



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

November 18, 2020

BOARD OF DIRECTORS

ROBERT E. ALVARADO
Division 1

DON WILSON
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNTER LLP
Attorneys



AGENDA FOR REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE OR VIA TELECONFERENCE

FOR THE PUBLIC: VIA TELECONFERENCE ONLY
DIAL-IN NUMBER: 571-748-4021 ATTENDEE PIN: 482-293-386#
Submit Public Comments at: <https://www.gomeet.com/482-293-386>

MONDAY, NOVEMBER 23, 2020

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) Presentation of Appreciation Plaque to outgoing Division 1 Director Robert Alvarado. (President Dino)
- 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 Board Meeting held November 9, 2020.
 - 6.2) Payment of bills for November 23, 2020.
 - 6.3) Approval of Resolution No. 20-21 being a Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy. (No Budget Impact – Financial Advisor Egan/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 approving the Agreement Between Palmdale Water District and Littlerock Creek Irrigation District for the Accounting and Return of Littlerock Creek Irrigation District's State Water Project Water Delivered to Lake Palmdale. (\$293,685.00 – Budgeted – Resource and Analytics Director Thompson)
 - 7.2) Consideration and possible action on 2021 Budget. (Finance Manager Williams/Finance Committee)
 - 7.3) 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 2020 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings; Standing Committee/Assignment Reports; General Report.
 - 8.2) Report of General Manager.
 - a) November 2020 written report of activities through October 2020.
 - 8.3) Report of General Counsel.
- 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: November 17, 2020 **November 23, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Bob Egan, Financial Advisor
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF RESOLUTION NO. 20-21 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING ITS INVESTMENT POLICY. (NO BUDGET IMPACT – FINANCIAL ADVISOR EGAN/FINANCE MANAGER WILLIAMS/ FINANCE COMMITTEE)***

Recommendation:

Staff recommends the Board approve Resolution No. 20-21 Establishing the Palmdale Water District's Investment Policy.

The Finance Committee will consider Resolution No. 20-21 at their November 19, 2020 meeting.

Alternative Options:

There is no alternative option.

Impact of Taking No Action:

The District will not have a current Investment Policy in effect.

Background:

It is required by law for the District to adopt an annual Investment Policy. The Policy is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds with the primary objectives of the investment activities being safety, liquidity, and return on investments.

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:

There is no budget impact from this item.

Supporting Documents:

- Resolution No. 20-21 – A Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy

RESOLUTION NO. 20-21

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING ITS INVESTMENT POLICY

1.0 POLICY

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS; the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

WHEREAS; the Deputy Treasurer of the Palmdale Water District ("District") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, and report same to the Finance Committee, and it shall be considered by the Board of Directors at a public meeting;

NOW THEREFORE; it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

2.0 SCOPE

This investment policy applies to all investment activities and financial assets of the District. These funds are accounted for in the annual district audit.

3.0 PRUDENCE

The standard of prudence to be used by investment officers shall be the "prudent investor" standard, pursuant to California Government Code 53600.3, and shall be applied in the context of managing an overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. . Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, [MS1]the District will diversify its investments by investing funds among a variety of securities with independent returns.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a acceptable rate of return throughout budgetary and economic cycles, taking into account the District's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Pursuant to California Government Code 53607, the authority to invest public funds of the District is expressly delegated to the Board of Directors of the District (the "Board"). The Board re-delegates the investment function to the Board President or Vice President. The Board President or Vice President, with the concurrence of the Board Finance Committee, designate the District's Financial Advisor as the Deputy Treasurer who shall have the authority to act on behalf of the District and shall assume full responsibility for those transactions until the delegation is revoked or expires. The Board President or Vice President shall delegate the day-to-day operations of investing to the Deputy Treasurer, but not the responsibility for the overall investment program. All transactions will be reviewed by the Finance Committee on a monthly basis to assure compliance with this Investment Policy.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Board, officers and employees of the District involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Deputy Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization, authorized to provide investment services to the District. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Business Oversight, the Securities and Exchange Commission, the Financial Industry Regulatory Authority or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Deputy Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands this policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of this Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

Further, all financial institutions and broker/dealers who desire to conduct investment transactions with the District must supply the Deputy Treasurer with a Certification Form and other documents as the Deputy Treasurer may reasonably deem necessary to make a determination that such financial institution or broker/dealer is reputable and trustworthy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The District is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 60% of the District's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- f. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

The District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

9.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(j)(2).

10.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement evidence by safekeeping receipts.

11.0 DIVERSIFICATION

The District will diversify its investments by security type and institution. Assets shall be diversified to mitigate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

12.0 REPORTING

The Deputy Treasurer, after review by the Finance Committee, shall submit to each member of the Board an investment report at least quarterly. Pursuant to California Government Code 53646, the report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the District will meet its expenditure obligations for the next six months. The Deputy Treasurer shall maintain a complete and timely record of all investment transactions.

13.0 INVESTMENT POLICY ADOPTION

This Investment Policy shall be adopted by resolution of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Directors of Palmdale Water District held on November 23, 2020. Resolution No. 20-21 was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

President, Board of Directors
Palmdale Water District

ATTEST:

Secretary of the Board of Directors

APPROVED AS TO FORM:

Aleshire & Wynder, General Counsel

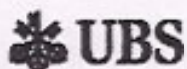
STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) ss.

I, Don Wilson, Secretary of the Palmdale Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 20-21 of the Board of Directors of Palmdale Water District adopted at a Regular Meeting held on November 23, 2020 and that the same has not been amended or repealed.

Secretary, Board of Directors
Palmdale Water District

DATED: November 23, 2020

(S E A L)



UBS Financial Services Inc.
515 S. Flower St Suite 50
Los Angeles, CA 90071
Tel: 213-253-5235
Email: ruby.mardueno@ubs.com

<http://www.ubs.com/team/giordano>

Finance Committee
Palmdale Water District
2029 East Ave Q
Palmdale, CA 93550

November 6, 2020

Dear Sirs:

This letter certifies that I have read and understand the Palmdale Water District Investment Policy. I will present investment recommendations and transactions that are appropriate under its terms and conditions.

Sincerely,

James Giordano, CFP®, CRPS®
Senior Vice President- Wealth Mgmt

Michael Giordano, CIMA®
Associate Director
Sr. Wealth Strategy Associate

Steve Crawford, CRPS®
First Vice President - Wealth Mgmt

Ruby Mardueno, CFP®
Team Administrator

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: November 17, 2020 **November 23, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Peter Thompson Jr., Resource and Analytics Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON APPROVING THE AGREEMENT BETWEEN PALMDALE WATER DISTRICT AND LITTLEROCK CREEK IRRIGATION DISTRICT FOR THE ACCOUNTING AND RETURN OF LITTLEROCK CREEK IRRIGATION DISTRICT’S STATE WATER PROJECT WATER DELIVERED TO LAKE PALMDALE (\$293,685.00 – BUDGETED – RESOURCE AND ANALYTICS DIRECTOR THOMPSON)***

Recommendation:

Staff recommends approving the Agreement between Palmdale Water District (District) and Littlerock Creek Irrigation District (Littlerock) for the Accounting and Return of Littlerock’s State Water Project Water Delivered to Lake Palmdale.

Impact of Taking No Action:

The District and Littlerock would lack a defined method for managing water delivered to Lake Palmdale by Littlerock under Littlerock and the District’s existing Change in Point of Delivery Agreement with the California Department of Water Resources (DWR).

Background:

The District and Littlerock have an existing agreement that allows Littlerock to coordinate deliveries of its allocated State Water Project (SWP) water to Lake Palmdale as well as an agreement that allows the District to treat and deliver Littlerock’s water to them via an existing distribution system interconnection. Littlerock had an expiring exchange agreement with another State Water Contractor that required them to take delivery of 1,380 AF of water in 2020. Littlerock did not have an immediate need for this water and worked with staff at the District to coordinate delivery of this water to Lake Palmdale under the existing Change in Point of Delivery Agreement. This was accomplished successfully and now necessitates a defined agreement allowing Littlerock to receive and pay for this water over time. This agreement provides water management flexibility between the two agencies and is mutually beneficial. It has been reviewed by the General Managers and legal counsel of both agencies.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 17, 2020

Key Elements of the Agreement:

- Sets defined parameters for scheduling both LCID's SWP water to Lake Palmdale and its return water through its interconnection with the District.
- Allows the District to put the delivered water to immediate use.
- The District will reimburse Littlerock for DWR transportation charges. (\$293,685)
- Littlerock will pay the District for transportation charges after the return of the water.
- The District will annually account for the water available to Littlerock for return.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No.1 – Water Resource Reliability

This item is directly related to the District's Mission Statement.

Budget:

\$293,685.00 – Budgeted under Water Purchases

Supporting Documents:

- Agreement-Accounting and Return of Littlerock's Water Delivered to Lake Palmdale
- Agreement-Change in Point of Delivery (DWR-the District and Littlerock)

AGREEMENT BETWEEN PALMDALE WATER DISTRICT AND LITTLEROCK CREEK IRRIGATION DISTRICT FOR
THE ACCOUNTING AND RETURN OF LITTLEROCK CREEK IRRIGATION DISTRICT'S STATE WATER PROJECT
WATER DELIVERED TO LAKE PALMDALE

This agreement for the accounting and return of Littlerock Creek Irrigation District's State Water Project water delivered to Lake Palmdale ("Agreement") is made and entered into this_____ day of _____, 2020, by and between Palmdale Water District, a California Irrigation District ("Palmdale") and Littlerock Creek Irrigation District, a California Irrigation District ("Littlerock"). Palmdale and Littlerock are sometimes individually referred to as "Party" or collectively as "Parties." .

RECITALS

- A. Littlerock and Palmdale entered into that certain agreement entitled "Littlerock Creek Dam and Reservoir Rehabilitation, Operation and Maintenance Agreement", dated December 22, 1992, that provides for the treatment and return of water from Palmdale to Littlerock.
- B. Littlerock, Palmdale, and the California Department of Water Resources ("DWR") entered into that certain agreement entitled "Agreement Among Department of Water Resources, State of California, Littlerock Creek Irrigation District and Palmdale Water District for a Change in Point of Delivery of a Portion of Littlerock's State Water Project Entitlement Water", dated February 22, 1996, that provides for the delivery of Littlerock's State Water Project ("SWP") allocated water to Palmdale's turnout from the SWP into Lake Palmdale.
- C. Littlerock has coordinated with Palmdale to deliver 1,380-acre feet of Littlerock's SWP allocated water to Lake Palmdale, and may deliver more SWP allocated water in the future. Littlerock seeks to enter into this Agreement with Palmdale to have such SWP allocated water and any subsequently delivered water returned over time.
- D. Palmdale acknowledges the long history and benefit of working with Littlerock to coordinate and manage water supplies and also desires to enter into this Agreement to return Littlerock's SWP allocated water over time.

AGREEMENT

Now therefore, in consideration of the mutual covenants and agreements set forth herein, the Parties do contract and agree as follows:

- 1. **Recitals Incorporated.** The foregoing recitals are true and correct and are incorporated herein by reference as if set forth in full.
- 2. **Term.** This Agreement shall be effective upon the date it is fully executed by the Parties hereto and shall remain in effect through December 31, 2035, unless earlier terminated

as provided herein. This Agreement may be extended only by mutual written agreement of the Parties through written amendment.

3. **Scheduling Delivery of SWP Allocated Water.** Littlerock shall notify Palmdale in writing of the amount of SWP allocated water it seeks to deliver to Lake Palmdale before April 1 of each year. All deliveries of Littlerock's SWP allocated water to Lake Palmdale shall be coordinated with Palmdale such that Littlerock's deliveries do not interfere with Palmdale's scheduled deliveries of its SWP allocated water or planned maintenance of Lake Palmdale. Littlerock shall be responsible for scheduling the delivery of its water to Lake Palmdale with DWR.
4. **Scheduling Delivery of Return Water.** Littlerock shall notify Palmdale in writing of the amount of return water it wishes to receive via Littlerock's and Palmdale's interconnection or by any other means before April 1 of each year.
5. **Use of Water Delivered to Lake Palmdale.** Littlerock's SWP allocated water delivered to Lake Palmdale will be immediately available for production and distribution by Palmdale to its customers and other interconnected agencies based upon existing and immediate water demand.
6. **Accounting and Payment.**

6.1 Initial DWR Variable Transportation Charges. Palmdale shall reimburse Littlerock for the DWR variable transportation charges it incurs for Littlerock's SWP allocated water delivered to Lake Palmdale, following the delivery of such water and subsequent invoicing from DWR to Littlerock. Palmdale shall reimburse Littlerock for such DWR variable transportation charges within sixty (60) days of its receipt of an invoice from Littlerock.

6.2 Accounting of Available Return Water. Palmdale shall make an annual accounting of water available to Littlerock for return on its annual "Rates for Raw and Treated Water" letter, a copy of which shall be delivered to Littlerock at the address provided in Section 15. The amount available shall be the cumulative amount of Littlerock's SWP allocated water delivered to Lake Palmdale minus the cumulative return of Littlerock's SWP allocated water via the interconnection or by any other means.

6.3 Repayment of DWR Variable Transportation Charges. Littlerock will pay back Palmdale for Palmdale's reimbursement of Littlerock's DWR variable transportation charges when Palmdale returns water to Littlerock. The DWR variable transportation charges will be calculated, added to, and listed on the "Exhibit A – Unit Charges LCID Interconnection at 62nd St and Avenue T – Wholesale Water Rates" that accompanies Palmdale's annual "Rates for Raw and Treated Water" letter. The calculation of DWR variable transportation costs will be in accordance with all other costs on the above exhibit and will be based on a five (5)-year running annual average of DWR transportation costs for water delivered to Palmdale at Reach 20B.

6.4 Calculation of DWR Variable Transportation Charge for Return Water. The DWR variable transportation charge per acre foot delivered for a year will be determined by consulting the most recent Appendix B of DWR's Bulletin 132 and dividing DWR's Variable OMP&R Component of Transportation Charge to Palmdale (Table B-18 or as amended) by

the Annual Water Quantity Delivered (acre feet) to Palmdale (Table B-5B or as amended). The rate for the five (5) most recently validated years in the Appendix B will be calculated separately and those separate rates will be averaged to get the DWR variable transportation charge for return water.

7. **Integration.** This Agreement represents the entire understanding of the Parties. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by this Agreement.
8. **Amendments.** This Agreement may be amended or modified only in writing signed by the Parties.
9. **Indemnification.** Littlerock and Palmdale agree that each Party shall be responsible for its own actions, and the actions of its officers, employees, and agents, in performing services under this Agreement. Littlerock and Palmdale each agree to indemnify and hold the other Party and its officers, employees, and agents harmless and agree to defend the other Party against any claim or asserted liability arising out of its actions, or the actions of its officers, employees, and agents, in performing services pursuant to this Agreement. Such indemnity includes any losses relating to any claim made, whether or not a court action is filed, and attorney fees and administrative and overhead costs related to or arising out of such claim or asserted liability.
10. **Termination.** This Agreement may be terminated with the mutual written consent of both Parties, or in the event of a breach, this Agreement may be terminated at the election of the non-defaulting party.
11. **Force Majeure.** Any prevention, delay, nonperformance or stoppage due to any of the following causes shall excuse nonperformance for a period equal to the duration of the force majeure event. The causes referred to above are strikes, walkouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies of the State or United States, riots, insurrections, civil commotion, governmental restrictions or regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement), or other causes beyond the reasonable control of the Party obligated to perform.
12. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated.
13. **Applicable Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.
14. **Attorney's Fees.** If any action is instituted to enforce this Agreement, the prevailing party shall be reimbursed all reasonable attorneys' fees, costs of collection, as well as any other costs and expenses incurred in connection with the enforcement effort.
15. **Notices.** Any notice required by this Agreement to be given or delivered to any Party shall be deemed to have been received when personally delivered or mailed in the United States mail addressed as follows:

Little Rock: Little Rock Creek Irrigation District
35141 87th St E
Little Rock, CA 93543
Attn: General Manager

Palmdale: Palmdale Water District
2029 E Ave Q
Palmdale, CA 93550
Attn: General Manager

16. **Limitation of Waiver.** Except as may be expressly provided in a writing signed by the Parties, the failure or delay of either Party to insist in any instance on strict performance of any provision of this Agreement shall not be construed as a waiver of any such provision or the relinquishment of any rights under that provision in the future, but the same shall continue and remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date of the latest signature below.

LITTLE ROCK CREEK IRRIGATION DISTRICT

By: _____
James Chaisson, General Manager

Dated: _____

PALMDALE WATER DISTRICT

By: _____
Dennis D. LaMoreaux, General Manager

Dated: _____

The Resources Agency
Department of Water Resources
State of California

AGREEMENT AMONG
DEPARTMENT OF WATER RESOURCES,
STATE OF CALIFORNIA,
LITTLEROCK CREEK IRRIGATION DISTRICT AND
PALMDALE WATER DISTRICT
FOR A CHANGE IN POINT OF DELIVERY OF A PORTION OF
LITTLEROCK'S STATE WATER PROJECT ENTITLEMENT WATER

THIS AGREEMENT, made this 22nd day of February, 1996,
pursuant to the provisions of the California Water Resources
Development Bond Act, the State Central Valley Project Act,
and other applicable laws of the State of California, among
the State of California, acting by and through its Department
of Water Resources, herein referred to as the "State",
Littlerock Creek Irrigation District, a public agency in the
State of California, duly organized, existing, and acting pursuant
to the laws thereof with its principal place of business in
Littlerock, California, herein referred to as "Littlerock,"
and Palmdale Water District, a public agency in the State of
California, duly organized, existing, and acting pursuant to the
laws thereof with its principal place of business in Palmdale,
California, herein referred to as "Palmdale".

RECITALS:

1. Littlerock has requested the State approve an agreement through December 31, 2035, for a change in point of delivery of a portion of Littlerock's State Water Project entitlement water to a turnout in Palmdale's service area. In the past Littlerock and Palmdale have entered into one year contracts which have provided for this type of water service.

2. The water diverted at Palmdale's turnout for Littlerock will be treated by Palmdale at its water treatment plant and returned to Littlerock for use within Littlerock's service area.

3. Littlerock has entered into an Agreement with Palmdale entitled, "Littlerock Creek Dam and Reservoir Rehabilitation, Operation and Maintenance Agreement," dated December 22, 1992, that provides for the treatment and return of the water.

4. The State is willing to approve the change in point of delivery of a portion of Littlerock's annual entitlement water.

AGREEMENT:

It is mutually agreed as follows:

1. By signing this Agreement, Littlerock certifies that its water delivered to Palmdale's turnout will be returned and used in Littlerock's service area.

2. The State's approval of the change in point of delivery of State Water Project water under this Agreement is unique and shall not be considered a precedent for any future Agreements.

3. Littlerock, in coordination with Palmdale, shall be responsible for scheduling the delivery of the water with the

State. All water delivery schedules and revisions shall be in accordance with Article 12 of Littlerock's Water Supply Contract with the State.

4. The change in point of delivery of a portion of Littlerock's entitlement water to Palmdale's turnout shall be in accordance with a schedule approved by the State. The State's approval is dependent upon the times and amounts of the transferred water and the overall delivery capability of the SWP. The State shall not be obligated to deliver the water at times or in amounts that would adversely impact the delivery of entitlement water to other SWP contractors or adversely impact SWP operations or facilities. Littlerock will be responsible for any adverse impacts that may result from the change in point of delivery, as determined by the State.

5. The State will deliver a portion of Littlerock's annual entitlement water, normally scheduled for delivery to Littlerock's turnout in Reach 21, to Palmdale's turnout in Reach 20B of the California Aqueduct.

6. The delivery of water pursuant to this Agreement shall be contingent on and subject to any necessary approvals and shall be governed by the terms and conditions of such approval(s) and any other applicable regulations. Littlerock shall be responsible for complying with all applicable laws and regulations and for securing any required consent, permit, or order. Littlerock shall furnish to the State copies of all approvals acquired for the delivery of water under this Agreement.

7. Littlerock shall certify to the State's Southern Field Division by the tenth day of the month, the amount of its annual entitlement water delivered to Palmdale's turnout in Reach 20B during the previous month.

8. In the event of claim of liability against the State, its officers or its employees, individually or severally, that arises as a result of providing service under this Agreement, Littlerock shall defend, indemnify, and hold the State, and any State officer or employee harmless from any such claim.

9. The State assumes no liability beyond the point of delivery for the use of Littlerock's water delivered to Palmdale's turnout.

10. Littlerock shall pay to the State the charges associated with the delivery of this water from the Delta to the point of delivery at Palmdale's turnout in Reach 20B of the California Aqueduct. Littlerock shall pay all prevailing Transportation variable operation, maintenance, power and replacement component charges to the point of delivery for the water at the time the water is delivered. Littlerock shall remain obligated for all payments under its Water Supply Contract with the State, including the off-aqueduct Power Facilities Charge for the water delivered to Palmdale's turnout.

11. In addition to the costs identified above, Littlerock agrees to pay to the State any additional identified demonstrable increased costs that would otherwise be borne by the SWP contractors not signatory to this Agreement or by the State as a result of the State providing service under this Agreement.

12. This Agreement shall become effective on the date executed by the State and shall remain in effect through December 31, 2035, unless (1) extended or terminated by mutual consent among Littlerock, Palmdale and the State or (2) the December 22, 1992 agreement between Littlerock and Palmdale expires or is terminated. Prior to December 31, 2035, this Agreement may be subject to periodic review and modification, as deemed necessary and prudent.

STANDARD CLAUSES

13. **Workers' Compensation Clause.** Littlerock affirms that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Littlerock affirms that it will comply with such provisions before commencing the performance of this Agreement.

14. **Claims Dispute.** Any claim that either party may have regarding the performance of this Agreement shall be presented in accordance with Part 3 (commencing at 900, Division 3.6 of the Government Code). The Parties shall then attempt to negotiate a resolution of the claim and, if necessary, process an amendment to this Agreement to implement the terms of any such resolution. Any unresolved disputes shall be subject to arbitration pursuant to the Code of Civil Procedures Section 1281.6.

15. **Audits.** The contracting parties shall be subject to examination and audit by the Auditor General for a period of three

years after final payment under this Agreement. (Government Code Section 10532).

16. **Nondiscrimination.** During the performance of this Agreement, the Littlerock shall not deny the Agreement's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall it discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40), or sex. Littlerock shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Littlerock shall comply with the provisions of the Fair Employment and Housing Act (Government Code Sections 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Sections 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code Sections 11135-11139.5), and the regulations or standards adopted by the State to implement such article and sections. Littlerock shall permit access by representatives of the State and the Department of Fair Employment and Housing upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, other sources of information and its facilities as the State and the Department of Fair Employment and Housing shall require to ascertain compliance with this clause. Littlerock shall give

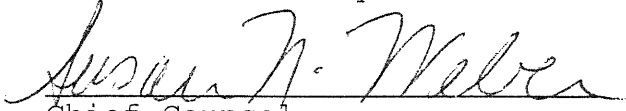
written notice of its obligations under this clause to labor organizations with which it has a collective bargaining or other Agreement. Littlerock shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

17. PARAGRAPH HEADINGS.

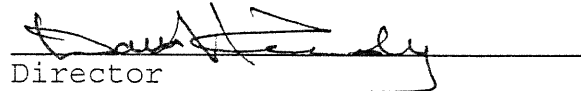
The paragraph headings of this Agreement are for the convenience of the parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

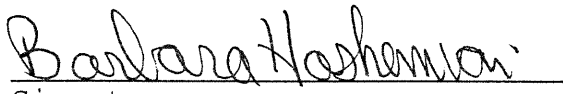
Approved as to legal form
and sufficiency:

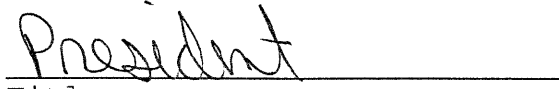

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

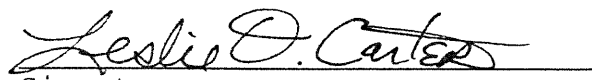

Director


LITTLEROCK CREEK
IRRIGATION DISTRICT


Signature


Title

PALMDALE WATER DISTRICT


Signature


Title

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: November 17, 2020 **November 23, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON
2021 BUDGET.(FINANCE MANAGER WILLIAMS/FINANCE COMMITTEE)***

Recommendation:

Staff recommends that the Board of Directors approve and adopt the 2021 Annual Budget, as presented.

The Finance Committee will consider the Budget at their November 19, 2020 meeting.

Background:

The revenue projections are based on an 8.1% rate adjustment that was adopted by the Board on October 28, 2019 by way of Resolution No. 19-15, in which the rate adjustment for years 2020 through 2024 were set based upon the Proposition 218 water rate study completed October 8, 2019.

The cash operating revenue is based on projections of selling 16,317-acre feet of water, which would generate \$28,128,703 of water sales revenue. Wholesale water and other operating revenues is projected to generate a total of \$29,408,961 in cash operating revenue.

	PROPOSED	BUDGET
	2021	2020
Operating Revenue		
Wholesale Water (AVEK & LCID)	400,000	295,000
Retail Water	28,128,703	26,122,953
Other Operating Revenue	880,258	877,625
	<u>29,408,961</u>	<u>27,295,578</u>

The cash operating expenses are presented in two categories, personnel costs and operating costs. Total personnel costs are \$13,799,356, consisting of salaries and benefits. Total operating costs are \$12,440,960, consisting of operational costs, water purchases, water quality, sediment removal project, and plant expenditures. Total cash operating expenses are \$26,240,316.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 17, 2020

	PROPOSED	BUDGET
	2021	2020
Operating Expenses		
Departmental Salaries (Includes Overtime)	9,426,750	8,735,500
Departmental Taxes & Program Benefits	1,105,290	1,063,400
Departmental Healthcare	1,553,000	1,305,750
Departmental CalPERS	1,714,316	1,585,000
Departmental Personnel Expenses	13,799,356	12,689,650
Departmental Operating Expenses	7,969,100	7,693,436
Water Purchases & Recovery (OAP Included)	2,400,000	2,321,476
Water Quality (GAC Media)	906,000	783,015
Littlerock Dam Sediment Removal Project	600,000	600,000
Plant Expenditures	565,860	610,556
Cash Expenses	26,240,316	24,698,133

Operating expense increase is a result of the water rate study using the adopted 2019 budget as the base line, then applying inflationary escalation for eight different categories resulting in approximately a 6.24% increase from 2020. The rate study anticipated a 3.1% increase from 2020 to 2021, however, personnel costs exceeded projections of 2.9% escalator.

Non-Operating Revenues and Expense:

	PROPOSED	BUDGET
	2021	2020
Non-operating Revenues	8,575,000	7,821,250
Non-operating Expenses	6,642,276	6,065,500
Net Non-operating Income/(Loss)	1,932,724	1,755,750

We are projecting an increase in non-operating revenue of approximately \$750,000, due to increased property tax assessments and capital improvement fees. The increase in non-operating expense is due to increased bond interest payment (2020A and anticipated 2021A issue) and increased SWP amortization costs.

The effect on cash flow and reserves:

	Budget 2021	Projected 2020
Beginning Cash	12,172,302	12,421,118
Operating Activities		
Net Operating Revenues	29,408,961	26,981,400
Net Operating Expenses	26,240,316	22,745,704
Net cash provided by operating activities	3,168,645	4,235,696

In 2020, we completed \$3.3M in capital improvement projects while keeping the cash reserve balance above \$10M. We will begin the year with cash reserves of \$12.1M. The difference in operating revenue over operating expense will increase that cash balance by \$3.1M.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 17, 2020

Considering the other sources and uses of cash, completing the carryover projects and contract commitments, we will invest \$3.1M in new capital projects which are carry over from 2020 and complete the commitment to Upper Amargosa Creek project. Our ending cash reserve balance would be \$9.99M. The 2019 rate study had projected the reserve balance to be \$9.7M at the end of 2021.

	<u>Budget 2021</u>	<u>Projected 2020</u>
Other Sources and Uses of Cash		
Assessments received	7,475,000	7,506,000
Payments for State Water Project	(5,333,492)	(5,239,031)
Capital Improvement Fees Received	600,000	1,235,438
Water-Use Efficiency	(236,500)	(55,000)
Acquisition of Property, Plant & Equip. - Current Yr	-	(2,216,090)
Acquisition of Property, Plant & Equip. - Carry-over	(2,388,533)	(161,150)
Committed Contract - Upper Amargosa Creek Project	(720,271)	(1,024,374)
Investments in PRWA	(300,000)	(311,600)
Capital Leasing - Principal & Interest	(178,953)	(178,953)
Principal Paid on Long-Term Debt	(2,038,503)	(1,790,001)
Interest Paid on Long-Term Debt	(2,554,245)	(2,453,751)
State Grants and Other Income	150,000	8,000
Interest on Investments	175,000	196,000
Net Cash Provided by Other Sources and Uses	(5,350,497)	(4,484,512)
Net Increase (Decrease) in Cash	(2,181,853)	(248,816)
Cash End of Year	9,990,449	12,172,302
Less Restricted Cash	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(2,388,533)
Committed Contract - Upper Amargosa Creek Project	-	(720,271)
Available Operating Cash	9,990,449	9,063,498

The budget package is presented in detail view beginning on page 1 with a summary of revenue and expense categories and then drills down into a little more detail with page 2 showing the total budget by categories. Page 4 is the detail cash projections as discussed. Page 5 is a summary of revenue and expense and the effects on cash year end. Pages 6 - 17 show the department budgets in detail showing personnel expense, operating expense and total departmental expense. Finally, pages 18 - 21 list the detailed projects slated for 2021 identified in the 2019 water rate study.

In the adopting Resolution No. 19-15, which adopted the 5-year rate study in 2019, and financial plan, section 4 requires staff to assess and report on the following parameters using actuals through August 31st and projecting through December 31st of the year as part of the budget process for the subject years. A “Yes” answer from the District staff analysis for any four (4) parameters will allow for the consideration of a reduced water rate adjustment, provided the reduced water rate adjustment continues to satisfy the same “Yes” parameters:

- Do the District’s projected reserves at the end of each year in 2022-2024 meet or exceed the target reserve level of \$16.4M as stated in the 2019 Water Rate Plan for the end of year 2024? “No”
- Are projects funded at a level that is equal to the year’s depreciation while maintaining a minimum reserve level of \$10.0M or the reserve levels for each year in 2022-2024 as presented in the 2019 Water Rate Plan? “No”

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 17, 2020

- c. Has an annual Rate Stabilization Fund contribution been made that is equal to or greater than one percent (1%) of the prior year's total revenues? "No"
- d. Is the projected Debt Coverage Ratio for the subject year and each of the remaining years adequate to meet current and proposed bond covenants? Yes
- e. Has the District's bond rating been re-evaluated to and maintained at AA or higher by either Standard & Poor's or Fitch rating agencies, which are currently A- and A+, respectively? "No"
- f. Has the District's outstanding debt been reduced as follows (all three must be met):
 - 1. 2017 Capital Lease - In Entirety (\$447,384)? "No"
 - 2. 2012 Private Placement - In Entirety (\$5,492,735)? "No"
 - 3. Series 2013A Revenue Bond Issue - \$8.8M? "No"

Supporting Documents:

- Substantive detail pages of the 2021 budget work papers.

PALMDALE WATER DISTRICT
2021 BUDGET (16,317 Acre Foot)

	PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2021	2020	2020	2019	2018	2017
Operating Revenue						
Wholesale Water (AVEK & LCID)	400,000	450,000	295,000	524,847	496,975	438,255
Retail Water	28,128,703	25,994,900	26,122,953	23,647,991	23,538,799	22,338,081
Other Operating Revenue	880,258	536,500	877,625	992,810	848,304	889,106
	<u>29,408,961</u>	<u>26,981,400</u>	<u>27,295,578</u>	<u>25,165,648</u>	<u>24,884,078</u>	<u>23,665,442</u>
Operating Expenses						
Departmental Salaries (Includes Overtime)	9,426,750	8,845,319	8,735,500	8,638,227	8,128,225	7,398,673
Departmental Taxes & Program Benefits	1,105,290	1,055,982	1,063,400	1,013,568	1,072,759	738,919
Departmental Healthcare	1,553,000	1,546,550	1,305,750	1,513,701	1,444,398	1,305,755
Departmental CalPERS	1,714,316	1,439,870	1,585,000	1,383,347	1,463,521	1,185,559
Departmental Personnel Expenses	13,799,356	12,887,721	12,689,650	12,548,844	12,108,903	10,628,906
Departmental Operating Expenses	7,969,100	7,357,801	7,693,436	7,608,386	7,990,994	6,780,305
Water Purchases & Recovery (OAP Included)	2,400,000	1,788,182	2,321,476	2,139,779	1,678,589	2,166,986
Water Quality (GAC Media)	906,000	577,000	783,015	439,601	1,121,260	923,815
Littlerock Dam Sediment Removal Project	600,000	-	600,000	-	-	-
Plant Expenditures	565,860	135,000	610,556	120,745	589,237	287,602
Cash Expenses	26,240,316	22,745,704	24,698,133	22,857,354	23,488,982	20,787,615
Non-Cash Expenses	6,350,000	5,857,702	6,335,000	6,085,977	6,510,778	8,055,317
Net Operating Income/(Loss)	<u>(3,181,355)</u>	<u>(1,622,005)</u>	<u>(3,737,555)</u>	<u>(3,777,683)</u>	<u>(5,115,682)</u>	<u>(5,177,489)</u>
Non-operating Revenues	8,575,000	9,245,317	7,821,250	9,043,765	8,032,975	8,952,140
Non-operating Expenses	6,642,276	6,279,855	6,065,500	5,531,889	4,850,974	3,899,495
Net Non-operating Income/(Loss)	<u>1,932,724</u>	<u>2,965,462</u>	<u>1,755,750</u>	<u>3,511,876</u>	<u>3,182,000</u>	<u>5,052,645</u>
Net Earnings(Loss)	<u>(1,248,631)</u>	<u>1,343,456</u>	<u>(1,981,805)</u>	<u>(265,807)</u>	<u>(1,933,682)</u>	<u>(124,844)</u>

PALMDALE WATER DISTRICT
2021 BUDGET (16,317 Acre Foot)

	BUDGET 2021	PROJECTED 2020	BUDGET ¹ 2020	ACTUAL 2019	ACTUAL 2018	ACTUAL 2017
Operating Revenue						
Wholesale Water (AVEK & LCID)	400,000	450,000	295,000	524,847	496,975	438,255
Water Sales ²	12,114,400	10,950,000	10,028,794	8,583,797	9,062,631	8,416,723
Meter Fees	14,865,600	13,837,400	14,956,694	13,967,724	13,294,482	12,710,215
Water Quality Fees	781,860	835,500	783,015	760,376	803,306	845,526
Elevation Fees	366,843	372,000	354,450	336,093	378,380	365,618
Other	880,258	536,500	877,625	992,810	848,304	889,106
	<u>29,408,961</u>	<u>26,981,400</u>	<u>27,295,578</u>	<u>25,165,648</u>	<u>24,884,078</u>	<u>23,665,442</u>
Operating Expenses						
Directors	147,790	86,207	144,150	115,958	122,252	111,057
Administration	4,542,666	4,195,901	4,185,109	4,100,699	3,874,010	3,200,269
Engineering	1,678,000	1,562,844	1,635,725	1,708,963	1,770,592	1,456,117
Facilities	6,164,200	6,550,137	6,449,794	6,341,115	6,710,475	5,940,131
Operations	3,409,900	3,210,039	3,248,390	3,421,758	3,579,000	2,993,156
Finance	1,720,050	1,333,589	1,346,687	1,259,199	1,176,821	1,206,440
Water-Use Efficiency	390,950	251,244	358,682	383,933	238,146	216,687
Human Resources	508,900	449,547	492,512	487,087	509,576	318,428
Information Technology	1,739,300	1,265,200	1,229,489	994,857	739,164	726,798
Customer Care	1,466,700	1,340,814	1,292,548	1,343,660	1,379,862	1,240,127
Water Purchases ³	2,400,000	1,800,000	2,425,000	2,019,787	1,784,403	2,248,897
OAP Chrg (Prior Year)	25,000	(8,400)	25,000	(7,294)	(5,148)	-
Water Recovery	(25,000)	(3,418)	(128,524)	127,286	(100,666)	(81,911)
Water Quality (GAC Media) ⁴	906,000	577,000	783,015	439,601	1,121,260	923,815
Littlerock Dam Sediment Removal Project	600,000	-	600,000	-	-	-
Plant Expenditures	565,860	135,000	610,556	120,745	589,237	287,602
Cash Expenses	<u>26,240,316</u>	<u>22,745,704</u>	<u>24,698,133</u>	<u>22,857,354</u>	<u>23,488,982</u>	<u>20,787,615</u>
Depreciation	5,000,000	5,141,702	5,050,000	5,257,262	5,318,052	6,113,751
Post-Employment Benefit (GASB 75) ⁵	1,750,000	1,750,000	1,750,000	1,983,447	1,882,449	2,224,242
Bad Debts	350,000	15,000	35,000	15,258	2,865	133,620
Service Costs Construction	150,000	299,000	100,000	190,777	182,033	111,524
Capitalized Construction	(900,000)	(1,348,000)	(600,000)	(1,360,768)	(874,621)	(527,821)
Non-Cash Expenses	<u>6,350,000</u>	<u>5,857,702</u>	<u>6,335,000</u>	<u>6,085,977</u>	<u>6,510,778</u>	<u>8,055,317</u>
Net Operating Income/(Loss)	<u>(3,181,355)</u>	<u>(1,622,005)</u>	<u>(3,737,555)</u>	<u>(3,777,683)</u>	<u>(5,115,682)</u>	<u>(5,177,489)</u>
Non-operating Revenues						
Assessments (Debt Service)	5,000,000	4,950,000	4,925,250	4,790,480	4,811,735	5,102,773
Assessments (1%)	1,875,000	1,825,000	1,785,000	1,783,332	2,032,216	1,665,813
Successor Agency Component (Prop Tax)	600,000	731,000	561,000	724,594	403,992	623,525
DWR Fixed Charge Recovery	175,000	299,879	175,000	247,469	266,877	266,638
Interest	175,000	148,000	150,000	366,283	295,246	146,306
Market Adj. on Investments	-	48,000	-	85,548	(2,930)	(90,252)
Capital Improvement Fees ⁶	600,000	1,235,438	75,000	984,101	106,947	1,021,406
Grants - State & Federal	100,000	-	100,000	9,185	47,666	110,669
Other	50,000	8,000	50,000	52,773	71,225	105,263
	<u>8,575,000</u>	<u>9,245,317</u>	<u>7,821,250</u>	<u>9,043,765</u>	<u>8,032,975</u>	<u>8,952,140</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	3,001,426	3,058,635	2,648,000	2,611,015	2,405,895	2,175,260
Amortization of SWP	3,104,350	2,854,620	2,881,000	2,854,227	2,646,400	2,600,856
Change in Investments in PRWA	300,000	311,600	300,000	16,723	(296,423)	(966,091)
Water-Use Efficiency	236,500	55,000	236,500	49,924	95,102	89,469
	<u>6,642,276</u>	<u>6,279,855</u>	<u>6,065,500</u>	<u>5,531,889</u>	<u>4,850,974</u>	<u>3,899,495</u>
Net Non-operating Income/(Loss)	<u>1,932,724</u>	<u>2,965,462</u>	<u>1,755,750</u>	<u>3,511,876</u>	<u>3,182,000</u>	<u>5,052,645</u>
Net Earnings(Loss)	<u>(1,248,631)</u>	<u>1,343,456</u>	<u>(1,981,805)</u>	<u>(265,807)</u>	<u>(1,933,682)</u>	<u>(124,844)</u>

Footnotes:

- ¹ 2020 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts.
- ² 2021 Budget for water sales is based on 16,317 ac. ft. This amount is 820 ac. ft. less than 2020 projected actual totals.
- ³ 2021 water purchases are based on purchasing 10,575 ac. ft. of water from the Department of Water Resources.
- ⁴ GAC filter media purchases are directly offset by the revenues from the water-quality fee for prior year. The 2021 Budget includes the possible replacement of up to six contactors and the localized contactor at the El Camino Underground site.
- ⁵ Post-employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).
- ⁶ Capital improvement fees for new development are made up of two components: infrastructure and water supply. The water supply fee portion will be used to secure new source supply and will not impact current customers.

General Information:

The District entered into Capital Leasing agreement in 2017 for customer information system software, increased data storage, water treatment plant security upgrade, kiosk, IVR, and laboratory software. The agreement is a 5-year term ending 2022.

Projected federal grant funds were adjusted to coincide with the potential revenue receipt. The receipt of these funds have been removed until confirmation by the administrative agency, overseeing these funds, has been received by the District.

Cost Factors and Assumptions:

- Water quality fee is \$0.09 per unit for 2021.
- Cost-of-Living increase of 1.20% effective January 1, 2021.
- Worker's comp rates are calculated at 0.0086 for office personnel and 0.0451 for field personnel.
- PERS is calculated at 11.031% for 6 months (Jan. thru Jun.) and 10.880% for 6 months (Jul thru Dec.) for all employees except for those who fall under Public Employee Pension Reform Act (PEPRA). Classic PERS employees will pay 7% of the employee portion for 2021. [For employees who meet the PEPRA requirement, the employer contribution for 2020 is 7.732% for 6 months (Jan. thru Jun.) and 7.590% for 6 months (Jul thru Dec.) for the District.]
- Employee benefits include the cost of medical, dental & vision plans as well as the Employee Assistance Program and on the job life insurance death benefit. Healthcare is capped per employee at \$2,035.57 effective January 1, 2021.
- The District's medical insurance rates have increased 4.06% on the blended average for the four medical plans. Currently, the dental insurance and vision insurance offered to employees will remain the same as the 2020 cost. All health insurance plans are managed and administered through ACWA/JPIA.
- Health insurance includes benefits to Directors who qualify for benefits and opt to participate in the plans.
- Operating Revenue estimates were based on the potential sales of 16,317 ac. ft. of water for the 2021 Budget.

**PALMDALE WATER DISTRICT
5-YEAR CASH FLOW (Aggregate)**

	Budget		Audited Numbers		
	2021	Projected 2020	2019	2018	2017
Beginning Cash	12,172,302	12,421,118	11,785,007	14,327,027	12,853,749
Operating Activities					
Net Operating Revenues	29,408,961	26,981,400	25,165,648	24,884,078	23,693,095
Net Operating Expenses	26,240,316	22,745,704	22,857,354	23,646,168	22,059,825
GAC- Carryover					
Net cash provided by operating activities	3,168,645	4,235,696	2,308,294	1,237,910	1,633,270
Other Sources and Uses of Cash					
Assessments received	7,475,000	7,506,000	7,298,406	7,247,944	7,392,110
Payments for State Water Project	(5,333,492)	(5,239,031)	(4,236,121)	(3,118,430)	(2,996,405)
Capital Improvement Fees Received	600,000	1,235,438	984,101	106,947	1,021,406
Water-Use Efficiency	(236,500)	(55,000)	-	-	-
Acquisition of Property, Plant & Equip. - Current Yr	-	(2,216,090)	(1,782,168)	(4,084,538)	(2,039,688)
Acquisition of Property, Plant & Equip. - Carry-over	(2,388,533)	(161,150)	-	-	-
Committed Contract - Upper Amargosa Creek Project	(720,271)	(1,024,374)	-	-	-
Investments in PRWA	(300,000)	(311,600)	16,723	(296,423)	(320,680)
Capital Leasing - Principal & Interest	(178,953)	(178,953)	(178,953)	(178,953)	(120,948)
Principal Paid on Long-Term Debt	(2,038,503)	(1,790,001)	(1,706,595)	(1,657,084)	(1,610,453)
Interest Paid on Long-Term Debt	(2,554,245)	(2,453,751)	(2,581,365)	(2,210,599)	(2,175,260)
State Grants and Other Income	150,000	8,000	61,958	118,891	633,872
Interest on Investments	175,000	196,000	451,831	292,316	56,054
Net Cash Provided by Other Sources and Uses	(5,350,497)	(4,484,512)	(1,672,183)	(3,779,930)	(159,992)
Net Increase (Decrease) in Cash	(2,181,853)	(248,816)	636,111	(2,542,020)	1,473,278
Rate Stabilization Fund	-	-	-	-	-
Cash End of Year	9,990,449	12,172,302	12,421,118	11,785,007	14,327,027
Less Restricted Cash	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(2,388,533)	(447,000)	-	-
Committed Contract - Upper Amargosa Creek Project	-	(720,271)	(1,120,785)	-	-
Available Operating Cash	9,990,449	9,063,498	10,853,333	11,785,007	14,327,027
Capital Funding					
Beginning Cash (Restricted)	2,254,605	4,366,086	11,706,447	-	-
Proceeds on Issuance of Long-Term Debt	20,000,000	-	-	13,547,869	-
Committed Contracts on 2018 WRB Projects	(2,879,605)	(2,111,481)	(7,340,361)	(1,841,422)	-
Restricted Cash	19,375,000	2,254,605	4,366,086	11,706,447	-

PALMDALE WATER DISTRICT

2021 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES - 2021 BUDGET

Cash Basis (16,317 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 12,514,400	
Meter Fees	14,865,600	
Elevation Fees	366,843	
Other Operating Revenue	880,258	
Water Quality Fees (Restricted Use)	781,860	
(Increase)/Decrease in Cash (From Operating)	(3,168,645)	
Directors		\$ 147,790
Administration		4,542,666
Engineering		1,678,000
Facilities		6,164,200
Operations		3,409,900
Finance		1,720,050
Water-Use Efficiency		390,950
Human Resources		508,900
Information Technology		1,739,300
Customer Care		1,466,700
Water Purchases		2,400,000
Plant Expenditures & Sediment Removal		1,165,860
Water Quality Expense (GAC)		906,000
SUBTOTAL OPERATING	\$ 26,240,316	\$ 26,240,316
Projected Beginning Cash - 01/01/2021	\$ 12,172,302	
Assessments received	7,475,000	
Capital Improvement Fees	600,000	
State Grants	100,000	
Interest on Investments	175,000	
Other Income	50,000	
Payments for State Water Project		5,333,492
Principal Paid on Long-Term Debt		2,038,503
Interest Paid on Long-Term Debt		2,554,245
Capital Leasing		178,953
Investments in PRWA		300,000
Water-Use Efficiency		236,500
Acquisition of Property, Plant & Equipment		3,108,804
	\$ 20,572,302	\$ 13,750,497
Projected Ending Cash - Non-Operating	6,821,804	
Rate Stabilization Fund	-	
Increase/(Decrease) in Cash (From Operating)	3,168,645	
Projected Ending Cash - 12/31/2021	9,990,449	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2021	\$ 9,990,449	

**PALMDALE WATER DISTRICT
2021 BUDGET**

Directors

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-01-4000-000	Directors Fees	-	-	-	-	-	-
Benefits							
1-01-4005-000	Payroll Taxes	5,790	5,585	5,650	4,382	3,909	4,705
	Subtotal (Benefits)	5,790	5,585	5,650	4,382	3,909	4,705
	Personnel Expenses	5,790	5,585	5,650	4,382	3,909	4,705
OPERATING EXPENSES:							
1-01-xxxx-006	Director's Expense Share - Dizmang, Gloria	28,400	12,006	27,700	7,228	-	-
1-01-xxxx-007	Director's Expense Share - Alverado, Robert	-	15,613	27,700	26,857	26,050	20,512
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy	28,400	20,988	27,700	25,840	18,516	21,693
1-01-xxxx-009	Director's Expense Share - Estes, Joe	-	-	-	-	25,765	22,843
1-01-xxxx-010	Director's Expense Share - Dino, Vincent	28,400	16,313	27,700	24,198	20,522	21,275
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco	-	-	-	3,990	26,890	20,030
1-01-xxxx-012	Director's Expense Share - Wilson, Don	28,400	15,702	27,700	23,464	600	-
1-01-xxxx-013	Director's Expense Share - Powers, Amber	28,400	-	-	-	-	-
	Total Operating Expense	142,000	80,622	138,500	111,576	118,343	106,353
	Total Departmental Expenses	147,790	86,207	144,150	115,958	122,252	111,057

**PALMDALE WATER DISTRICT
2021 BUDGET**

Administration

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-02-4000-000	Salaries	1,392,500	1,283,063	1,279,750	1,285,197	1,162,862	1,078,885
1-02-4000-100	Salaries - Departmental Overtime	6,000	2,409	13,500	3,878	4,556	7,946
	Subtotal (Salaries)	1,398,500	1,285,472	1,293,250	1,289,075	1,167,418	1,086,831
Employee Benefits							
1-02-4005-000	Payroll Taxes	98,500	91,497	91,000	82,787	78,250	74,016
1-02-4010-000	Health Insurance	184,500	174,540	150,500	189,419	166,558	151,134
1-02-4015-000	Pers	131,250	106,673	116,750	98,751	114,537	111,903
	Subtotal (Benefits)	414,250	372,711	358,250	370,957	359,345	337,053
District-wide Salaries & Benefits							
1-02-5070-001	Salaries-On-Call/Stand By Time	75,000	76,514	80,000	79,894	72,726	68,836
1-02-5070-002	PERS-Unfunded Liability	840,316	783,037	764,000	699,416	571,885	472,523
1-02-5070-003	Worker's Compensation	296,000	269,701	375,000	325,844	437,754	189,902
1-02-5070-004	Vacation Benefit Expense	83,000	82,834	25,000	59,412	39,573	(6,272)
1-02-5070-005	Life Insurance/EAP	7,000	6,860	6,500	6,385	6,344	6,312
	Subtotal (District-wide)	1,301,316	1,218,947	1,250,500	1,170,951	1,128,281	731,300
	Personnel Expenses	3,114,066	2,877,130	2,902,000	2,830,983	2,655,044	2,155,185
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	15,500	4,474	15,365	15,867	16,589	17,071
1-02-4050-100	General Manager Travel	5,200	-	5,122	6,839	7,462	7,091
1-02-4060-000	Staff Conferences & Seminars	6,200	1,364	6,146	10,398	1,749	1,683
1-02-4060-100	General Manager Conferences & Seminars	4,100	1,258	4,097	3,414	3,246	3,306
1-02-4130-000	Bank Charges	200,000	199,500	185,000	184,167	177,448	164,613
1-02-4150-000	Accounting Services	26,000	30,559	25,609	25,736	25,043	24,351
1-02-4175-000	Permits (Construction)	18,100	18,580	17,926	13,554	11,844	11,228
1-02-4180-000	Postage	17,000	12,757	25,609	11,227	15,224	13,006
1-02-4190-100	Public Relations - Publications	31,200	26,434	30,731	21,155	20,931	20,479
1-02-4190-700	Public Affairs - Marketing/Outreach	40,000	29,915	40,000	46,627	27,222	40,847
1-02-4190-710	Public Affairs - Advertising	5,000	600	5,000	3,134	65	-
1-02-4190-720	Public Affairs - Equipment	2,500	80	2,500	1,333	1,548	-
1-02-4190-730	Public Affairs - Conference/Seminar/Travel	3,000	473	3,000	1,389	1,025	-
1-02-4190-740	Public Affairs - Consultants	2,000	600	3,000	-	1,000	-
1-02-4190-750	Public Affairs - Memberships	1,200	1,413	1,200	865	675	-
1-02-4200-000	Advertising	4,100	113	4,097	2,242	4,006	1,902
1-02-4205-000	Office Supplies	25,500	22,281	25,097	30,893	25,977	24,494
1-02-4210-000	Office Furniture	-	-	5,122	5,482	-	5,917
	Total Operating Expense	406,600	350,401	404,621	384,323	341,053	335,988
District-wide Operating Expense							
1-02-5070-006	Other Operating	60,000	78,166	25,609	23,179	22,916	30,069
1-02-5070-007	Consultants	275,000	250,000	239,699	243,954	272,436	60,568
1-02-5070-008	Insurance	260,000	227,536	255,000	230,945	241,076	286,478
1-02-5070-009	Groundwater Adjudication - Legal	41,000	22,485	40,974	63,390	42,477	82,277
1-02-5070-010	Legal Services	131,000	165,226	128,044	121,969	89,038	85,014
1-02-5070-011	Memberships	165,000	167,817	128,044	110,031	94,942	124,247
1-02-5070-012	Elections	-	-	-	51,671	-	-
1-02-5070-013	Succession Planning	25,000	-	-	-	-	-
1-02-5070-014	Groundwater Adjudication - Pumping Assessment	65,000	42,000	46,118	40,251	-	-
1-02-5070-015	Computer Software - Info 360	-	15,140	15,000	-	-	-
1-02-5070-099	100th Anniversary	-	-	-	-	115,028	40,443
	Total District-wide Operating Expense	1,022,000	968,370	878,488	885,393	877,912	709,097
	Total Departmental Expenses	4,542,666	4,195,901	4,185,109	4,100,699	3,874,010	3,200,269

**PALMDALE WATER DISTRICT
2021 BUDGET**

Engineering

PERSONNEL BUDGET:

		BUDGET 2021	PROJECTED 2020	BUDGET 2020	ACTUAL 2019	ACTUAL 2018	ACTUAL 2017
1-03-4000-000	Salaries	1,225,750	1,116,936	1,171,500	1,204,273	1,100,010	1,025,227
1-03-4000-100	Salaries - Departmental Overtime	15,000	18,967	12,000	43,529	45,309	12,745
	Subtotal (Salaries)	1,240,750	1,135,903	1,183,500	1,247,802	1,145,319	1,037,973
Employee Benefits							
1-03-4005-000	Payroll Taxes	98,000	89,265	88,000	90,342	85,430	77,032
1-03-4010-000	Health Insurance	176,500	203,279	196,500	213,728	206,949	181,559
1-03-4015-000	PERS	117,750	101,880	119,000	100,184	133,366	102,417
	Subtotal (Benefits)	392,250	394,424	403,500	404,253	425,745	361,008
	Personnel Expenses	1,633,000	1,530,327	1,587,000	1,652,055	1,571,064	1,398,981

OPERATING EXPENSES:

1-03-4050-000	Staff Travel	5,000	500	4,610	6,090	5,192	3,095
1-03-4060-000	Staff Conferences & Seminars	7,500	1,299	4,917	1,590	4,377	3,895
1-03-4060-001	Staff Training - Auto CAD Civil 3D	10,000	-	13,000	-	1,879	-
1-03-4155-305	Contracted Services - GIS Services	-	-	-	2,432	26,500	7,544
1-03-4155-310	Contracted Services - Reproduction	1,500	-	2,049	49	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	-	-	-	-	640	-
1-03-4165-000	Memberships/Subscriptions	3,500	2,500	2,561	5,670	4,840	4,470
1-03-4250-000	General Materials & Supplies	4,000	1,067	3,530	-	-	-
1-03-4250-100	Supplies - Plotter Paper/Toner	4,500	651	4,538	3,186	-	714
1-03-4250-150	Supplies - Surveying Total Station	-	-	2,521	-	7,052	-
1-03-4250-200	Supplies - Miscellaneous	-	-	-	479	954	746
1-03-8100-100	Computer Software - Maint. & Support	9,000	26,500	11,000	5,539	94,233	36,672
1-03-8100-200	Computer Software - SCADAWatch	-	-	-	31,873	53,860	-
	Total Operating Expense	45,000	32,517	48,725	56,907	199,528	57,136
	Total Departmental Expenses	1,678,000	1,562,844	1,635,725	1,708,963	1,770,592	1,456,117

**PALMDALE WATER DISTRICT
2021 BUDGET**

Facilities

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-04-4000-000	Salaries	2,248,000	2,328,556	2,493,500	2,286,419	2,136,946	2,047,671
1-04-4000-100	Salaries - Departmental Overtime	144,000	183,060	115,000	178,224	155,494	114,871
	Subtotal (Salaries)	2,392,000	2,511,616	2,608,500	2,464,644	2,292,440	2,162,542
Employee Benefits							
1-04-4005-000	Payroll Taxes	189,500	205,550	197,750	187,297	177,933	167,159
1-04-4010-000	Health Insurance	445,000	528,574	473,750	527,797	510,242	464,206
1-04-4015-000	PERS	214,000	209,567	238,500	191,029	249,995	196,596
	Subtotal (Benefits)	848,500	943,691	910,000	906,122	938,170	827,961
	Personnel Expenses	3,240,500	3,455,307	3,518,500	3,370,766	3,230,610	2,990,504

OPERATING EXPENSES:

1-04-4050-000	Staff Travel	6,200	3,909	6,146	8,363	4,651	3,969
1-04-4060-000	Staff Conferences & Seminars	15,500	1,451	15,365	4,313	1,050	297
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	16,000	16,440	15,877	11,450	16,075	10,325
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	39,000	34,917	38,925	33,855	34,344	33,659
1-04-4155-415	Contracted Services - Alarm Services	-	-	-	-	-	8,322
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	47,000	49,682	46,096	46,204	44,832	46,237
1-04-4155-425	Contracted Services - Pest Control Svcs (All Loc)	6,200	8,195	6,146	4,732	5,934	4,915
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	5,200	5,374	5,122	3,648	3,448	3,312
1-04-4155-435	Contracted Services - Elevator Services	4,100	3,706	4,097	47,905	2,903	11,815
1-04-4155-440	Contracted Services - SCADA Software	-	-	18,000	-	17,856	15,043
1-04-4155-445	Contracted Services - SCADA Hardware	-	-	10,000	-	1,119	24,118
1-04-4155-450	Contracted Services - Seismic Valve Controllers	7,800	-	7,683	6,683	6,415	6,415
1-04-4155-455	Contracted Services - Annual Tank Service	104,000	-	102,435	319,100	319,100	329,545
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	5,200	3,320	5,122	6,187	7,644	-
1-04-4155-466	Contracted Services - Clearscada	-	-	15,365	14,796	3,163	-
1-04-4155-468	Contracted Services - Fuel Serve	2,500	-	-	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous	2,100	3,227	2,049	2,420	-	1,639
1-04-4175-000	Permits (District Facilities including Dams)	42,000	50,475	40,974	42,780	63,350	7,433
1-04-4215-100	Natural Gas - Wells & Boosters	225,000	225,298	218,350	222,292	266,569	170,596
1-04-4215-200	Natural Gas - Buildings	9,500	8,991	9,371	10,010	7,480	6,613
1-04-4220-100	Electricity - Wells & Boosters	860,000	1,573,022	827,487	1,061,023	1,185,888	1,091,131
1-04-4220-200	Electricity - Buildings	95,000	76,535	91,624	71,542	77,395	73,376
1-04-4225-000	Maint. & Repair - Vehicles	34,000	29,029	33,479	22,923	35,133	21,897
1-04-4230-100	Maint. & Rep. Operations - Office Building	26,500	12,451	25,753	6,284	7,868	21,364
1-04-4230-120	Maint. & Rep. Operations - Two-way Radios	5,000	-	-	-	-	-
1-04-4235-110	Maint. & Rep. Operations - Equipment	12,700	4,171	12,361	8,557	4,285	8,512
1-04-4235-400	Maint. & Rep. Operations - Wells	84,500	84,731	82,297	53,640	67,930	55,508
1-04-4235-405	Maint. & Rep. Operations - Boosters	52,800	39,547	51,435	52,497	29,376	27,474
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	26,000	12,191	25,753	10,411	19,258	20,786
1-04-4235-415	Maint. & Rep. Operations - Facilities	52,000	41,822	51,506	18,567	17,006	16,691
1-04-4235-420	Maint. & Rep. Operations - Water Lines	315,000	230,955	309,036	252,498	354,568	318,750
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	15,500	9,754	15,452	9,551	487	1,642
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	-	-	670	550	4,070
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	7,000	4,042	10,301	4,884	1,110	4,837
1-04-4235-440	Maint. & Rep. Operations - Large Meters	15,500	6,249	15,452	13,638	9,809	34,420
1-04-4235-445	Maint. & Rep. Operations - Telemetry	-	-	5,151	893	275	2,125
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	7,900	5,250	7,726	1,443	4,574	2,645
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	44,000	40,735	43,780	60,783	32,408	43,617
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,200	1,360	5,151	2,807	13,590	2,367
1-04-4235-461	Maint. & Rep. Operations - Air Vacs	5,200	6,010	5,151	14,815	41,486	-
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	155,000	47,935	154,518	91,293	183,630	139,830
1-04-4270-300	Telecommunication - Other	-	-	5,122	8,015	6,994	5,732
1-04-4300-100	Testing - Regulatory Compliance	20,500	12,622	20,487	8,725	15,935	9,612
1-04-4300-200	Testing - Large Meter Testing	13,000	13,807	12,804	16,220	19,098	11,357
1-04-4300-300	Testing - Edison Testing	12,000	-	15,365	5,800	8,100	2,755
1-04-5070-009	Groundwater Adjudication - Pumping Assessment	-	-	-	-	60,775	19,552
1-04-6000-000	Waste Disposal	21,000	14,161	20,824	18,290	14,653	15,183
1-04-6100-100	Fuel - Gas and Diesel	142,000	121,021	138,809	100,360	119,063	84,621
1-04-6100-200	Lubricates District Wide	26,000	25,581	25,897	24,608	23,332	17,842
1-04-6200-000	Uniforms	28,000	22,539	28,237	21,403	21,894	20,803

OPERATING EXPENSES (Continued) :

		-	-	-	-	-	-
1-04-6300-100	Supplies - General	65,000	35,908	75,635	31,635	78,916	52,867
1-04-6300-200	Supplies - Hypo Generators	-	-	-	7,091	7,195	3,340
1-04-6300-300	Supplies - Electrical	3,000	478	3,025	577	852	2,944
1-04-6300-400	Supplies - Telemetry	-	-	-	1,894	587	6,070
1-04-6300-800	Supplies - Construction Materials	35,000	34,641	35,296	32,428	33,672	37,608
1-04-6400-100	Tools - Facilities	35,000	30,775	35,296	35,314	32,365	17,942
1-04-6400-200	Tools - Vehicles	10,100	16,926	10,085	11,907	15,823	10,122
1-04-6450-100	Equipment - Firetide Radios	-	-	-	-	784	-
1-04-6450-110	Equipment - GF Signet Flow Meters	-	-	7,563	-	-	-
1-04-6450-120	Equipment - SCADA Workstations	-	-	-	-	27,169	-
1-04-7000-100	Leases - Equipment	15,000	13,202	15,127	19,342	12,246	22,460
1-04-7000-200	Leases - Fleet	142,000	112,394	141,185	83,284	87,852	33,524
Total Operating Expense		2,923,700	3,094,830	2,931,294	2,970,349	3,479,864	2,949,628
Total Departmental Expenses		<u>6,164,200</u>	<u>6,550,137</u>	<u>6,449,794</u>	<u>6,341,115</u>	<u>6,710,475</u>	<u>5,940,131</u>

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**PALMDALE WATER DISTRICT
2021 BUDGET**

Operations

PERSONNEL BUDGET:

		BUDGET 2021	PROJECTED 2020	BUDGET 2020	ACTUAL 2019	ACTUAL 2018	ACTUAL 2017
1-05-4000-000	Salaries	1,154,000	1,139,362	1,090,000	1,066,200	1,154,301	953,323
1-05-4000-100	Salaries - Departmental Overtime	99,000	99,456	87,500	117,094	98,526	78,833
	Subtotal (Salaries)	1,253,000	1,238,818	1,177,500	1,183,294	1,252,827	1,032,157
Employee Benefits							
1-05-4005-000	Payroll Taxes	91,000	99,867	86,000	88,433	87,400	79,405
1-05-4010-000	Health Insurance	182,000	188,001	153,500	167,240	153,953	160,866
1-05-4015-000	PERS	118,500	-	111,250	91,630	122,221	98,359
	Subtotal (Benefits)	391,500	287,868	350,750	347,303	363,575	338,630
	Personnel Expenses	1,644,500	1,526,686	1,528,250	1,530,597	1,616,402	1,370,787

OPERATING EXPENSES:

1-05-4050-000	Staff Travel	3,100	-	3,073	5,944	6,065	3,875
1-05-4060-000	Staff Conferences & Seminars	3,100	-	3,073	1,145	790	1,855
1-05-4120-100	Training - Lab Equipment	5,200	-	5,122	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	3,500	2,753	3,585	2,195	6,881	3,261
1-05-4155-510	Contracted Services - Alarm Services	-	-	-	-	714	1,732
1-05-4155-525	Contracted Services - Wind Turbine Services	31,000	6,887	30,731	7,913	39,029	38,805
1-05-4155-540	Contracted Services - Lab Software	7,700	8,832	7,683	6,307	6,393	7,456
1-05-4155-545	Contracted Services - Lab Equipment Services	26,000	16,155	26,633	26,552	9,181	9,153
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	31,400	38,971	30,731	29,228	29,228	28,016
1-05-4175-000	Permits (WTP Facilities Inclusive)	81,300	10,734	69,656	69,263	119,287	67,631
1-05-4215-200	Natural Gas - Water Treatment Plant	3,200	1,260	3,124	1,580	1,327	1,063
1-05-4220-200	Electricity - Water Treatment Plant	215,000	206,531	208,237	257,450	173,435	297,253
1-05-4230-110	Maint. & Rep. Office - Equipment	5,300	431	5,151	1,705	4,484	183
1-05-4235-110	Maint. & Rep. Operations - Equipment	21,000	22,705	20,602	16,241	19,054	18,068
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,300	8,114	6,181	7,038	5,961	1,818
1-05-4235-415	Maint. & Rep. Operations - Facilities	74,000	71,914	72,108	85,594	78,306	81,972
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	-	-	-	6,221	61,795	52,898
1-05-4235-500	Maint. & Repair - Wind Turbine	10,000	7,993	10,301	53,615	4,129	1,345
1-05-4236-000	Palmdale Lake Management	130,000	106,970	102,600	111,708	100,413	65,913
3-05-4300-100	Filter Media Testing/Inspection	-	-	-	-	-	18,348
1-05-6000-000	Waste Disposal	21,000	19,408	20,824	22,839	29,716	3,678
1-05-6200-000	Uniforms	16,000	15,228	16,135	12,993	13,343	13,155
1-05-6300-100	Supplies - General	15,200	24,123	15,127	26,382	16,513	13,955
1-05-6300-600	Supplies - Lab	72,000	64,084	62,471	44,469	50,825	51,859
1-05-6300-700	Outside Lab Work	60,000	46,053	104,119	74,198	88,280	53,280
1-05-6400-000	Tools	6,100	4,337	6,051	3,550	3,906	6,504
1-05-6500-000	Chemicals	915,000	999,444	883,797	1,006,489	1,090,810	779,292
1-05-7000-100	Leases -Equipment	3,000	425	3,025	10,542	2,732	-
	Total Operating Expense	1,765,400	1,683,353	1,720,140	1,891,161	1,962,598	1,622,369
	Total Departmental Expenses	3,409,900	3,210,039	3,248,390	3,421,758	3,579,000	2,993,156

**PALMDALE WATER DISTRICT
2021 BUDGET**

Finance

PERSONNEL BUDGET:

		BUDGET 2021	PROJECTED 2020	BUDGET 2020	ACTUAL 2019	ACTUAL 2018	ACTUAL 2017
1-06-4000-000	Salaries	996,500	753,696	742,750	705,236	687,741	670,064
1-06-4000-100	Salaries - Departmental Overtime	2,000	834	3,000	807	902	1,808
	Subtotal (Salaries)	998,500	754,530	745,750	706,042	688,644	671,872
Employee Benefits							
1-06-4005-000	Payroll Taxes	75,500	57,469	57,250	48,357	45,324	46,901
1-06-4010-000	Health Insurance	176,000	124,813	105,250	101,355	104,561	88,182
1-06-4015-000	PERS	105,750	72,481	79,000	63,912	87,867	70,754
	Subtotal (Benefits)	357,250	254,763	241,500	213,624	237,752	205,836
	Personnel Expenses	1,355,750	1,009,293	987,250	919,666	926,395	877,709
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	2,000	77	2,049	357	2,108	-
1-06-4060-000	Staff Conferences & Seminars	1,500	-	1,537	547	445	-
1-06-4155-100	Contracted Services - Infosend	283,000	241,437	276,576	265,550	174,100	261,932
1-06-4155-300	Contracted Services - AdComp Systems	4,300	4,100	9,200	4,085	4,085	4,085
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	3,100	2,950	3,073	-	2,865	2,805
1-06-4155-625	Contracted Services - GASB Actuarial Reports	5,200	4,650	5,122	10,750	5,050	5,850
1-06-4165-000	Memberships/Subscriptions	500	293	512	220	110	330
1-06-4230-110	Maintenance & Repair - Office Equipment	500	-	515	-	-	-
1-06-4250-000	General Material & Supplies	2,000	-	3,025	-	-	-
1-06-4260-000	Business Forms	1,500	418	4,097	-	421	1,598
1-06-4270-100	Telecommunication - Office	32,000	37,654	25,609	31,206	36,131	29,872
1-06-4270-200	Telecommunication - Cellular Stipend	25,700	30,120	25,097	24,215	22,500	19,655
1-06-7000-100	Leases - Equipment	3,000	2,597	3,025	2,603	2,610	2,605
	Total Operating Expense	364,300	324,296	359,437	339,533	250,426	328,732
	Total Departmental Expenses	1,720,050	1,333,589	1,346,687	1,259,199	1,176,821	1,206,440

**PALMDALE WATER DISTRICT
2021 BUDGET**

Water-Use Efficiency

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2021	2020	2020	2019	2018	2017
PERSONNEL BUDGET:							
1-07-4000-000	Salaries	170,500	167,155	152,250	171,500	151,114	142,927
1-07-4000-100	Salaries - Departmental Overtime	5,000	3,259	5,000	4,797	1,827	540
	Subtotal (Salaries)	175,500	170,414	157,250	176,297	152,942	143,467
Employee Benefits							
1-07-4005-000	Payroll Taxes	13,750	14,417	12,000	13,670	12,313	11,628
1-07-4010-000	Health Insurance	31,000	37,005	23,750	45,490	40,123	36,439
1-07-4015-000	PERS	19,500	16,515	16,750	16,426	20,972	16,189
	Subtotal (Benefits)	64,250	67,937	52,500	75,587	73,408	64,256
	Personnel Expenses	239,750	238,351	209,750	251,883	226,350	207,723
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	2,600	621	2,561	2,280	2,492	703
1-07-4060-000	Staff Conferences & Seminars	3,100	-	3,073	1,145	910	470
1-07-4190-300	Public Relations - Landscape Workshop/Training	5,200	687	5,122	89	1,757	124
1-07-4190-400	Public Relations - Contests	3,100	1,278	3,073	390	536	-
1-07-4190-500	Public Relations - Education Programs	125,000	9,637	122,923	119,294	1,863	6,461
1-07-4190-900	Public Relations - Other	5,200	593	5,122	1,880	2,752	546
1-07-6300-100	Supplies - General	7,000	77	7,059	6,970	1,486	659
	Total Operating Expense	151,200	12,893	148,932	132,049	11,796	8,963
	Total Departmental Expenses	390,950	251,244	358,682	383,933	238,146	216,687

**PALMDALE WATER DISTRICT
2021 BUDGET**

Human Resources

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-08-4000-000	Salaries	267,250	255,913	238,750	241,493	207,111	133,004
1-08-4000-100	Salaries - Departmental Overtime	1,000	328	1,000	613	449	-
1-08-4000-200	Salaries - Intern Program	-	-	-	-	-	6,236
	Subtotal (Salaries)	268,250	256,241	239,750	242,106	207,560	139,240
Employee Benefits							
1-08-4005-000	Payroll Taxes	20,750	20,721	18,500	17,466	16,221	10,749
1-08-4010-000	Health Insurance	31,000	26,216	18,500	31,281	28,463	19,570
1-08-4015-000	Pers	24,500	20,486	20,750	16,595	20,828	8,753
	Subtotal (Benefits)	76,250	67,423	57,750	65,342	65,512	39,071
	Personnel Expenses	344,500	323,664	297,500	307,448	273,072	178,312
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,500	776	1,537	3,261	273	1,433
1-08-4060-000	Staff Conferences & Seminars	1,500	265	1,537	1,574	-	749
1-08-4070-000	Employee Expense	67,500	66,800	95,000	91,048	81,692	59,183
1-08-4095-000	Employee Recruitment	3,100	10,178	3,073	8,392	10,442	5,036
1-08-4100-000	Employee Retention	5,200	-	5,122	5,046	29,903	3,009
1-08-4105-000	Employee Relations	-	-	3,585	1,384	2,270	3,752
1-08-4120-100	Training - Safety	36,000	17,348	35,852	5,986	40,909	24,220
1-08-4120-200	Training - Specialty	15,500	1,608	15,365	16,649	27,555	11,862
1-08-4121-000	Safety/HR Program	1,000	47	1,024	35	1,065	-
1-08-4165-000	Memberships/Subscriptions	1,600	1,232	1,639	1,474	1,657	1,535
1-08-4165-100	HR/Safety Publications	1,000	400	1,024	-	263	-
1-08-6300-500	Supplies - Safety	30,500	27,229	30,254	44,789	40,475	29,338
	Total Operating Expense	164,400	125,883	195,012	179,638	236,504	140,116
	Total Departmental Expenses	508,900	449,547	492,512	487,087	509,576	318,428

**PALMDALE WATER DISTRICT
2021 BUDGET**

Information Technology

PERSONNEL BUDGET:

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2021	2020	2020	2019	2018	2017
1-09-4000-000	Salaries	583,750	436,184	303,250	295,522	191,822	178,266
1-09-4000-100	Salaries - Departmental Overtime	21,000	24,575	3,000	731	510	981
	Subtotal (Salaries)	604,750	460,759	306,250	296,252	192,332	179,247
Employee Benefits							
1-09-4005-000	Payroll Taxes	46,500	36,169	26,000	21,331	13,373	12,979
1-09-4010-000	Health Insurance	94,000	65,776	34,500	31,509	26,093	27,143
1-09-4015-000	PERS	46,250	42,829	30,500	25,993	22,997	17,825
	Subtotal (Benefits)	186,750	144,774	91,000	78,833	62,464	57,947
	Personnel Expenses	791,500	605,533	397,250	375,085	254,795	237,194

OPERATING EXPENSES:

1-09-4050-000	Staff Travel	3,100	196	3,073	2,968	1,323	610
1-09-4060-000	Staff Conferences & Seminars	10,400	4,501	10,244	2,017	1,000	6,433
1-09-4155-801	Cloud Services-MS-Office 360	35,000	4,672	30,731	58,855	26,140	-
1-09-4155-802	Cloud Services-MS-Project	-	-	3,073	-	840	-
1-09-4155-803	Cloud Services-MS-Visio	-	-	1,024	-	283	-
1-09-4155-804	Cloud Services-Adobe-Creative Suite	5,200	7,610	5,122	7,610	6,457	-
1-09-4155-805	Cloud Services-SeamlessDocs	5,200	-	5,122	5,833	10,000	-
1-09-4155-806	Cloud Services-IPSwitch-Moveit	10,500	215	6,146	10,027	9,866	-
1-09-4155-807	Cloud Services-GFI Fax	2,600	1,600	2,561	600	3,000	-
1-09-4155-808	Cloud Services-KnowBe4-Security Awareness	1,500	2,000	1,537	2,000	-	-
1-09-4155-809	Cloud Services-Network Solutions-DNS, Web Registration	4,100	1,045	4,097	2,465	4,237	-
1-09-4155-810	Cloud Services-IBM-MaaS 360	6,200	4,464	6,146	-	4,396	-
1-09-4155-811	Cloud Services-MSP Portal-Bit Defender	5,100	5,094	3,227	6,488	3,427	-
1-09-4155-812	Cloud Services-Akins-WIFI	-	1,845	3,175	-	3,061	-
1-09-4155-813	Cloud Services-FleetMate	500	-	6,658	-	1,000	-
1-09-4155-814	Cloud Services-Security Metrics-PCI Compliance	4,500	4,392	3,073	3,796	3,051	-
1-09-4155-815	Cloud Services-Citrix	2,000	1,750	2,049	1,755	-	-
1-09-4155-816	Cloud Services - Azure Services	25,200	-	-	-	-	-
1-09-4155-905	Contracted Services - Offsite Services	5,000	-	5,122	75	-	3,420
1-09-4155-910	Contracted Services - Printer Services	7,000	2,741	2,561	4,786	3,928	-
1-09-4155-915	Contracted Services - Website Design Services	4,000	4,081	3,688	7,958	9,871	9,989
1-09-4155-920	Contracted Services - Telephony Services	5,200	3,726	5,122	-	2,390	3,154
1-09-4155-925	Contracted Services - TDS (Network & Software Support)	40,000	-	-	-	-	36,906
1-09-4155-930	Contracted Services - Network Services	-	1,485	35,852	14,342	12,644	19,953
1-09-4155-935	Contracted Services - Hardware Warranties	15,500	-	15,365	295	-	848
1-09-4155-940	Contracted Services - Access Control & Fire Services	60,000	59,699	56,339	48,823	29,769	-
1-09-4155-945	Contracted Services - LA County Dataset	1,000	-	8,000	-	-	-
1-09-4155-950	Contracted Services - ESRI Customer Care	5,000	4,649	5,000	-	-	-
1-09-4155-955	Contracted Services - SCADA Software	18,000	-	-	-	-	-
1-09-4155-960	Contracted Services - SCADA Hardware	10,000	14,952	-	-	-	-
1-09-4155-965	Contracted Services - ClearSCADA	15,000	-	-	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,600	480	2,561	1,455	330	459
1-09-4235-445	Maint. & Rep - Telemetry	5,300	1,395	-	-	-	-
1-09-4270-100	Telecommunication - Office Phone	18,000	15,330	17,926	17,528	15,176	14,878
1-09-4270-125	Telecommunication - Office Backbone	23,000	22,294	22,536	20,580	18,865	21,530
1-09-4270-150	Telecommunication - WTP Backbone	15,500	11,400	15,365	10,450	13,115	10,348
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	55,000	53,101	46,096	47,122	43,496	43,587
1-09-4270-350	Telecommunication - Other	7,600	7,500	-	-	-	-
1-09-6450-110	Equipment - GF Signet Flow Meters	7,600	-	-	-	-	-
1-09-7000-100	Leases - Equipment (Printers)	56,000	48,477	56,000	49,961	-	-
1-09-8000-100	Computer Equipment - Computers	45,000	52,000	45,381	54,264	44,250	40,143
1-09-8000-200	Computer Equipment - Mobility	45,000	38,953	45,381	44,756	10,039	37,199
1-09-8000-300	Computer Equipment - Monitors	12,000	-	2,017	2,214	2,130	1,470
1-09-8000-400	Computer Equipment - Printers	-	-	-	-	931	-
1-09-8000-500	Computer Equipment - Printer Supplies	2,500	-	3,025	157	3,299	159
1-09-8000-550	Computer Equipment - Telephony	3,000	-	3,025	-	-	840
1-09-8000-600	Computer Equipment - Other	30,000	24,673	25,212	17,158	20,331	27,649
1-09-8000-650	Computer Equipment - Warranty and Support	15,000	4,560	15,127	6,000	7,555	-
1-09-8100-100	Software - Maint. and Support	-	42,360	-	-	975	48,774
1-09-8100-101	Software M&S - Xtelesis-Phone	10,500	-	10,244	9,679	19,680	-
1-09-8100-102	Software M&S - Tredent-Veam	-	18,836	8,195	-	9,491	-
1-09-8100-103	Software M&S - Conduive/V-locity-Diskeeper	8,000	5,128	5,250	5,128	4,250	-
1-09-8100-104	Software M&S - FWI	500	529	512	388	-	-
1-09-8100-105	Software M&S - Strategy 7	-	-	2,561	-	702	-
1-09-8100-106	Software M&S - Atria Solutions-Docstar	19,000	12,643	16,390	12,643	12,643	-
1-09-8100-107	Software M&S - NemoQ-Ticketing	2,500	-	2,561	1,945	1,945	-
1-09-8100-108	Software M&S - FMT-Management Reporter	-	-	1,537	-	175	-

OPERATING EXPENSES (Continued) :			-				
1-09-8100-109	Software M&S- Neogov	5,000	-	8,195	8,240	7,922	-
1-09-8100-110	Software M&S- TruePoint	40,000	35,310	37,901	31,920	50,340	34,290
1-09-8100-111	Software M&S- Technology Unlimited	2,100	-	2,049	1,762	3,499	-
1-09-8100-112	Software M&S- Sierra Workforce-Timesheet	4,100	4,035	4,097	4,717	6,039	-
1-09-8100-113	Software M&S- Tredent-SAN Manager	-	-	3,073	-	-	-
1-09-8100-114	Software M&S- Faranics-Powersaver	200	-	-	-	225	-
1-09-8100-115	Software M&S- Network Monitoring	63,000	44,582	47,500	2,348	2,134	-
1-09-8100-116	Software M&S- VMWare-Virtualization	14,000	9,225	7,000	6,788	6,596	-
1-09-8100-117	Software M&S- iPrism-Web Filter	-	-	26,633	27,734	-	-
1-09-8100-118	Software M&S- Quest-VMWare Recovery	-	-	8,707	-	-	-
1-09-8100-119	Software M&S - Palitto Consulting (IVR)	-	-	2,750	2,599	-	-
1-09-8100-120	Software M&S - ESRI GIS Software	25,000	-	25,000	-	-	-
1-09-8100-121	Software M&S - ESRI Drone2Map	1,500	-	1,500	-	-	-
1-09-8100-122	Software M&S - Info360 (SCADA Watch)	16,000	-	-	-	-	-
1-09-8100-123	Software M&S - InfoWatch (Innovyze)	16,000	-	-	-	-	-
1-09-8100-124	Software M&S - BAMBOO HR	10,500	-	-	-	-	-
1-09-8100-140	SoftwareM&S - Starnik	-	-	-	-	-	63,274
1-09-8100-150	Software M&S- Dynamics GP	40,000	64,457	56,339	40,731	34,337	46,847
1-09-8100-200	Software - Software and Upgrades	20,000	11,682	20,487	10,812	7,216	16,845
Total Operating Expense		947,800	659,667	832,239	619,772	484,368	489,605
Total Departmental Expenses		1,739,300	1,265,200	1,229,489	994,857	739,164	726,798

**PALMDALE WATER DISTRICT
2021 BUDGET**

Customer Care

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-10-4000-000	Salaries	1,013,000	949,904	936,250	948,953	949,871	871,635
1-10-4000-100	Salaries - Departmental Overtime	7,500	5,149	7,500	3,867	6,146	4,872
	Subtotal (Salaries)	1,020,500	955,053	943,750	952,821	956,018	876,506
Employee Benefits							
1-10-4005-000	Payroll Taxes	80,000	76,045	74,750	67,863	68,934	64,404
1-10-4010-000	Health Insurance	233,000	198,346	149,500	205,882	207,455	176,657
1-10-4015-000	PERS	96,500	86,402	88,500	79,411	118,854	90,241
	Subtotal (Benefits)	409,500	360,792	312,750	353,157	395,243	331,302
	Personnel Expenses	1,430,000	1,315,845	1,256,500	1,305,977	1,351,261	1,207,808
OPERATING EXPENSES:							
1-10-4050-000	Staff Travel	2,000	(29)	2,049	4,646	1,018	1,759
1-10-4060-000	Staff Conferences & Seminars	3,100	-	3,073	3,082	673	2,090
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,000	9,900	10,244	9,906	9,900	9,900
1-10-4155-010	Contracted Services - Credit Reporting Services	4,100	3,614	4,097	4,514	3,848	3,917
1-10-4155-015	Contracted Services - AMR Services (Itron)	8,300	6,534	8,300	12,210	5,984	7,598
1-10-4155-020	Contracted Services - NEMO-Q System	3,000	2,918	-	-	-	-
1-10-4230-110	Mtce & Rep Office - Equipment	200	497	202	-	-	-
1-10-4250-000	General Material & Supplies	5,000	1,536	7,059	2,454	6,955	7,055
1-10-4260-000	Business Forms	1,000	-	1,024	871	224	-
	Total Operating Expense	36,700	24,969	36,048	37,683	28,602	32,319
	Total Departmental Expenses	1,466,700	1,340,814	1,292,548	1,343,660	1,379,862	1,240,127

PALMDALE WATER DISTRICT
Calendar Year 2021 Budget
Capital & Plant Expenditures Project Summary (Carry-over)

<i>Project No.</i>	<i>Budgeted (Carry-over)</i>	<i>Category</i>	<i>Project Type</i>	<i>CY 2021</i>
Asset/Infrastructure Related Expense (District's Share)				
14-603	Upper Amargosa Recharge Project (Portion carried over to 2021)		Water Supply	720,271
Asset/Infrastructure Related Expense				
12-400	PRGRRP - Construction & Monitor Wells/Test Basin	CES	Water Supply	20,000
12-400	PRGRRP - Geo-Technical Service	CES	Water Supply	48,500
12-400	PRGRRP - Consulting Services (Kennedy/Jenks)	CES	Water Supply	177,540
16-602	Water Main Replacement - Avenue P and 25th (Spec 1601)	NRCP	Replacement Cap.	35,000
	PRV Replacements 37th ST	NRE	Replacement Equip.	8,000
18-606	Altitude Valve - 45th St East	NRE	Replacement Equip.	22,000
	Intellispark @ Well #15	NRE	Replacement Equip.	6,500
	Tax Defaulted Properties (Approved 10/22/2018)	NCF	Land	31,500
18-614	Vault Access Issues - WTP	NRCP	Safety	44,000
	Bucket Truck (Looking at Lease Option)	NRE	Replace/New Equip.	75,635
	Hydraulic Concrete Breaker w/attachment for skidsteer	NRE	Replace/New Equip.	7,059
	Replace EOL Oasis recorder	NRE	Replace/New Equip.	25,212
	Replacement Diaphragm Pump (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	8,068
	V-67 1999 Water Truck	NRE	Replace/New Equip.	65,550
	25th St. Booster #3	RCP	Replacement Cap.	18,152
	45th St. Booster #3 Zone 2800	RCP	Replacement Cap.	23,195
	45th St. Booster #3 Zone 3000	RCP	Replacement Cap.	25,212
	Brine Storage Tanks - Well Sites (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	32,775
	District Office - Stucco Repair & Painting	RCP	Replacement Cap.	221,476
20-611	Meter Replacement Program 2020	RCP	Replacement Cap.	505,923
	NaOCL Generator Replacement (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	66,811
	Repl W.L. - Well 17 Yard Piping	RCP	Replacement Cap.	-
20-700	Vault/Large Meter (Yr. 1)	RCP	Replacement Cap.	94,721
20-601	Well 7 Rehabilitation	RCP	Replacement Cap.	188,920
	Well 16 Rehabilitation	RCP	Replacement Cap.	123,614
	Well 23 Rehabilitation	RCP	Replacement Cap.	185,421
12-400	Recharge Project Design (PRGRRP - Yr. 1 - 2020/2023)	WS	Water Supply	327,749
			Subtotal:	2,388,533
Covered under 2021 WRB Issue				
19-601	Repl WL - Avenue P @ 10TH ST E (Lockheed)	RCP	Replacement Cap.	183,540
20-605	Sierra Hwy. Tie-In and Abandonment (Harold Streets)	RCP	Replacement Cap.	140,711
20-606	Pipeline with Velocity Deficiency (2800 Zone)	RCP	Replacement Cap.	10,621
20-608	Repl WL - 17TH ST E between Avenue P4 & P8	RCP	Replacement Cap.	355,785
			Subtotal:	690,657

<i>Plant Expenditure Related Expense</i>				
04-501	Littlerock Sediment Removal - Permitting	CES	Permitting	60,000
	System Valuation Study	CES	Planning	-
	Arc Flash Study	CES	Studies & Planning	42,000
	Hazard Mitigation Plan	CES	Studies & Planning	20,000
	Public Web Site Redesign	CES	Studies & Planning	76,827
	Intranet Redesign	CES	Studies & Planning	50,000
	Human Resources Information System	CES	Studies & Planning	20,000
	Emergency Supplies	NRE	Replace/New Equip.	-
	Replacement Wackers - J Tamps (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	4,034
			Subtotal:	272,860

Total Asset/Infrastructure Projects 3,108,804

Total Plant Expenditures 272,860

Funding will come from 2021 Bond Issue =

PALMDALE WATER DISTRICT
Calendar Year 2021 Budget
Capital & Plant Expenditures Project Summary

<i>Project No.</i>	<i>Project Budget Requests (Committed)</i>	<i>Priority</i>	<i>Category</i>	<i>Project Type</i>	<i>CY 2020</i>
Asset/Infrastructure Related Expense					
	Recharge Project Design (PRGRRP - Yr. 2 - 2020/2023)	N	WS	Water Supply	750,000
	NaOCL Generator Replacement (Yr. 2 - 2020/2023)	D	RCP	Replacement Cap.	66,250
	Brine Storage Tanks - Well Sites (Yr. 2 - 2020/2023)	D	RCP	Replacement Cap.	32,500
	Well 3 Rehabilitation	D	RCP	Replacement Cap.	195,723
	Well/Booster Rehab (Yr. 1 - 2021/2024)	D	RCP	Replacement Cap.	95,000
	Booster Building Rehabilitation (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	35,000
	Hypo Generator	D	RCP	Replacement Cap.	800,000
	Vault/Large Meter (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	112,500
	Palmdale Ditch Improvements (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	15,000
	Parking Lot Re-Surfacing - Administration and N.O.B.	D	RCP	Replacement Cap.	130,000
	Radio System for SCADA (Yr. 1 - 2021/2024)	N	NRE	Replace/New Equip.	50,000
	Replacement Diaphragm Pump (Yr. 2 - 2020/2023)	N	NRE	Replace/New Equip.	8,000
	Replacement Wackers - J Tamps (Yr. 2 - 2020/2023)	N	NRE	Replace/New Equip.	4,000
	Soft Starts Units (Well & Booster Sites - Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	32,000
	Cooling Unit for Fab Shop	N	NRE	Replace/New Equip.	4,500
	Cat C-7 engine rehabilitation (Yr. 1 - 2021/2022)	N	RCP	Replacement Cap.	30,000
	Replace SCADAPack 32 with SCADAPack 575 (Yr. 1 - 2021/2024)	N	NRE	Replace/New Equip.	43,750
	V-60 1998 Utility	N	NRE	Replace/New Equip.	23,000
	V-101 2007 Cat 420E Backhoe	N	NRE	Replace/New Equip.	160,000
	V-04 1991 Dump Truck	N	NRE	Replace/New Equip.	65,000
	V-68 1999 Utility			Lease	-
				Subtotal:	2,652,223
Covered under 2021 WRB Issue					
	Pipeline Design (2020/2021)	N	NCP	New Capital	512,177
	Repl WL - Avenue Q6 from 12th to 15th ST E (2800' Zone)	N	RCP	Replacement Cap.	280,898
	Repl WL - Pipeline with Velocity Deficiency (2950 Zone)	N	RCP	Replacement Cap.	37,240
16-608	Repl WL - Avenue Q1, Q2, Q3, Q4, & Q5 @ 5th ST E (Spec 1603)	D	RCP	Replacement Cap.	86,000
	Well #36	N	NCP	New Capital	2,500,000
	Repl WL - Avenue Q14 and 15th ST E	D	RCP	Replacement Cap.	56,700
	Repl WL - Avenue Q10 and 12th ST E	D	RCP	Replacement Cap.	47,000
				Subtotal:	3,007,838

<i>Plant Expenditure Budget Requests (Committed)</i>			<i>Category</i>	<i>Project Type</i>	<i>CY 2020</i>
<i>Plant Expenditure Related Expense</i>					
	GIS enhancement (Yr. 2 - 2020/2024)	N	CES	Studies & Planning	75,000
	Data Warehousing	N	NRE	Replace/New Equip.	60,000
	Mass Communications	N	NRE	Replace/New Equip.	60,000
	Customer Mobile App	N	NRE	Replace/New Equip.	25,000
	GIS Drone	N	NRE	Replace/New Equip.	15,000
	Cameras for Dam & Windmill	N	NRE	Replace/New Equip.	8,000
	Gig to desktop/Infrastructure Refresh (Yr. 1 - 2021/2024)	N	CES	Studies & Planning	50,000
	Annual Sediment Removal of 38,000 cubic yards	N		O&M Funds	600,000
				<i>Subtotal:</i>	893,000

Total Asset/Infrastructure Project Requests 2,652,223

Total Plant Expenditures 893,000

Funding will come from 2021 Bond Issue =

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: November 18, 2020 **November 23, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 8.2.a – NOVEMBER 2020 GENERAL MANAGER REPORT***

The following is the November 2020 report to the Board of activities through October 2020. It is organized to follow the District's 2020 Strategic Plan approved in August 2020 and composed of six strategic initiatives. The initiatives follow for reference. It is intended to provide a general update on the month's activities.

PWD 2020 STRATEGIC PLAN SUMMARY



Water Resource Reliability: *Resilience, Development, Partnership*

Support and participate with local agencies in the development of projects and policies that improve water reliability

Expand the recycled water distribution system for both public access and construction water

Continue the Palmdale Regional Groundwater Recharge and Recovery Project to maximize state and federal funding opportunities

Support projects and initiatives that increase the resilience of the State Water Project

Expand access to available water supplies to increase drought resiliency, develop water storage projects, and improve the ability to capture groundwater, local surface water, and recycled water

Update the 2010 Strategic Water Resources Plan and Water Supply Fee to ensure funding for needed projects

Strengthen stakeholder relationships and implement Littlerock Dam and Reservoir sediment removal



Organizational Excellence: *Train, Perform, Reward*

Offer competitive compensation and benefits package for employee recruitment and 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

Ensure employees are trained on the Strategic Plan and the District's Values of Diversity, Integrity, Teamwork, and Passion

Improve safety for Directors, employees, and customers

Develop career paths at the District for interns and pursue state and federal funding for intern programs

Involve employees in community engagement and professional platforms



Systems Efficiency: *Independence, Technology, Research*

Explore energy independence and evaluate the feasibility of energy options, including wind and solar

Incorporate more energy efficient technologies into the District's infrastructure

Advance new technologies to increase treatment efficiencies, including the use of Granular Activated Carbon (GAC)

Research state-of-the-art treatment techniques to help with systems efficiency and flexibility in using recycled water and surface water

Enhance technologies to increase efficiencies

Re-evaluate Lake Palmdale by-pass pipeline and pursue funding options

Improve Palmdale Ditch to reduce water loss



Financial Health and Stability: *Strength, Consistency, Balance*

Pursue grant funding for District projects and operations

Maintain the five-year financial plan adopted as part of the 2019 Water Rate Study, including the five-year Capital Improvement Plan

Build adequate reserve levels and achieve high-level bond rating

Seek potential revenue sources from vacant District properties

Monitor finances, operations, and projects affected by emergencies

Digitize and document departmental workflows



Regional Leadership: *Engage, Lead, Progress*

Increase involvement with water, business, and community partnerships

Provide opportunities for local businesses to contract with the District

Expand the Greater Antelope Valley Water Emergency Coalition by continuing to collaborate with neighboring water agencies and moving to include more agencies outside of the Antelope Valley

Develop working relationships and mutually beneficial projects with other water agencies in the District's state and federal representatives' districts

Develop events or activities with lessees of District properties

Host a 100th anniversary celebration for a fully re-opened Littlerock Dam and Reservoir recreation area in 2024



Customer Care, Advocacy and Outreach: *Promote, Educate, Support*

Enhance customers' experience through communication and feedback

Evaluate, develop, and market additional payment options

Develop the District's Public Outreach Plan and increase public awareness of current programs and services

Develop partnerships with various agencies to distribute information about resources available to the public

Engage elected officials and the public on the importance of local, state, federal, and global water reliability issues

Expand the District's social media platforms and find new avenues to share information and news

Plan and convert to an Advanced Metering Infrastructure (AMI) to increase customers' knowledge of water use

Continue to promote and expand school water education programs

Overview

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 final water production and customer use graph, 2020 actual water production and customer use graph, mainline leaks, and the water loss trends for both 12- and 24-month running averages.



Water Resource Reliability *Resilience, Development, Partnership*

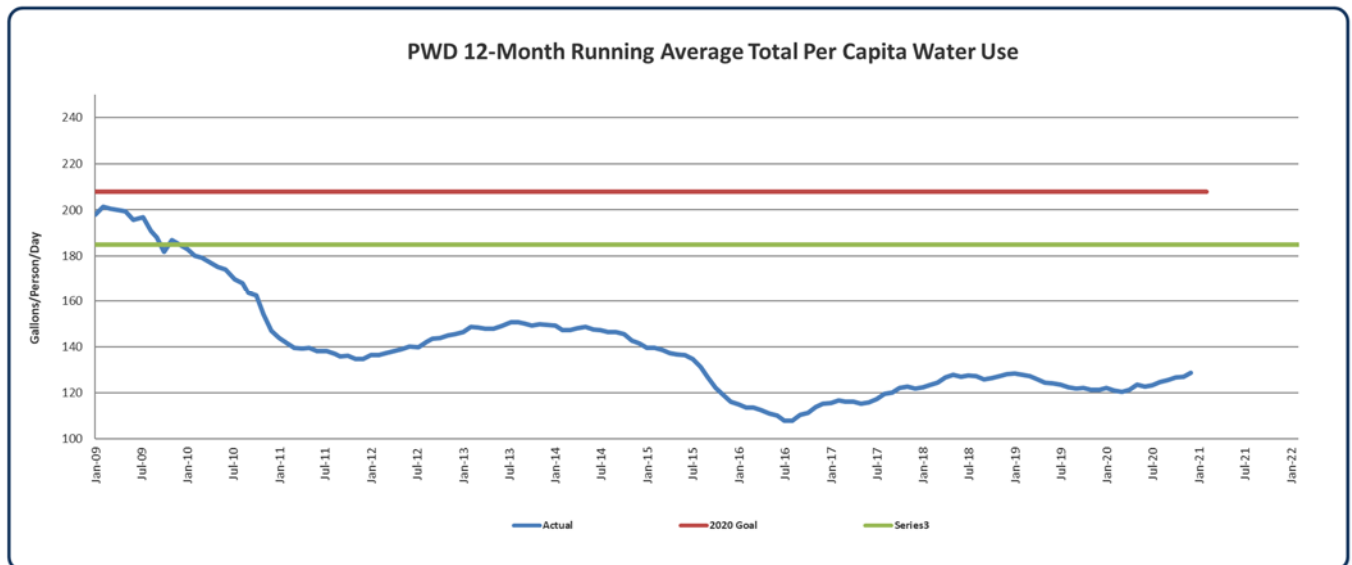
This initiative includes conservation efforts, water supply projects, and water planning.

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’s water budget rate structure. More will be known as Kennedy/Jenks works with staff on the 2020 Urban Water Management Plan. Until these criteria are finalized, the customers’ performance is shown in this report using the 20 x 2020 requirements.

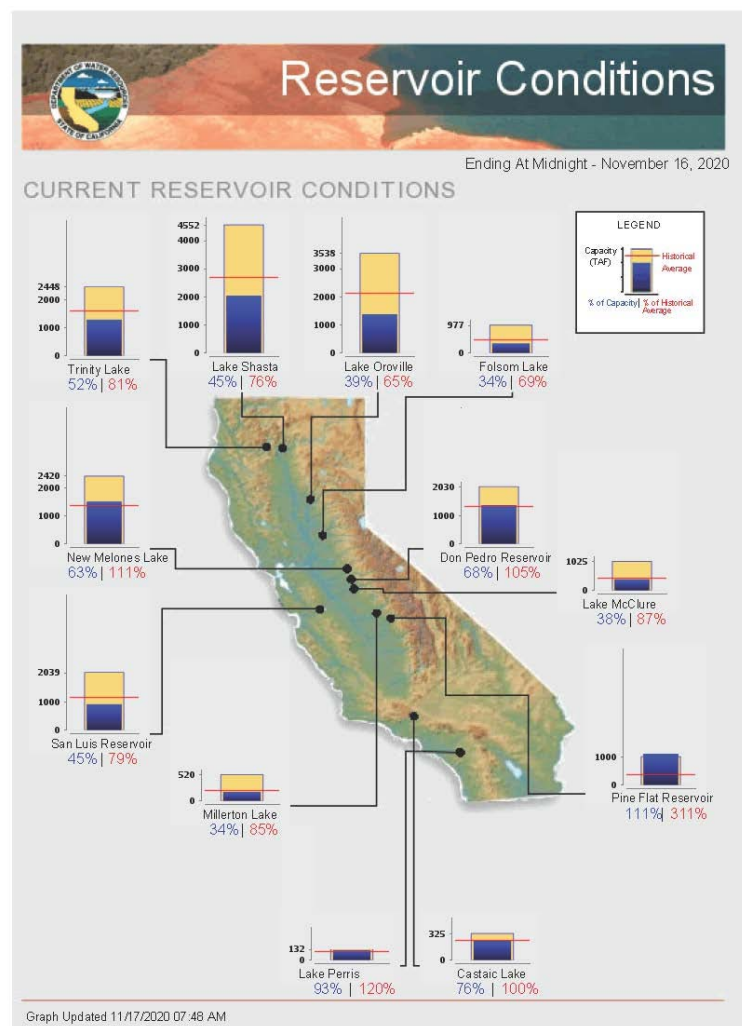
The District’s compliance with the former 20 x 2020 law is evident from the chart titled “PWD 12-Month Running Average Total Per Capita Water Use:”



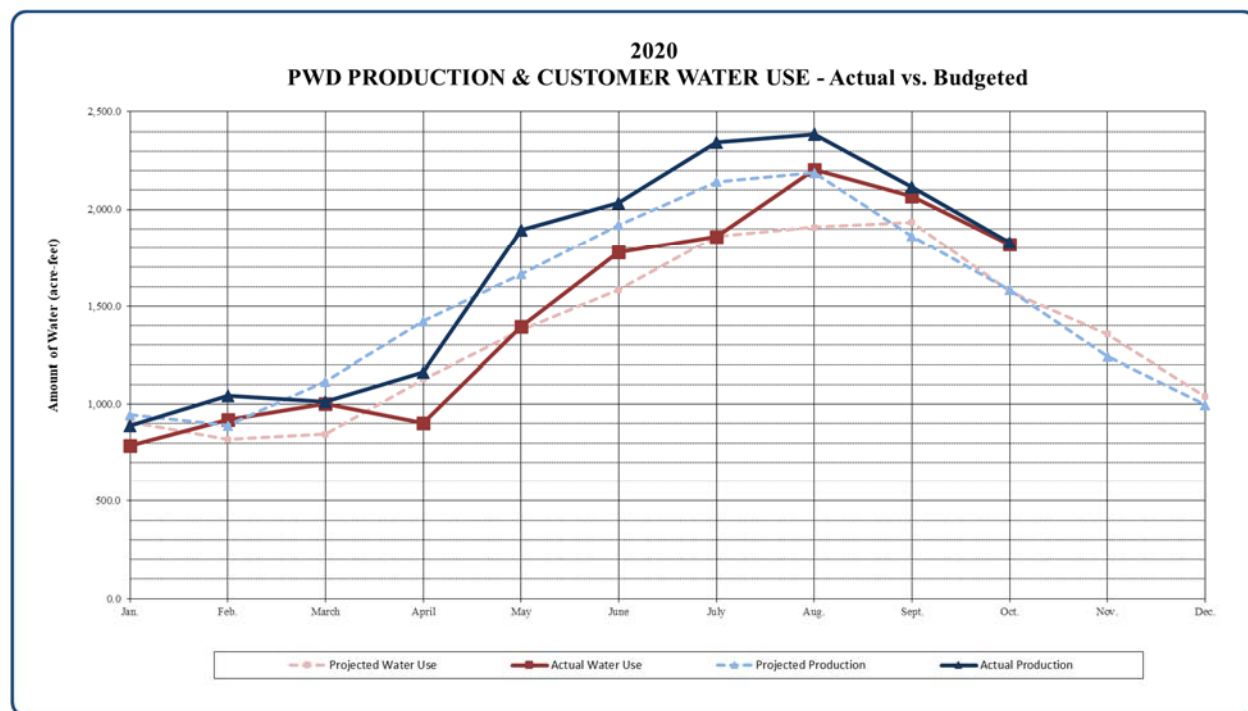
The District’s customers have cut their water use by **44.2%** from the baseline number of 231 established in the 2015 Urban Water Management Plan and met the 2020 Goal in early 2010. The current Total-GPCD is 129.

Water Supply Information

- The AV Adjudication is now entering its fifth year, and the reduction to the native safe yield is in its third year. The District's native groundwater right is 2,769.63 AF. The District's 2019 groundwater rights totaled 7,986.67 AF without the prior year's Carryover Rights. The District's 2020 groundwater rights are approximately 8,188 AF and 9,465.83 AF of Carryover production rights from 2019 for a total groundwater production right available to the District of 17,653.96 AF.
- The 2020 water resources plan is tentative at this point. Precipitation in the area that contributes to the State Water Project is currently at 63% of average and the SWP allocation is 20%. This provides the District approximately 6,260 AF, including the Butte County lease. Over 4,000 AF was used from Littlerock Reservoir. The District also received other water including the Yuba Accord Water, LCID SWP water, and carryover SWP from 2019. These efforts, along with the District's available groundwater rights, will lessen any needed conservation needed by our customers this year. The current reservoir storage as of Tuesday, November 17, 2020:



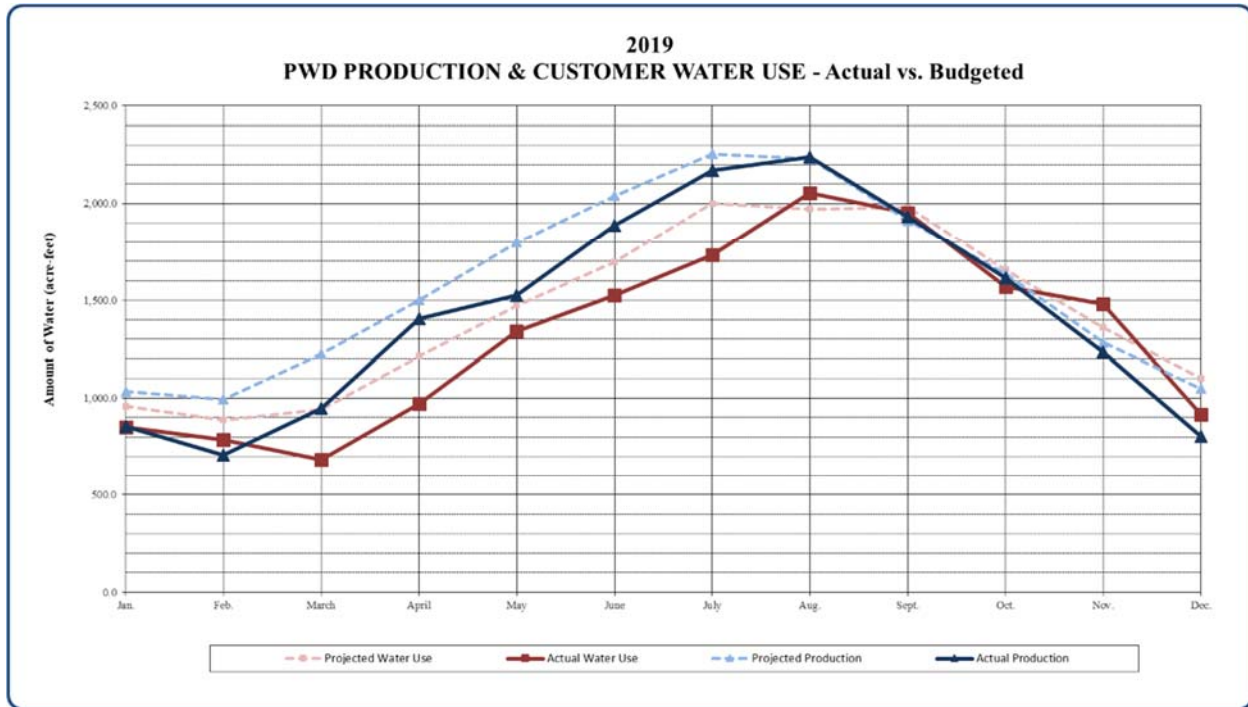
- The following is the anticipated monthly water consumption and production for 2020 based on the prior five years of actual monthly information. The total consumption is based on the 2020 Budget amount of 16,341 AF. Actual consumption numbers through October 2020 is 5.7% (796.6 AF) more than anticipated, and water production is 6.2% (979.8 AF) more than anticipated. The following graph shows water use remains higher than anticipated for the year, though relatively close to the projected totals.



- The following table compares the 2020 year-to-date water use information with 2019. It shows an increase in both production and consumption of 9.4% through the end of October.

Year to Date Comparisons								
Year to Date	Total Prod.	Total Billed	Water Loss			Aver. Active	Aver. Gallons	Aver. Per Cap. Use
Through:	(ac.-ft.)	(ac.-ft.)	(ac.-ft.)	(year %)	(12 mo %)	Connections	per Conn./month	(gal/day/per.)
Oct. 31, '19	15,281.7	13,474.3	1,807.4	11.8	8.7	26,710	16,436	123.1
Oct. 31, '20	16,716.1	14,740.1	1,976.0	11.8	8.6	26,782	17,928	132.6
Increase	1,434.4	1,265.9	168.5	0.0	0.0	72	1,492	9.5
% Increase	9.4	9.4	9.3	-0.1	-0.5	0.3	9.1	7.7
5 yr. Average ('15-'19)	13,655.8	11,931.3	1,724.5	12.6	9.2	26,618	16,226	122

- The following graph shows actual monthly amounts for 2019 for both production and consumption for comparison.



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. The work was completed in January 2020 and ASI has left the site.

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. However, the potential openings this year were canceled due to the COVID-19 pandemic.

Staff is working with the gravel quarry owners for the disposal of sediment from Littlerock Reservoir. These discussions have been hampered due to the COVID-19 pandemic. This has prevented starting sediment removal this year. However, a new round of discussions seems more promising for sediment removal related to the Bobcat Fire.

- 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 received in 2018 and information is being collected to address them.

A contract was awarded by the Board in April to drill and construct a test well at a different location on the proposed project site. The drilling is now complete, it is being equipped as a monitoring well, and the aquifer information is being accessed.

- The Upper Amargosa Creek Recharge Project is complete. 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 resulted in an amendment to the agreement with the City of Palmdale to the District, LA County Waterworks, and AVEK for additional funding. The District is working with DWR to deliver water to the Project for recharge on a continuing basis.
- Delta Conveyance Facility (DCF): 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, the development of the Agreement in Principle, and will provide it to the Board for consideration later this year.

Another set of amendments to the State Water Project Contract have been negotiated. These changes provide for increased flexibility for SWP contractors to develop long-term exchanges of water within the SWP. This will be beneficial for all the contractors and will help the District maintain the SWP's current level of reliability for our customers. The Board approved this contract amendment in October.



Organizational Excellence *Train, Perform, Reward*

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

- Training is an important part of the District's operations. There are several state and federal required trainings including confined space, harassment, and hazmat labeling. These are addressed through a combination of online training and classes. Many of the classes are provided through ACWA/JPIA at no cost. The District also opens these up for surrounding districts needing the same training. The District is recognized annually by JPIA for being willing to host these classes.

Nearly 80 percent of the District staff is required to have certifications or licenses issued by the State of California. Many of these have continuing education requirements which must be met by technical training. The District provides for this in several ways including hosting classes given by the California Rural Water Association, having a training budget for staff to attend conferences, and providing an education tuition allowance for each employee.

Additionally, the District provides educational sessions through the Employee Assistance Program twice a year on personal subjects such as work/life balance, financial health, and wellness. These are chosen by the staff through the Communication Committee. The District also provides professional training for its management staff.

- COVID-19 Pandemic Response: District staff initiated a draft Pandemic Response Plan on March 4, 2020 as the State of California and County of Los Angeles issued declarations of emergency. Over the next two weeks, many District events were canceled. These included the Water Ambassadors Academy third session and facility tour, Strategic Plan Workshop, Director Alvarado Coffee, and all-staff lunch and meeting. The District also reduced the lobby's capacity and eventually closed it to the public due to Los Angeles County health orders. The other options to conduct business with the District, including using the website, calling Customer Care, using the automated phone system, and using remote payment sites, were promoted on social media, the website, and radio spots. The District has also complied with social distancing regulations by updating the Pandemic Response Plan, rotating staff to work from home, staggering work hours, and providing non-medical face coverings for staff.
- Despite the pandemic, the District has continued to find ways for internships and training opportunities for college and high school students who are interested in the water industry.
- Several changes to the organization chart have been approved by the Board that provide opportunities for staff to prepare, compete, and further their careers at the District. These will help provide qualified pools of internal candidates to fill the positions of retiring staff.

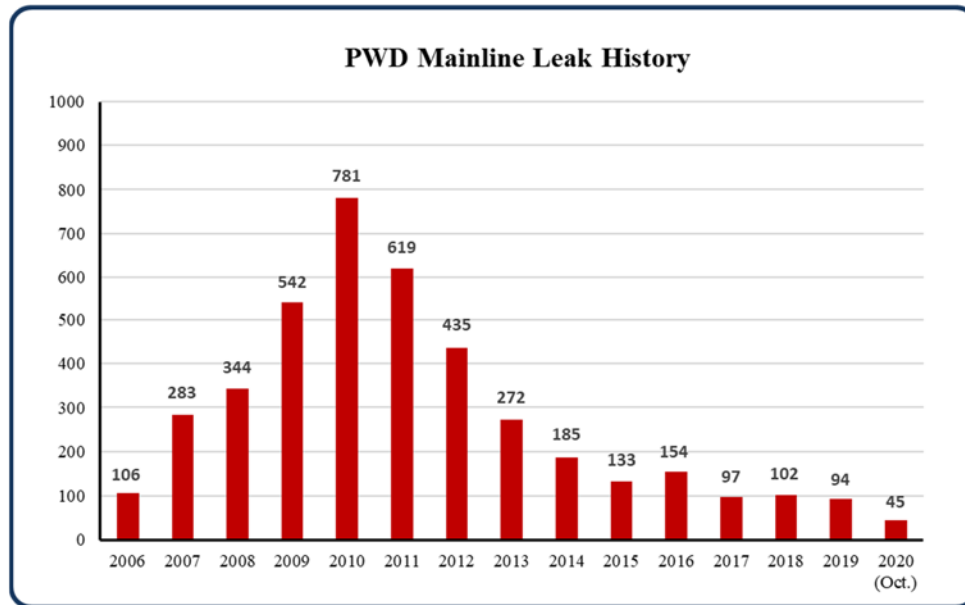


Systems Efficiency *Independence, Technology, Research*

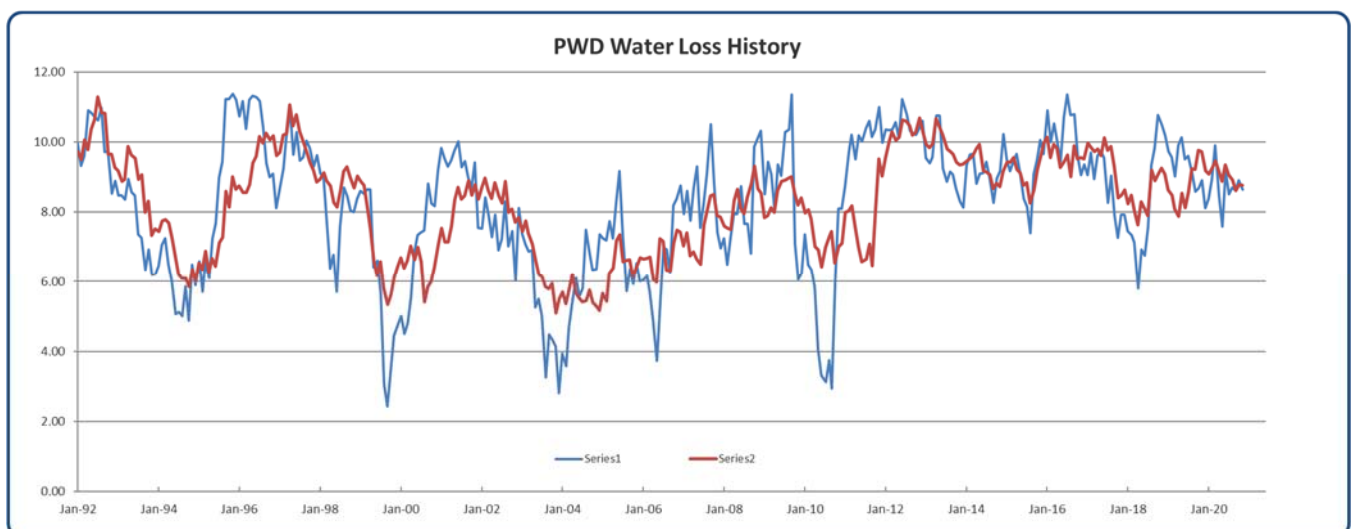
This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- 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 through October 2020 total 45, and there were 72 service line leaks.



- The District awarded two water main replacement projects this year. One is in Avenue P near 25th Street East, and the other is in Avenue V-5 west of 47th Street East. Work is complete on the Avenue V-5 project. Work is nearly complete on the Avenue P project.
- 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 remains under 10%.



- District staff is currently looking at two energy technologies that could benefit our customers. One is the use of batteries for backup power at certain booster facilities. The other is a demonstration project for the generation and storage of hydrogen. These are in addition to the recently publicized \$20M de-energization grant program.



Financial Health and Stability *Strength, Consistency, Balance*

- PWD and City of Palmdale staffs have worked together to obtain funding for the Palmdale Recycled Water Authority (PRWA) Phase II Project. 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.

One source of funding is the AV Integrated Regional Water Management Plan (IRWMP) grant program. The Littlerock Sediment Removal and PRWA Phase II Projects are set to receive nearly \$900,000 for each project in the current round of funding. The other potential source of funding is the State's revolving fund program under the State Water Resources Control Board. This application process is active and is expected to fund the majority of the Project. The program can provide a 35% grant and a low-interest loan on the remaining costs.

- The 2019 Water Rate Study and Proposition 218 was completed last year when the Board unanimously approved Resolution No. 19-15. This set the water rate structure and water rates for 2020-2024.

Resolution No. 19-15 also includes criteria to evaluate the District's financial condition each year. It gives the Board the ability to reduce the water rates if the District's financial position meets four (4) of the criteria in an annual review while preparing the following year's budget.

- The 2021 Budget preparation has begun following the approved 2019 Water Rate Plan and is planned for the Board's consideration in November.
- The District is seeking State and/or Federal assistance to provide water service to the Alpine Springs Mobile Home Park on Sierra Highway. It has poor water quality from its well and several health violations.
- The District has applied for Federal assistance to enclose additional sections of the Palmdale Ditch. This will help reduce the loss of water being moved from Littlerock Dam and Reservoir to Palmdale Lake for treatment and use by our customers.

- The Finance Department is continuing to monitor the effect of the State's moratorium on shutoffs due to nonpayment on cash flow. The effect is fluctuating somewhat but is remaining 5% or less below what is usually expected. Reminder notices were restarted in June and have helped stabilize the number of long-term outstanding accounts. Customers with large outstanding balances are also being contacted to see what assistance the District can provide. Staff is also placing property liens as appropriate to help secure payment of large, outstanding bills.
- District staff and financial consultants completed refunding a portion of the 2013A Revenue Bonds. The work involved the appropriate documents, getting an updated bond rating from Standard & Poor, and bringing the documents to the Board for consideration in October. Approximately \$14.55M of the bonds were refunded saving the District \$67,103/year in debt payments. The refunding of a smaller portion of the same bond issue earlier this year saves the District approximately \$46,000/year. Together, these actions save the District approximately \$113,000 in debt payments every year.



Regional Leadership

Engage, Lead, Progress

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), AV Integrated Regional Water Management Plan (IRWMP), and Antelope Valley State Water Contractors Association have continued. The District has leadership positions in two of these organizations.
- The District staff continues to share the administration of the Antelope Valley Watermaster Board (AVWB) with AVEK and related meetings.
- District staff is active in the local chambers, the transition of the AV Board of Trade and Greater Antelope Valley Economic Alliance into AV EDGE, regional human resources, and public information organizations.
- The 2020 "PWD Water Ambassador Academy" (WAA) began in March. However, the last session and the facilities tour were canceled due to the COVID-19 event. The third session was held virtually on August 12, 2020. The facilities tour was held in September.
- 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. This approach also kept the

District in a good position for compliance with the America's Water Infrastructure Act (AWIA) of 2018 and responding to the current COVID-19 event.

The District met the deadline of March 31, 2020 to complete a security/vulnerability assessment under the AWIA and the September 20, 2020 deadline to certify the updated. Emergency Response Plan.

- The District is revising the American Indian Little League lease for the property at Division and Avenue P-8 to only include the League. The City of Palmdale will continue to assist the League under a separate agreement.



Customer Care, Advocacy, and Outreach *Promote, Educate, Support*

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

- The Board approved moving forward with a new supplier, meter brand, and reading system at the first meeting in September. This change moves the District toward being able to offer customers more information about their water use.
- The ability to make payments at 7-Eleven and Family Dollar Store is continuing to grow due to the COVID-19 event.
- Customer participation in all electronic and remote payment methods has increased due to the COVID-19 event.
- Customer Care staff has now successfully worked with customers from home for over six months.
- Staff successfully conducted virtual coffee meetings with Directors and their constituents, issued regular internal and public newsletters, coordinated drive-through giveaways for customers, and monitored and maintained the District's social media.

Bobcat Fire Update

The Bobcat Fire began near Cogsdale Reservoir north of Arcadia on September 6, 2020. It entered into the Littlerock Reservoir watershed on September 12, 2020. It burnt through approximately 58% of the watershed as well as a large part of Juniper Hills. Staff will be looking at the effects of the Fire on using water from Littlerock Reservoir.

Staff met with the Angeles National Forest (ANF) for an update on the watershed's condition, has inquired about available USDA emergency funding to address potential debris flows into Littlerock Reservoir, and is investigating permit amendments needed to start sediment removal sooner than previously planned. ANF also stated a closure order is now in effect through April 1, 2022 due to safety concerns related to the Bobcat Fire and will provide additional information about the Bobcat Fire by the end of the year. Staff will schedule time in a future agenda to present it to the Board.

The following map shows the Bobcat Fire, Station Fire, and the Littlerock Reservoir watershed.

