,000	(35,028)	143.78%
Subtotal Operating Expenses	\$ 877,912	\$ 760,000	\$ 40,000	\$ (77,912)	109.74%
Total Departmental Expenses	\$ 2,006,193	\$ 1,730,000	\$ 40,000	\$ (236,193)	113.34%

* Budget adjustment by Board action 05/29/18

Palmdale Water District
2018 Engineering Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 1,100,010	\$ 1,058,750		\$ (41,260)	103.90%
1-03-4000-100 Overtime	45,309	9,000		(36,309)	503.44%
Subtotal (Salaries)	\$ 1,145,319	\$ 1,067,750	\$ -	\$ (77,569)	107.26%
Employee Benefits					
1-03-4005-000 Payroll Taxes	85,430	78,750		(6,680)	108.48%
1-03-4010-000 Health Insurance	206,949	209,750		2,801	98.66%
1-03-4015-000 PERS**	109,389	132,750		23,361	82.40%
Subtotal (Benefits)	\$ 401,769	\$ 421,250	\$ -	\$ 19,481	95.38%
Total Personnel Expenses	\$ 1,547,088	\$ 1,489,000	\$ -	\$ (58,088)	103.90%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 5,192	\$ 3,000		\$ (2,192)	173.08%
1-03-4060-000 Staff Conferences & Seminars	4,377	3,000		(1,377)	145.91%
1-03-4060-001 Staff Training - Auto CAD Civil 3D**	1,879	13,000	(11,000)	121	93.94%
1-03-4155-000 Contracted Services**	27,140	40,000	(6,000)	6,860	79.82%
1-03-4165-000 Memberships/Subscriptions	4,840	2,500		(2,340)	193.58%
1-03-4250-000 General Materials & Supplies	8,006	10,400		2,394	76.98%
1-03-8100-100 Computer Software - Maint. & Support	94,233	102,000		7,767	92.39%
1-03-8100-200 Computer Software - SCADAWatch**	53,860	-	89,000	35,140	60.52%
Subtotal Operating Expenses	\$ 199,528	\$ 173,900	\$ 72,000	\$ 46,372	81.14%
Total Departmental Expenses	\$ 1,746,615	\$ 1,662,900	\$ 72,000	\$ (11,715)	100.68%

** Budget adjustment by Board action 08/13/18

Palmdale Water District
2018 Facilities Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 2,136,946	\$ 2,134,500		\$ (2,446)	100.11%
1-04-4000-100 Overtime	155,494	115,000		(40,494)	135.21%
Subtotal (Salaries)	\$ 2,292,440	\$ 2,249,500	\$ -	\$ (42,940)	101.91%
Employee Benefits					
1-04-4005-000 Payroll Taxes	177,933	178,000		67	99.96%
1-04-4010-000 Health Insurance	510,242	491,750		(18,492)	103.76%
1-04-4015-000 PERS	205,052	260,000		54,948	78.87%
Subtotal (Benefits)	\$ 893,227	\$ 929,750	\$ -	\$ 36,523	96.07%
Total Personnel Expenses	\$ 3,185,667	\$ 3,179,250	\$ -	\$ (6,417)	100.20%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 4,651	\$ 3,000		\$ (1,651)	155.03%
1-04-4060-000 Staff Conferences & Seminars	1,050	13,000		11,950	8.08%
1-04-4155-000 Contracted Services	462,833	530,000		67,167	87.33%
1-04-4175-000 Permits-Dams	63,350	25,000		(38,350)	253.40%
1-04-4215-100 Natural Gas - Wells & Boosters	266,569	225,000		(41,569)	118.48%
1-04-4215-200 Natural Gas - Buildings	7,480	9,000		1,520	83.11%
1-04-4220-100 Electricity - Wells & Boosters	1,185,888	1,320,000		134,112	89.84%
1-04-4220-200 Electricity - Buildings	77,395	88,000		10,605	87.95%
1-04-4225-000 Maint. & Repair - Vehicles	35,133	35,000		(133)	100.38%
1-04-4230-100 Maint. & Rep. Office Building	7,868	25,000		17,132	31.47%
1-04-4235-110 Maint. & Rep. Equipment	4,285	12,000		7,715	35.71%
1-04-4235-400 Maint. & Rep. Operations - Wells	67,930	100,000		32,070	67.93%
1-04-4235-405 Maint. & Rep. Operations - Boosters	29,376	80,000		50,624	36.72%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	19,258	25,000		5,742	77.03%
1-04-4235-415 Maint. & Rep. Operations - Facilities	17,006	50,000		32,994	34.01%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	359,666	300,000		(59,666)	119.89%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	487	15,000		14,513	3.25%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	550	7,500		6,950	7.33%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	1,110	10,000		8,890	11.10%
1-04-4235-440 Maint. & Rep. Operations - Large Meters	9,809	35,000		25,191	28.03%
1-04-4235-445 Maint. & Rep. Operations - Telemetry	275	5,000		4,725	5.50%
1-04-4235-450 Maint. & Rep. Operations - Hypo Generators	4,574	10,000		5,426	45.74%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	32,408	45,000		12,592	72.02%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	13,590	5,000		(8,590)	271.80%
1-04-4235-461 Maint. & Rep. Operations - Air Vac	41,486	28,000		(13,486)	148.17%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	183,630	250,000		66,370	73.45%
1-04-4270-300 Telecommunication - Other	6,994	4,000		(2,994)	174.86%
1-04-4300-100 Testing - Regulatory Compliance	15,935	20,000		4,065	79.67%
1-04-4300-200 Testing - Large Meters	19,098	12,500		(6,598)	152.78%
1-04-4300-300 Testing - Edison Testing	8,100	30,000		21,900	27.00%
1-04-5070-009 Groundwater Adjudication-Pumping Assessment	60,775	50,000		(10,775)	121.55%
1-04-6000-000 Waste Disposal	14,653	20,000		5,347	73.27%
1-04-6100-100 Fuel and Lube - Vehicle	119,063	105,000		(14,063)	113.39%
1-04-6100-200 Fuel and Lube - Machinery	23,332	40,000		16,668	58.33%
1-04-6200-000 Uniforms	21,894	28,000		6,106	78.19%
1-04-6300-100 Supplies - General	78,916	47,500		(31,416)	166.14%
1-04-6300-200 Supplies - Hypo Generators	7,195	7,500		305	95.93%
1-04-6300-300 Supplies - Electrical	852	3,000		2,148	28.38%
1-04-6300-400 Supplies - Telemetry	587	5,000		4,413	11.74%
1-04-6300-800 Supplies - Construction Materials	33,672	35,000		1,328	96.20%
1-04-6400-000 Tools	48,188	52,000		3,812	92.67%
1-04-6450-000 Equipment**	27,953	117,500	(72,000)	17,547	61.43%
1-04-7000-100 Leases -Equipment	12,246	15,000		2,754	81.64%
1-04-7000-100 Leases -Vehicles	87,852	70,000		(17,852)	125.50%
Subtotal Operating Expenses	\$ 3,484,963	\$ 3,912,500	\$ (72,000)	\$ 355,537	90.74%
Total Departmental Expenses	\$ 6,670,630	\$ 7,091,750	\$ (72,000)	\$ 349,120	95.03%

** Budget adjustment by Board action 08/13/18
Prepared 2/7/2019 11:05 AM

**Palmdale Water District
2018 Operation Budget**

For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 1,147,248	\$ 937,750		\$ (209,498)	122.34%
1-05-4000-100 Overtime	98,526	60,000		(38,526)	164.21%
Subtotal (Salaries)	\$ 1,245,774	\$ 997,750	\$ -	\$ (248,024)	124.86%
Employee Benefits					
1-05-4005-000 Payroll Taxes	87,400	68,750		(18,650)	127.13%
1-05-4010-000 Health Insurance	153,953	159,250		5,297	96.67%
1-05-4015-000 PERS	100,250	121,500		21,250	82.51%
Subtotal (Benefits)	\$ 341,603	\$ 349,500	\$ -	\$ 7,897	97.74%
Total Personnel Expenses	\$ 1,587,377	\$ 1,347,250	\$ -	\$ (240,127)	117.82%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 6,065	\$ 2,500		\$ (3,565)	242.59%
1-05-4060-000 Staff Conferences & Seminars	790	2,500		1,710	31.60%
1-05-4155-000 Contracted Services	91,426	89,970		(1,456)	101.62%
1-05-4175-000 Permits	119,287	66,287		(53,000)	179.96%
1-05-4215-200 Natural Gas - WTP	1,327	3,000		1,673	44.24%
1-05-4220-200 Electricity - WTP	173,435	290,000		116,565	59.81%
1-05-4230-110 Maint. & Rep. - Office Equipment*	4,484	500	5,000	1,016	81.53%
1-05-4235-110 Maint. & Rep. Operations - Equipment	19,054	20,000		946	95.27%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	5,961	6,000		39	99.35%
1-05-4235-415 Maint. & Rep. Operations - Facilities*	78,306	86,000	(5,000)	2,694	96.67%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	61,795	65,000		3,205	95.07%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	4,129	10,000		5,871	41.29%
1-05-4236-000 Palmdale Lake Management	100,413	100,000		(413)	100.41%
1-05-6000-000 Waste Disposal	29,716	20,000		(9,716)	148.58%
1-05-6200-000 Uniforms	13,343	16,000		2,657	83.39%
1-05-6300-100 Supplies - General	16,513	15,000		(1,513)	110.09%
1-05-6300-600 Supplies - Lab	48,992	52,000		3,008	94.22%
1-05-6300-700 Outside Lab Work	88,280	71,000		(17,280)	124.34%
1-05-6400-000 Tools	3,906	6,000		2,094	65.11%
1-05-6500-000 Chemicals	1,090,810	760,000		(330,810)	143.53%
1-05-7000-100 Leases -Equipment	2,732	3,000		268	91.07%
Subtotal Operating Expenses	\$ 1,960,765	\$ 1,684,757	\$ -	\$ (276,008)	116.38%
Total Departmental Expenses	\$ 3,548,142	\$ 3,032,007	\$ -	\$ (516,135)	117.02%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2018 Finance Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 687,741	\$ 697,500		\$ 9,759	98.60%
1-06-4000-100 Overtime	902	3,000		2,098	30.08%
Subtotal (Salaries)	<u>\$ 688,644</u>	<u>\$ 700,500</u>	\$ -	<u>\$ 11,856</u>	<u>98.31%</u>
Employee Benefits					
1-06-4005-000 Payroll Taxes	45,324	53,250		7,926	85.12%
1-06-4010-000 Health Insurance	104,561	99,250		(5,311)	105.35%
1-06-4015-000 PERS	72,071	94,750		22,679	76.06%
Subtotal (Benefits)	<u>\$ 221,956</u>	<u>\$ 247,250</u>	\$ -	<u>\$ 25,294</u>	<u>89.77%</u>
Total Personnel Expenses	<u>\$ 910,600</u>	<u>\$ 947,750</u>	\$ -	<u>\$ 37,150</u>	<u>96.08%</u>
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ 2,108	\$ -		\$ (2,108)	
1-06-4060-000 Staff Conferences & Seminars	(254)	-		254	
1-06-4155-000 Contracted Services	12,000	7,500		(4,500)	160.00%
1-06-4155-100 Contracted Services - Infosend	269,405	280,000		10,595	96.22%
1-06-4165-000 Memberships/Subscriptions	110	500		390	22.00%
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	421	4,000		3,579	10.53%
1-06-4270-100 Telecommunication - Office	36,131	25,000		(11,131)	144.52%
1-06-4270-200 Telecommunication - Cellular Stipend	22,500	20,000		(2,500)	112.50%
1-06-7000-100 Leases - Equipment	2,610	3,000		390	87.01%
Subtotal Operating Expenses	<u>\$ 345,031</u>	<u>\$ 343,500</u>	\$ -	<u>\$ 323</u>	<u>100.45%</u>
Total Departmental Expenses	<u>\$ 1,255,631</u>	<u>\$ 1,291,250</u>	\$ -	<u>\$ 37,473</u>	<u>97.24%</u>

Palmdale Water District
2018 Water Conservation Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 151,114	\$ 148,000		\$ (3,114)	102.10%
1-07-4000-100 Overtime	1,827	2,500		673	73.10%
Subtotal (Salaries)	<u>\$ 152,942</u>	<u>\$ 150,500</u>		<u>\$ (2,442)</u>	<u>101.62%</u>
Employee Benefits					
1-07-4005-000 Payroll Taxes	12,313	12,250		(63)	100.52%
1-07-4010-000 Health Insurance	40,123	40,250		127	99.68%
1-07-4015-000 PERS	17,202	20,000		2,798	86.01%
Subtotal (Benefits)	<u>\$ 69,638</u>	<u>\$ 72,500</u>	<u>\$ -</u>	<u>\$ 2,862</u>	<u>96.05%</u>
Total Personnel Expenses	<u><u>\$ 222,580</u></u>	<u><u>\$ 223,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (253)</u></u>	<u><u>99.81%</u></u>
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ 2,492	\$ 2,000		\$ (492)	124.62%
1-07-4060-000 Staff Conferences & Seminar	910	3,000		2,090	30.33%
1-07-4190-300 Public Relations - Landscape Workshop/Training	1,757	5,000		3,243	35.14%
1-07-4190-400 Public Relations - Contests	536	2,000		1,464	26.82%
1-07-4190-500 Public Relations - Education Programs	1,863	53,000		51,137	3.51%
1-07-4190-900 Public Relations - Other	2,752	5,000		2,248	55.03%
1-07-6300-100 Supplies - Misc.	1,486	7,000		5,514	21.22%
Subtotal Operating Expenses	<u>\$ 11,796</u>	<u>\$ 77,000</u>	<u>\$ -</u>	<u>\$ 65,204</u>	<u>15.32%</u>
Total Departmental Expenses	<u><u>\$ 234,376</u></u>	<u><u>\$ 300,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 64,952</u></u>	<u><u>78.13%</u></u>

Palmdale Water District
2018 Human Resources Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 207,111	\$ 220,000		\$ 12,889	94.14%
1-08-4000-100 Salaries - Overtime	449	-		(449)	
Subtotal (Salaries)	\$ 207,560	\$ 220,000	\$ -	\$ 12,440	94.35%
Employee Benefits					
1-08-4005-000 Payroll Taxes	16,221	16,750		529	96.84%
1-08-4010-000 Health Insurance	28,463	21,000		(7,463)	135.54%
1-08-4015-000 PERS	17,084	21,000		3,916	81.35%
Subtotal (Benefits)	\$ 61,768	\$ 58,750	\$ -	\$ (3,018)	105.14%
Total Personnel Expenses	\$ 269,328	\$ 278,750	\$ -	\$ 9,422	96.62%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 273	\$ 1,500		\$ 1,227	18.21%
1-08-4060-000 Staff Conferences & Seminars	-	1,500		1,500	0.00%
1-08-4070-000 Employee Expense	81,984	50,000		(31,984)	163.97%
1-08-4080-000 Succession Planning	-	200,000		200,000	0.00%
1-08-4090-000 Temporary Staffing	7,054	-		(7,054)	
1-08-4095-000 Employee Recruitment	10,442	3,000		(7,442)	348.07%
1-08-4100-000 Employee Retention	29,903	5,000		(24,903)	598.05%
1-08-4105-000 Employee Relations	2,270	3,500		1,230	64.86%
1-08-4120-100 Training-Safety	40,909	35,000		(5,909)	116.88%
1-08-4120-200 Training-Speciality	27,555	15,000		(12,555)	183.70%
1-08-4121-000 Safety Program	1,065	1,000		(65)	106.48%
1-08-4165-000 Membership/Subscriptions	1,657	1,600		(57)	103.56%
1-08-4165-100 HR/Safety Publications	263	1,000		737	26.35%
1-08-6300-500 Supplies - Safety	40,475	40,000		(475)	101.19%
Subtotal Operating Expenses	\$ 243,850	\$ 358,100	\$ -	\$ 114,250	68.10%
Total Departmental Expenses	\$ 513,178	\$ 636,850	\$ -	\$ 123,672	80.58%

Palmdale Water District
2018 Information Technology Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 191,822	\$ 180,000		\$ (11,822)	106.57%
1-09-4000-100 Overtime	510	2,500		1,990	20.39%
Subtotal (Salaries)	\$ 192,332	\$ 182,500		\$ (9,832)	105.39%
Employee Benefits					
1-09-4005-000 Payroll Taxes	13,373	13,750		377	97.26%
1-09-4010-000 Health Insurance	26,093	30,250		4,157	86.26%
1-09-4015-000 PERS	18,863	23,250		4,387	81.13%
Subtotal (Benefits)	\$ 58,330	\$ 67,250	\$ -	\$ 8,920	86.74%
Total Personnel Expenses	\$ 250,661	\$ 249,750	\$ -	\$ (2,902)	100.36%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 1,323	\$ 3,000		\$ 1,677	44.11%
1-09-4060-000 Staff Conferences & Seminars	5,500	10,000		4,500	55.00%
1-09-4155-000 Contracted Services	134,360	165,000		30,640	81.43%
1-09-4165-000 Memberships/Subscriptions	330	2,500		2,170	13.20%
1-09-4270-000 Telecommunications	90,652	98,500		7,848	92.03%
1-09-8000-100 Computer Equipment - Computers	44,250	45,000		750	98.33%
1-09-8000-200 Computer Equipment - Laptops	10,039	45,000		34,962	22.31%
1-09-8000-300 Computer Equipment - Monitors	2,130	2,000		(130)	106.51%
1-09-8000-400 Computer Equipment - Printers	931	-		(931)	
1-09-8000-500 Computer Equipment - Toner Cartridges	3,299	3,000		(299)	109.97%
1-09-8000-550 Computer Equipment - Telephony	-	3,000		3,000	0.00%
1-09-8000-600 Computer Equipment - Other	20,331	40,000		19,669	50.83%
1-09-8000-650 Computer Equipment - Warranty & Support	7,555	10,000		2,445	75.55%
1-09-8100-100 Computer Software - Maint. and Support	129,215	139,600		10,385	92.56%
1-09-8100-150 Computer Software - Dynamics GP Support	34,337	60,000		25,663	57.23%
1-09-8100-200 Computer Software - Software and Upgrades	7,216	20,000		12,784	36.08%
Subtotal Operating Expenses	\$ 491,467	\$ 646,600	\$ -	\$ 155,133	76.01%
Total Departmental Expenses	\$ 742,129	\$ 896,350	\$ -	\$ 152,231	82.79%

Palmdale Water District
2018 Customer Care Budget
For the Twelve Months Ending Monday, December 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	\$ 949,871	\$ 897,000		\$ (52,871)	105.89%
1-10-4000-100 Overtime	6,146	7,500		1,354	81.95%
Subtotal (Salaries)	<u>\$ 956,018</u>	<u>\$ 904,500</u>	<u>\$ -</u>	<u>\$ (51,518)</u>	<u>105.70%</u>
Employee Benefits					
1-10-4005-000 Payroll Taxes	68,934	68,500		(434)	100.63%
1-10-4010-000 Health Insurance	207,455	181,500		(25,955)	114.30%
1-10-4015-000 PERS	97,486	121,500		24,014	80.24%
Subtotal (Benefits)	<u>\$ 373,875</u>	<u>\$ 371,500</u>	<u>\$ -</u>	<u>\$ (2,375)</u>	<u>100.64%</u>
Total Personnel Expenses	<u><u>\$ 1,329,893</u></u>	<u><u>\$ 1,276,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (53,893)</u></u>	<u><u>104.22%</u></u>
OPERATING EXPENSES:					
1-10-4050-000 Staff Travel	\$ 1,018	\$ 2,000		\$ 982	50.88%
1-10-4060-000 Staff Conferences & Seminars	673	3,000		2,327	22.43%
1-10-4155-000 Contracted Services	19,732	22,000		2,268	89.69%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	200		200	0.00%
1-10-4250-000 General Material & Supplies	6,955	7,000		45	99.35%
1-10-4260-000 Business Forms	224	2,500		2,276	8.97%
Subtotal Operating Expenses	<u>\$ 28,602</u>	<u>\$ 36,700</u>	<u>\$ -</u>	<u>\$ 8,099</u>	<u>77.93%</u>
Total Departmental Expenses	<u><u>\$ 1,358,494</u></u>	<u><u>\$ 1,312,700</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (45,794)</u></u>	<u><u>103.49%</u></u>

New and Replacement Capital Projects

Budget Year	Project	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover	
2017	12-400	PRGRRP - Construction of Monitoring Wells / Test Basin	Water Supply		Environmental Const.	427,490	04/26/2017	491,404	(63,914)	259,212	70,076	84,299	-	77,818	-	-	-	-	-	-	-	-	-	232,192	
2017	12-400	PRGRRP - Construction of Monitoring Wells / Test Basin - Auxiliary Items	Water Supply		Various Vendors			74,342	-	-	42,414	8,374	4,697	18,686	-	-	-	171	-	-	-	-	-	74,342	
2017	16-607	Clearwell - Booster #2 & #3 - Replacement	Replacement Cap.		Best Drilling & Pump, Inc.	114,295		139,437	(25,142)	119,223	-	-	-	-	-	-	-	19,915	300	-	-	-	-	20,215	
2017	15-614	WTP - Drainage Improvements	New Capital	80,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	16-605	WTP - Additional Brine Tank/Salt Silo	New Capital	90,000				59,389	-	-	-	-	-	-	-	-	11,476	-	-	-	-	-	47,913	59,389	
2017	16-611	CL2 Monitoring @ Well Sites	Regulatory	110,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	15-611	WM Replacement - Camares & Avenue S14 (Spec 1502)	Replacement Cap.	110,000				10,584	-	-	-	-	-	-	-	-	1,310	6,515	-	-	2,759	-	-	10,584	
2017	16-411	6MG Clearwell - Piping Replacement	Replacement Cap.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	16-608	Ave. Q-1, Q-2, Q-3, Q-4, and Q-5 @ 5th St. E. Water Main Repl. (Spec 1603)	Replacement Cap.	25,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	17-610	WTP - 30" Effluent Flow Meter	Replacement Cap.		Various Vendors			30,358	-	-	-	30,358	-	-	-	-	-	-	-	-	-	-	-	30,358	
2017	17-611	Well 6 - Emergency Repair & Rehabilitation	Replacement Cap.					50,730	-	-	-	-	-	7,743	-	-	42,988	-	-	-	-	-	-	50,730	
2017	17-612	WTP Emergency Repairs - Wash Pump	Replacement Cap.		Various Vendors			12,785	-	-	-	12,785	-	-	-	-	-	-	-	-	-	-	-	12,785	
2017	17-613	Avenue T8 Booster #2 - Emergency Repair	Replacement Cap.		Best Drilling & Pump, Inc.			36,540	-	-	36,540	-	-	-	-	-	-	-	-	-	-	-	-	36,540	
2017	17-600	Entry Buildings @ Filter and GAC Pipe Gallery Entrance	Safety	28,500				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-601	6MG Clearwell - Curtain Repairs	General Project	94,000	Garrett Paint & Sndblsting			85,169	-	-	32,740	52,429	-	-	-	-	-	-	-	-	-	-	-	85,169	
2018	12-611	WM Replacement - Avenue P8/20th	Replacement Cap.	410,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	15-613	WM Replacement - Avenue V5 (Spec 1504)	Replacement Cap.	45,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	16-602	WM Replacement - Avenue P & 25th ST (Spec 1601)	Replacement Cap.	152,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	17-602	WM Replacement - 13th ST E/Avenue R (Spec 1703)	Replacement Cap.	170,000				26,422	-	-	-	-	-	-	-	-	-	-	2,301	11,711	5,197	7,213	26,422		
2018	18-602	Well 7 - Rehabilitation	Replacement Cap.	180,000				282,311	-	-	-	-	-	-	-	-	24,111	138,330	-	-	119,870	-	282,311		
2018	18-603	Well 29 - Rehabilitation	Replacement Cap.	65,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-604	Well 35 - Rehabilitation	Replacement Cap.	75,000				50,251	-	-	-	-	-	-	-	50,251	-	-	-	-	-	-	-	50,251	
2018	18-605	Well 14 - Rehabilitation	Replacement Cap.					15,962	-	-	-	-	-	-	-	-	14,568	131	311	952	-	-	-	15,962	
2018	18-606	45th ST Tank Site - Altitude Valve Replacement	Replacement Cap.	70,000				72,141	-	-	-	-	6,752	50,850	14,539	-	-	-	-	-	-	-	-	72,141	
2018	18-607	Well 14 Tank - Repair & Renovation	Replacement Cap.					82,800	-	-	-	-	-	-	47,640	31,020	-	-	4,140	-	-	-	-	82,800	
2018	16-410	PRV Replacement - 25th ST/Avenue S	Replacement Equip.	13,333				804	-	-	-	-	93	689	-	-	-	22	-	-	-	-	-	804	
2018	17-408	Replace PRV - 47th & Stargazer	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	17-608	Replace PRV - Avenue S14/Cameres	Replacement Equip.					492	-	-	-	-	-	-	-	-	-	-	492	-	-	-	-	492	
2018	18-608	Wells 3 & 7 - Brine Tank Installation	Replacement Equip.	65,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-609	WTP Replacement Sodium Hypochlorite Unit	Replacement Cap.	68,000	DeNora Water Tech			68,290	-	-	-	-	-	-	-	68,290	-	-	-	-	-	-	-	68,290	
2018	18-610	3MG Booster Pump - 850 E. Avenue S	Replacement Equip.					23,132	-	-	-	-	-	-	-	280	9,012	-	-	-	-	13,840	-	23,132	
2018	18-404	Well 5 - R&R Site & Booster #3	General Project					11,521	-	-	-	-	-	5,720	5,455	346	-	-	-	-	-	-	-	11,521	
2018	18-408	Water Meter Replacement Program (Qty. 3,400)	Replacement Cap.	550,000				430,209	-	-	-	-	-	-	-	-	281,764	-	-	-	42,639	105,806	-	430,209	
2018	18-411	Palmdale Lake Cleanup	General Project					79,379	-	-	-	-	-	-	26,000	28,379	25,000	-	-	-	-	-	-	79,379	
2018	18-612	WTP - Renovation to Office Bldg	General Project					44,468	-	-	-	-	-	-	-	-	11,000	17,750	13,852	-	-	-	1,866	44,468	
2018	18-613	WTP - Ferric Chloride Tank	General Project					8,636	-	-	-	-	-	-	-	-	-	-	8,636	-	-	-	-	8,636	
2018	18-611	WTP - MPS6120-ZETASIZER Water Testing Equipment	New Equipment					72,862	-	-	-	-	-	-	-	-	-	-	-	-	72,862	-	-	72,862	
2018	18-410	PRV Replacement - 40th ST E (Bypass)	General Project					9,165	-	-	-	-	-	-	-	-	-	-	-	-	-	9,165	-	9,165	
2018	Various	Vault & Meter Rehabilitation Projects (Through-out District)	Replacement Cap.		Various Vendors			41,626	-	-	-	644	8,250	23,481	-	552	-	-	8,699	-	3,791	-	-	45,417	
2018		45th ST - Booster #3	Replacement Cap.	23,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Well 3 - Booster	Replacement Cap.	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Well 14 - Booster	Replacement Cap.	8,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ave. P-12, Division, 2nd, 3rd, Stanridge Water Main Repl.	Replacement Cap.	750,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Sierra Hwy. Tie-In and Abandonment	Replacement Cap.	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ave. Q-14 and 17th Street East Water Main Replacement	Replacement Cap.	45,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ave. Q-10 and 12th Street East Water Main Replacement	Replacement Cap.	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Protective Coatings on WTP Structures	Replacement Cap.	100,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		WTP Infrastructure and Process/Equipment Repairs	Replacement Cap.	75,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		PRV Replacements 37th St; 40th St	Replacement Equip.	26,667				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Altitude Valve - 25th St East (Body Only)	Replacement Equip.	22,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Littlerock - Insertion Mag Meter	Replacement Equip.	32,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		T-8 Booster Station Pump Skids	Replacement Equip.	35,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Intellispark @ Well 11 & 15	Replacement Equip.	13,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2019		Parking Lot Resurfacing	Replacement Cap.	110,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018-2020		Replacement of Structural Support Beams - WTP Sed. Basins	Replacement Cap.	300,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ancillary costs related to all project over and above the main contractor			Various Vendors			4,983	-	-	182	1,330	3,336	-	-	-	-	-	-	135	-	-	-	4,983	
Sub-Totals:				3,985,500		541,785		2,316,191	(89,056)	378,435	181,952	190,218	23,128	184,986	93,634	179,118	421,229	182,834	38,731	142,139	246,587	56,992	1,941,548	-	

Palmdale Water District
2018 Capital Projects - Contractual Commitments and Needs

Consulting and Engineering Support

Budget Year	Project	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2017	12-400	PRGRRP - CEQA, Permitting, Pre-Design, and Pilot	Water Supply		Kennedy/Jenks	1,627,000	05/12/2016	1,516,389	110,611	1,516,389	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Paid by General Fund			Kennedy/Jenks			432,840	-	-	-	115,024	26,385	42,476	104,239	28,083	22,792	-	11,634	-	42,409	39,798	432,840	
2017	14-603	Upper Amargosa Recharge Project	Water Supply		City of Palmdale	1,250,000	12/04/2013	148,021	1,101,979	129,215	-	-	-	-	-	-	-	-	18,806	-	-	-	-	18,806
2017	04-501	Littlerock Sediment Removal Project (EIR/EIS/Permitting)	Water Supply		Aspen	869,023	09/14/2016	841,883	27,140	841,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Paid by General Fund			Aspen			271,936	-	65,154	7,353	5,146	2,613	4,825	52,790	-	106,519	21,145	5,405	862	59	64	206,782	
		Paid by 2018A Water Revenue Bonds			Aspen	1,238,287	07/18/2018	184,515	1,053,772	-	-	-	-	-	-	-	-	-	28,105	56,698	-	99,712	184,515	
		Paid by 2018A Water Revenue Bonds			ASI	9,275,808	07/18/2018	1,777,841	7,497,967	-	-	-	-	-	-	-	-	-	60,027	207,727	844,455	665,632	1,777,841	
2017	04-501	Littlerock Sediment Removal (Cost Recovery Agreement)	Permitting		Forest Service	100,000	04/26/2017	100,000	-	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	04-501	Littlerock Sediment Removal Project - Design Grade Control Structure	Water Supply	350,000				146,954	-	-	26,210	32,887	33,873	53,984	-	-	-	-	-	-	-	-	-	146,954
2017	14-404	Water System Master Plan - CEQA	Facilities Planning		ESA	174,715	11/09/2016	270,957	(5,937)	137,179	-	-	2,333	3,651	19,835	5,505	16,409	9,894	29,924	22,577	21,341	2,311	133,778	
		Water System Master Plan - CEQA (Amendment No. 1)	Facilities Planning		ESA	69,985	01/24/2018																	
		Water System Master Plan - CEQA (Amendment No. 2)	Facilities Planning		ESA	20,320	05/14/2018																	
		Water System Master Plan - Hydraulic Model	Facilities Planning		Stantec	9,510	05/14/2018	-	9,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	17-405	WTP Process Evaluation (As-Needed)	Regulatory		Carollo	35,000	01/11/2017	38,500	(3,500)	35,000	-	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500
2017	17-410	Sanitary Survey Update	Regulatory	50,000	Black & Veatch	49,773	07/26/2017	75,890	(26,117)	42,127	26,115	7,648	-	-	-	-	-	-	-	-	-	-	-	33,763
2017	04-501	Littlerock Sediment Removal Project - State Permits	Permitting	152,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	18-402	Emergency Action Plan	Planning	175,000	Black & Veatch	178,970	01/24/2018	124,573	54,397	-	-	-	-	-	-	-	85,278	-	-	18,239	21,057	-	124,573	
2018		System Valuation Study	Financial Planning	30,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Electrical Engineering (As-Needed)	Facilities Design	10,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Energy Storage - Feasibility and Pilot Study	Savings/Efficiency	50,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-Totals:		817,000		14,898,391		5,930,300	9,819,821	2,866,947	59,679	164,204	65,204	104,936	176,864	33,587	230,998	31,039	153,900	306,103	929,321	807,516	3,063,352	-

New and Replacement Equipment

Budget Year	Project	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2017	17-609	Increased Data Storage to Support CMS and Growth (Paid by General Fund - Final)	New Equipment			31,650	01/26/2017	31,650	0	-	31,650	-	-	-	-	-	-	-	-	-	-	-	-	31,650
2018	18-600	Replacement Backhoe	Replacement Equip.	80,000	Quinn Company	80,000		85,457	(5,457)	-	85,457	-	-	-	-	-	-	-	-	-	-	-	-	85,457
2018	17-402	WTP - Security Improvements - Additional Cameras (Blind Spots) Spec. No. 1702	Safety		Siemens	20,000		10,236	9,764	-	-	-	-	-	-	-	-	-	-	10,236	-	-	-	10,236
2018	18-405	Replace and Upgrade VMWare Servers (EOL)	Replacement Equip.					81,721	-	-	-	-	-	58,055	-	14,166	-	9,500	-	-	-	-	-	81,721
2018	18-406	Redesign VMWare Network (TruePoint)	Replacement Equip.					30,815	-	-	-	-	-	-	-	-	-	-	-	-	-	30,815	30,815	
2018		Replace Firewall and VPN Appliances (EOL)	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Upgrade Microsoft GP & SQL Databases	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Water Meter Calibration Bench	New Equipment	10,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Online Forms (Add-In Functionality)	New Equipment	5,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Customer Texting / Mass Communication	New Equipment	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Conference Bridge - Shoretel	New Equipment	25,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018		Data Center UPS - Whole Room UPS	New Equipment	25,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-Totals:		160,000		131,650		239,879	4,307	-	117,107	-	-	58,055	-	14,166	-	9,500	-	10,236	-	30,815	239,879	-

Water Quality Fee Funded Projects

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2018	18-401	GAC Replacements @ WTP	Water Quality	640,000	Calgon Carbon	-	07/09/2014	955,862	-	-	-	169,477	-	-	-	169,477	-	338,954	-	277,954	179,669	179,669	1,315,200	
2018	18-401	GAC Replacement @ Underground Booster Station	Water Quality	40,000	Evoqua	-	03/10/2017	200,807	-	-	-	-	-	-	-	-	-	-	91,981	108,826	-	-	200,807	
		Sub-Totals:		680,000		-		1,156,669	-	-	-	169,477	-	-	-	169,477	-	338,954	91,981	386,780	179,669	179,669	1,516,007	-

- = Projects that originated from 2013 WRB Funds
- = Project had additional funding paid out by the general fund to complete.
- = Project is now deemed complete with no further expense.
- = Projects paid by 2018 WRB Funds

Project Summary (W/O GAC Included)										Totals	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total			
Total Approved Contracts to Date										15,571,826																
Total Payments on Approved Contracts to Date										8,486,369																
Total Contract Balance to Date										9,735,071																
Non-Operating Capital Expenditures (Paid)											358,737	354,422	88,332	347,976	270,498	226,872	652,227	223,373	192,631	458,479	1,175,908	895,323	5,244,778			
Non-Operating Capital Expenditures (Projected)											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funding Available Through Water Supply Fees											-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2018 Funding Through Budgeted Non-Operating Capital Ex.										5,244,778	358,737	354,422	88,332	347,976	270,498	226,872	652,227	223,373	192,631	458,479	1,175,908	895,323	5,244,778			

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, DECEMBER 6, 2018:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, December 6, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:32 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Marco Henriquez, Chair
Robert Alvarado, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
Don Wilson, PWD Director-elect
Mike Williams, Finance Manager
Judy Shay, Public Affairs Director
Bob Egan, Financial Advisor
Danielle Henry, Management Analyst
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments on Non-Agenda Items.

Chair Henriquez welcomed Director-elect Wilson to the meeting.

There were no public comments on non-agenda items.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held October 25, 2018.

4.2) Consideration and Possible Action on Approval of Minutes of Special Meeting Held November 7, 2018.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to

approve the minutes of the Finance Committee meeting held October 25, 2018 and the Special Finance Committee meeting held November 7, 2018, as written.

4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of September 2018. (Financial Advisor Egan)

At 4:35 p.m., Chair Henriquez called for a five-minute recess. He reconvened the Committee meeting at 4:40 p.m.

Financial Advisor Egan provided an overview of the quarterly Investment Funds Report through September 30, 2018, including the increases and decreases between the quarters due to bond payments, capital expenditures, and State Water Project scheduled payments, and then reviewed the cash flow statement, including bond interest and principal payments, anticipated assessments, and the projected year-end balance.

4.4) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for September 2018. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending September 2018 and stated that most departments are operating at or below the targeted expenditure percentage of 75%.

4.5) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams provided an overview of the updated Contractual Commitments and Needs for 2018 Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and available funding sources.

4.6) Consideration and Possible Action on Resolution No. 18-15 Being a Resolution of the Board of Directors of the Palmdale Water District Establishing Its Investment Policy. (Financial Advisor Egan/Finance Manager Williams)

Finance Manager Williams provided an overview of staff's recommendation to approve Resolution No. 18-15, and after a brief discussion of the Investment Policy, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation to approve Resolution No. 18-15 being a Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy and that Resolution No. 18-15 be presented to the full Board for consideration at the December 10, 2018 Regular Board Meeting.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the Debt Service Coverage for the period of October 2017 through September 2018 is 1.11 and meets the required Debt Service Coverage followed by discussion of unanticipated items over budget, withdrawals from the Rate Stabilization Fund, potential higher water sales, and potential higher year-end assessments.

5.2) Other.

Finance Manager Williams provided an overview of payouts to date for the Water Revenue Bonds – Series 2018A, water sales through November 2018 and projected water sales through December 2018, accounts receivables, the number of participants in the Rate Assistance Program and amount of assistance provided, and annual bond reporting requirements.

General Manager LaMoreaux stated that SB998 establishing criteria and state law for water service disconnections due to non-payment was passed and signed by the Governor this year with an implementation date of January 2020; that policy revisions will be presented to the Committee and Board to address the criteria of the bill; and that ACWA's legislative staff are working to revise the criteria or delay its implementation.

Public Affairs Director Shay provided an overview of tentative outreach plans for the 2019 Proposition 218 process followed by discussion of the previous Proposition 218 process.

At the request of Chair Henriquez, General Manager LaMoreaux then reported that precipitation levels to date are .96 inches.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

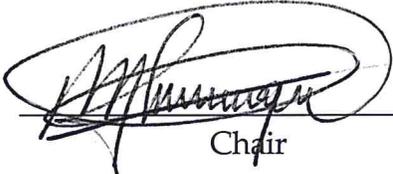
Committee Member Alvarado requested Public Affairs Director Shay share the participation information for the District's Rate Assistance Program.

There were no requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held either January 24, 2019 at 4:30 p.m. or February 21, 2019 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:38 p.m.


Chair

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 19, 2019 **February 25, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 8.3.a – FEBRUARY 2019 GENERAL MANAGER REPORT*

The following is the February 2019 report to the Board of activities through January 2019. It is organized to follow the District's six strategic initiatives adopted in January 2018 and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



Water Resource Reliability

Complete the 2018 phase of the Upper Armagosa Creek Recharge Project
Ensure Palmdale Recycled Water Authority (PRWA) to be fully operational by year 2020
Adopt new state-of-the-art water treatment technologies
Implement the Antelope Valley Groundwater Adjudication agreement
Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project
Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project
Identify and pursue opportunities to increase the reliability of water supply



Organizational Excellence

Offer competitive compensation and benefits package to promote employee retention
Focus Succession Planning Program on ensuring an overlap of training for key positions
Continue providing transparency to our ratepayers
Promote and support leadership training and professional development programs to enhance the District's customers' experience



Systems Efficiency

Implement 2016 Water System Master Plan
Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure
Explore energy independence
Continue being the industry's leader on the use of Granular Activated Carbon (GAC)
Research and test new technologies to increase efficiencies
Improve safety and training for Directors, employees and customers



Develop a crisis communications plan

Financial Health and Stability

Pursue additional grant funding for all District projects

Adopt a sustainable and balanced rate structure to meet short and long-term needs

Create a five-year financial plan in conjunction with the 2019 Water Rate Plan

Maintain adequate reserve levels, high-level bond rating, and financial stability



Regional Leadership

Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority

Expand school water education programs

Engage elected officials in water-related issues

Continue offering career opportunities through the Internship Program

Provide opportunities for local businesses to contract with the District



Customer Care, Advocacy and Outreach

Increase Customer Care accessibility through communication and feedback to enhance customers' experience

Evaluate, develop, and market additional payment options

Be point of communication for customers' water-related public health concerns

Develop the District's Public Outreach Plan

Increase public awareness of the District's history and promote centennial anniversary

This report also includes charts that show the effects of the District's efforts in several areas. They are organized within each strategic initiative and include status of the State Water Resources Control Board's (SWRCB) long-term conservation orders, 20 x 2020 status, the District's total per capita water use trends, 2019 water production and customer use graph, mainline leaks, and the water loss trends for both 12- and 24-month running averages.



Water Resource Reliability

This initiative includes conservation efforts, water supply projects, and water planning.

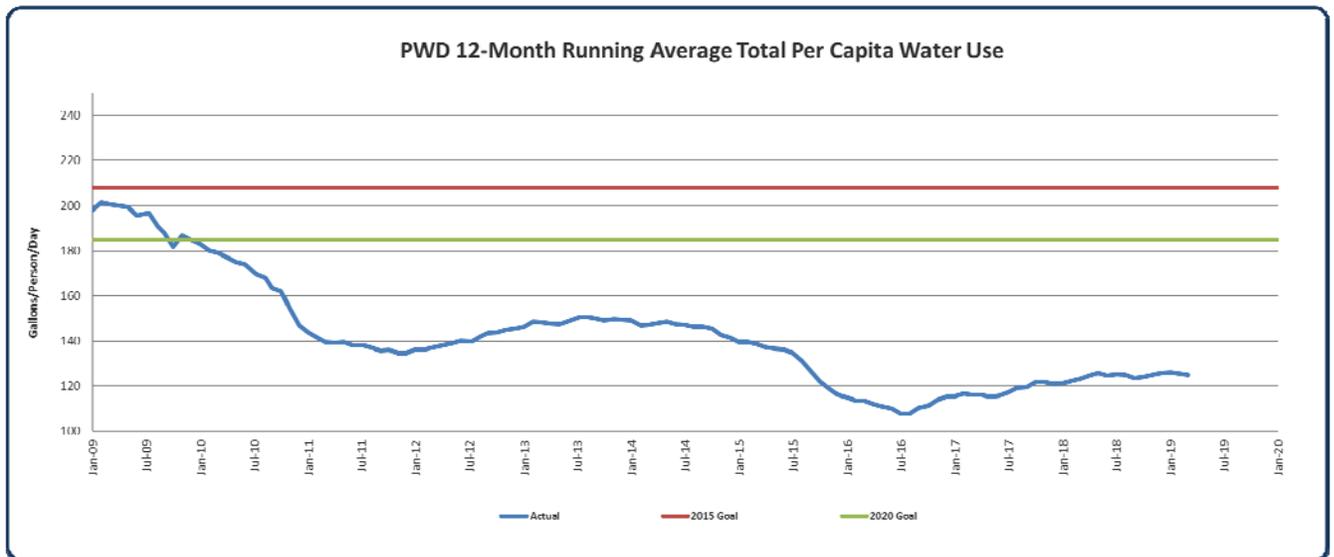
Recent highlights are as follows:

State Water Resources Control Board (SWRCB) Activities

- The 20 x 2020 per capita reduction goals passed by the legislature in 2009 with new long-term water budgeting requirements have now been replaced with new requirements

and water agency water budgets. These follow through on the “Making Water Conservation a California Way of Life” plan. The District expects to easily comply with the new requirements as they are based on the same philosophy as the District water budget rate structure.

The District’s compliance with the former 20 x 2020 law is evident from the chart titled “PWD 12-Month Running Average Total Per Capita Water Use.”:

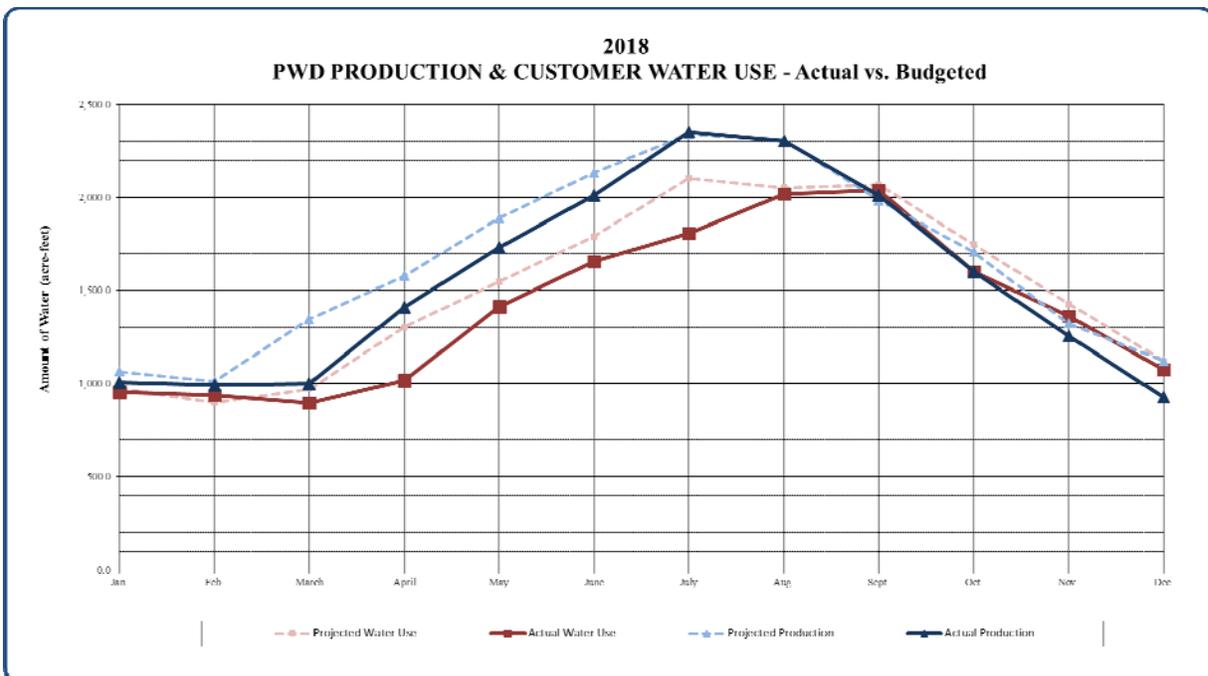
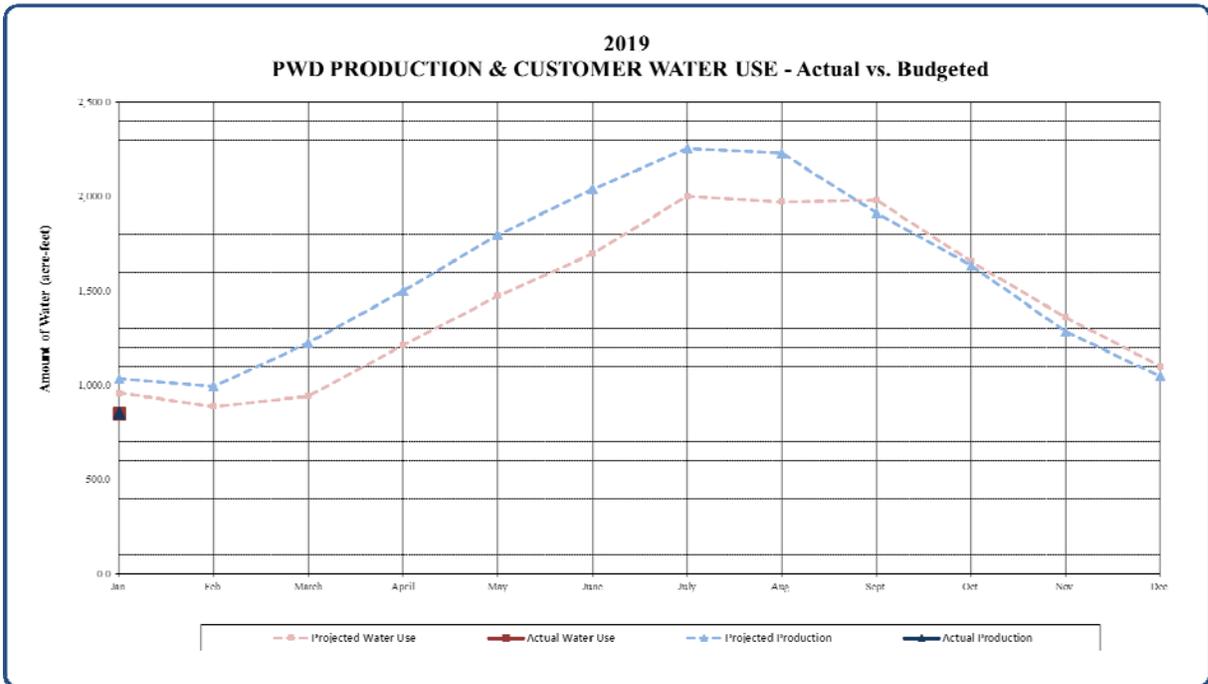


The District’s customers have cut their water use by **45.9%** from the baseline number of 231 and met the 2020 Goal in early 2010. The current Total-GPCD is 125.

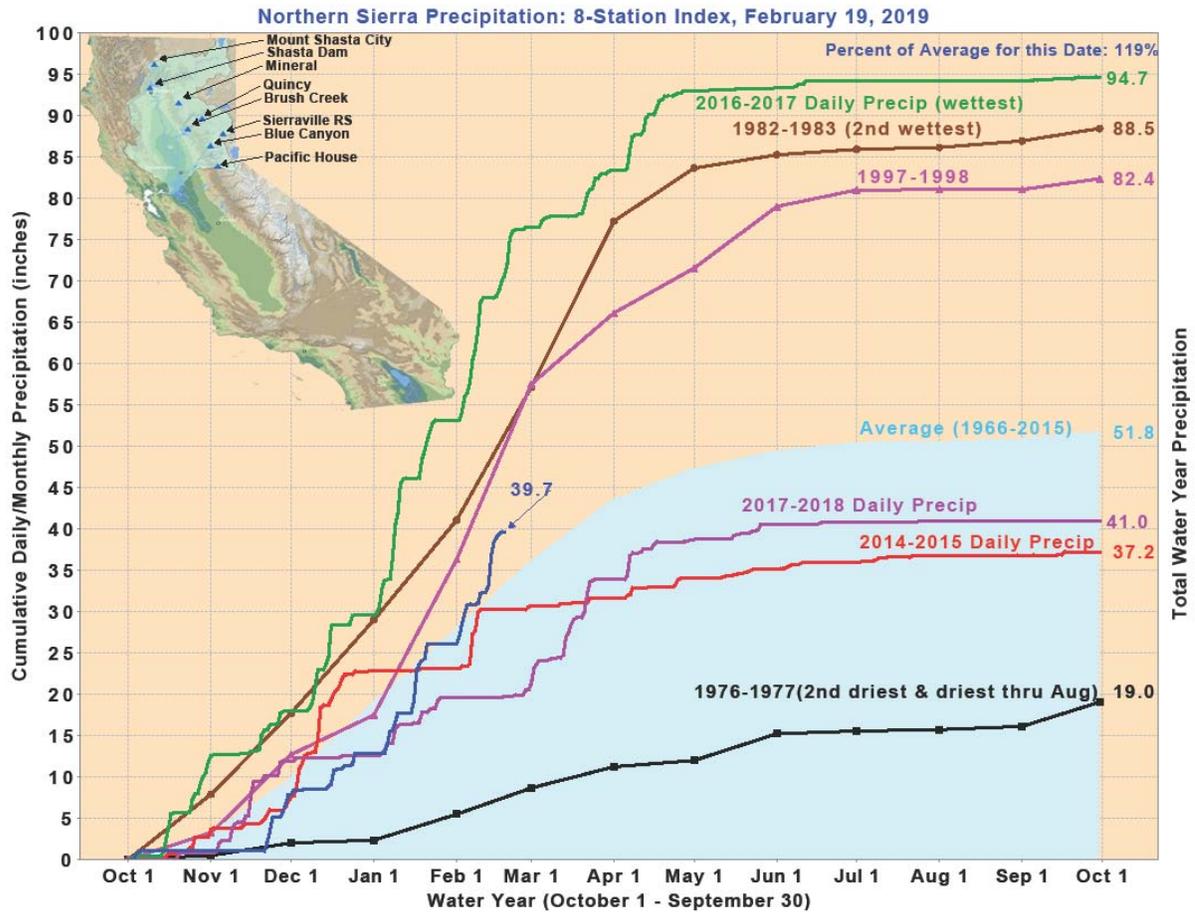
Water Supply Information

- The 2018 State Water Project allocation was 35%. The AV Adjudication is now in its fourth year, and the reduction to the native safe yield is in its second year. The District’s native groundwater right is 2,769.63 AF. Other groundwater rights for 2018 were 1,452.27 AF of unused Federal Reserve Rights, 3,828.41 AF of Return Flow Rights, and 3,911.94 AF of Carryover Rights. These groundwater rights total 11,962.55 AF. The District used approximately 6,073 AF. This leaves a total carryover amount of approximately 5,890 AF. The District’s 2019 groundwater rights are expected to be similar to 2018 and will be calculated in the next couple months.
- The 2019 water resources plan will be finalized when the SWP allocation is determined in May. Tentatively, the District anticipates using more surface water than groundwater. The following graph shows actual amounts for January 2019 and monthly projections

for both production and consumption, based on the prior five years of actual monthly information, for the entire year. The 2018 chart is added in this report for comparison.



The precipitation index for the area contributing to the State Water Project is currently at 119% of average and nearly as much as in the 2017-2018 water year. This is shown in the following graph.



Other Items

- The Littlerock Reservoir Sediment Removal Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was fully approved in 2017. All required permits are in place, and a construction contract for the Grade Control Structure was awarded in July 2018 to ASI Construction, LLC (ASI) of Colorado Springs.

ASI installed dewatering wells around the construction area and began pumping out water in early November. Dewatering, excavation, and constructing a water bypass continued through December and early January. A series of storms during the week of January 14th overwhelmed the partially completed water bypass and flooded the construction site. Staff is currently working with the contractor and environmental consultants to determine the best course of action.

A citizen's committee, Friends of Littlerock Dam (FOLD), was formed in the Littlerock, Pearblossom, and Juniper Hills area to find a way to reopen the Littlerock Reservoir Recreation area. They worked with the District and the USFS on this issue. The USFS plans to issue a request for proposals for a recreational operator. This process is expected to take over a year.

- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13, 2016, and the Notice of Determination was filed on July 14, 2016. The comments from the SWRCB Recycled Water Division on the Title 22 Engineering Report were addressed and returned for further review. Another set of comments was recently received and are being reviewed.

The analysis of information from the pilot spreading basin is complete. The soil column tests were completed and reported on late last year. The District is now having additional geotechnical work done to verify the proposed location is suitable.

- The long-planned Upper Amargosa Creek Recharge Project is now under contract for construction. One contract is for the California Aqueduct turnout and transmission water main. The other is for the recharge basins. They are higher than original estimates and will result in a request from the City of Palmdale to the District, LA County Waterworks, and AVEK for additional funding. A successful groundbreaking was held on November 15, 2018. Construction is expected to take a full year.
- California Water Fix: There have been recent regulatory approvals moving this project forward. However, the current Governor has only stated support for one of the proposed tunnels. The State Water Contractors and the Department of Water Resources are continuing discussions about the Project's financing and operations. These discussions will result in a clearer picture of the effect on individual contractors. Staff is directly involved in these discussions and will be able to update the Board in the future.



Organizational Excellence

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

- An initial workshop was held on January 30, 2019 to discuss the District's direction and begin to update the Strategic Plan for 2019.

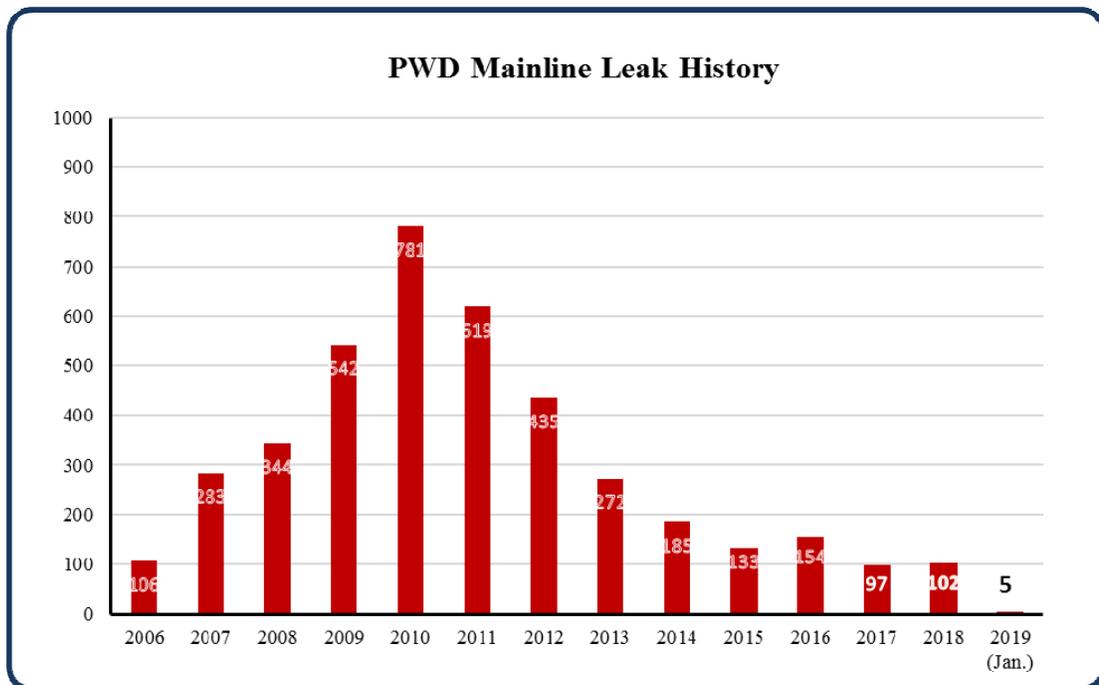
- The District and other members of the Public Water Agencies Group (PWAG) have hired and share the services of an Emergency Preparedness Coordinator. This has already resulted in a successful training held at the District office. More activities, including drills and a review of the Emergency Response Plan, are planned for 2019.
- The Board of Directors and staff completed a cultural survey in 2018. The results show continuing overall improvements in the District's operations. The Mathis Group will assist the Board and staff in following up on the survey and improving the District's operations.



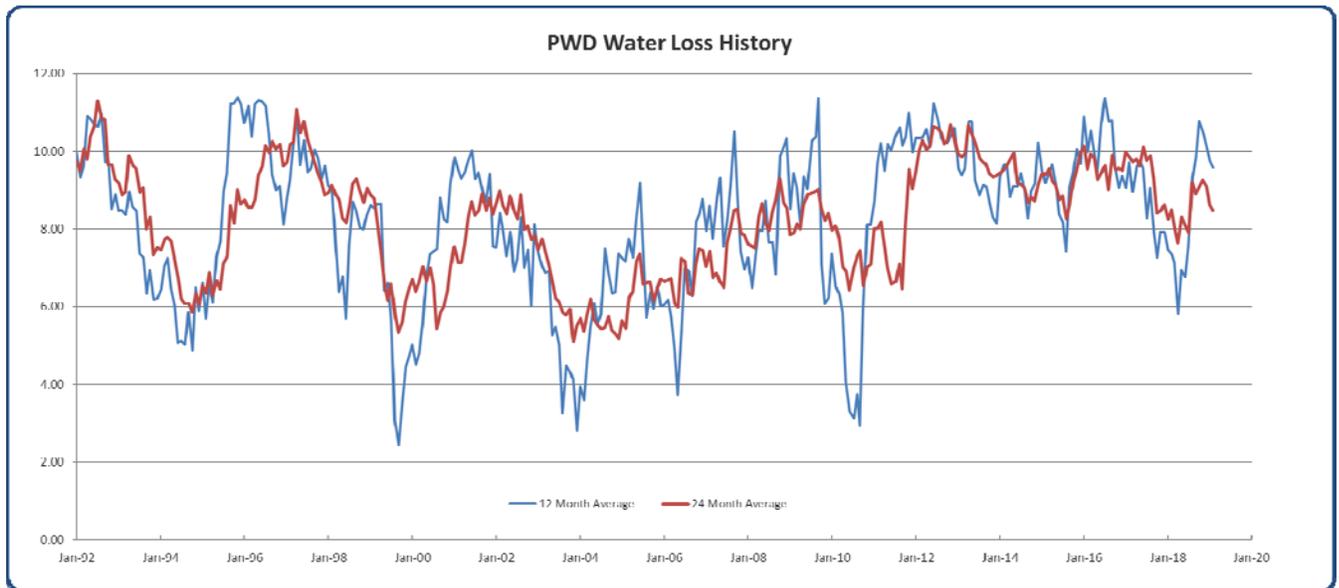
Systems Efficiency

This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of security upgrades for the Leslie O. Carter Water Treatment Plant is operational and complete. Additional cameras are being planned for the two access gates.
- The effects of the District's past efforts in replacing failing water mains and meters can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History." The mainline leaks for January 2019 are 5, and there were 7 service line leaks.



- The 2019 Budget includes replacing approximately 2,800 meters. Staff treats meter replacements similar to how the District contracts for pavement patching with annual bids to perform the work or completing the work with staff as schedules permit.
- Facilities staff is focusing on maintenance activities to incorporate pressure reducing valves and other facilities as their efforts can continue to be more preventative due to a lower number of emergency repairs.
- District staff's replacement work for 2019 includes Camares Drive south of Barrel Springs Road and Avenue V-5 west of 47th Street East.
- The Final Environmental Impact Report for the 2016 Facilities Master Plan, the Master Plan itself, and the revised Capital Improvement Fee were all approved by the Board in 2018. These became effective on February 1, 2019.
- The positive effect of both water main and water meter replacement programs is shown on the chart titled "PWD Water Loss History." The running average for water losses is now under 10%.



Financial Health and Stability

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority. Application packages for further funding have been determined to be complete by the State. A comment letter was also submitted to raise the priority of both projects in the State's funding plan for 2017/2018.
- The State is satisfied with resolutions from the City and the District related to the PRWA Phase II funding application for compliance with their repayment requirements. An amendment to the JPA was also completed to tie these into PRWA. The outstanding financing issue is the State's approach to determining the District's Debt Coverage Ratio. They continue to include non-operating expenses into the calculation. Staff and our financial advisor are still working on this issue. PRWA is also trying to obtain completed booster station plans being held by Los Angeles County Waterworks District 40 to complete the Phase II design plans and financing.
- A new water rate study and Proposition 218 process is planned for 2019. It will begin with a request for proposals for the finance study sent out in February.
 - Engineering/Grant Manager Riley has worked with the Bureau of Reclamation for the acceptance of a Feasibility Report for the Palmdale Regional Groundwater Recharge and Recovery Project and having it eligible for funding. Mr. Riley and I visited the Bureau in Denver to discuss future funding opportunities. The Bureau staff was very receptive to the project. Our project is one of 30 from across the country that is eligible to

compete for a portion of \$10M in this year's Federal budget due to the approved Feasibility Report. The 2017 competition effort did not result in an award of funds from the Bureau. However, lessons from this submittal will be used in future funding competitions.

- The final 2019 Budget was approved by the Board on November 13th. The full budget package was completed and published in December 2018.
- Water-Wise Landscape Conversion Program (Cash-for-Grass Program): The District received a \$75,000 Grant from the Bureau of Reclamation in 2017 to assist in funding the Program. The District has fully used the grant funds and will apply for additional funds.



Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- The District staff continues to be active in the Antelope Valley Watermaster Board (AVWB) and related meetings.
- District staff is active in the local chambers, GAVEA, and area human resources and public information groups.
- The first "PWD Water Ambassador Academy" was conducted on September 19 and 26, October 3 and a tour/graduation on October 6, 2018. The response from them was overwhelmingly positive. The next Academy is planned for March 2019 and is already nearly full. A high school version of the Academy is also being planned as a one-day event on May 16, 2019.
- The District has joined with other water districts to express concerns with the proposed Statewide water tax over the last two years. It appears the new Governor plans to move forward with the idea, and more discussions are expected this year.



Customer Care and Advocacy

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The ability to make payments at 7-Eleven and Family Dollar Store is also continuing to grow.
- Customer Care office and field staff are crosstraining to better understand the other's interaction with customers and to improve communication.
- Customers are continuing to take advantage of the District's electronic payment options. 59% of all payments made by customers were done electronically in 2018.
- The District was closed from December 21, 2018 to January 2, 2019. The District staff on-call during that time turned on three new water service accounts and assisted with nine customer repairs. Some Finance Department staff also performed billing and end-of-year work.