



PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

Fax (661) 947-8604

www.palmdalewater.org

Board of Directors

ROBERT E. ALVARADO
Division 1

JOE ESTES
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

LAGERLOF, SENEAL, GOSNEY & KRUSE LLP
Attorneys



January 2, 2014

*Agenda for Regular Meeting
of the Board of Directors of the Palmdale Water District
to be held at the District's office at 2029 East Avenue Q, Palmdale
Wednesday, January 8, 2014
7:00 p.m.*

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. 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.

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.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) No presentations scheduled at this time.

- 6) Action Items - Consent 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.)
 - 6.1) Approval of minutes of regular meeting held December 11, 2013.
 - 6.2) Ratification of payment of bills for December 25, 2013.
 - 6.3) Payment of bills for January 8, 2014.
 - 6.4) Approval of Pipeline Crossing Agreement with Union Pacific Railroad Company for the All Parts Auto Recycling Center Railroad Crossing. (Assistant General Manager Knudson)
 - 6.5) Approval of Resolution No. 14-1 Authorizing Specified Individuals to Transact Business with UBS Financial Services, Inc. (Finance Manager Williams)
 - 6.6) Approval of Resolution No. 14-2 Authorizing Specified Individuals to Transact Business with Citizens Business Bank. (Finance Manager Williams)
- 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 Special District LAFCO Alternate Representative. (General Manager LaMoreaux)
 - 7.2) Discussion of and possible action on appointment of the District's Standing Committees. (President Mac Laren)
 - 7.3) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors: Meetings, Committee meetings, and general report.
 - 8.2) Report of General Manager.
 - a) Monthly Department Reports.
 - b) Status report on Cash Flow Statement and Current Cash Balances as of November 30, 2013 (Financial Advisor Egan); Financial Statements, Revenue and Expense and Departmental Budget Reports for November 30, 2013 (Finance Manager Williams); and committed contracts issued (Assistant General Manager Knudson).
 - 8.3) Report of Attorney.
- 9) Public comments on closed session agenda matters.
- 10) Closed session under:
 - 10.1) Government Code Section 54956.9(d)(1), pending litigation: *Antelope Valley Ground Water Cases*.

- 10.2) Government Code Section 54956.9(d)(1), pending litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW.*
- 10.3) Government Code Section 54956.9(d)(1), pending litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561.*
- 10.4) Government Code Section 54956.9(d)(1), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.*
- 11) Public report of any action taken in closed session.
- 12) Consideration and possible action on 2014 budget. (General Manager LaMoreaux/Department Heads)
- 13) Board members' requests for future agenda items.
- 14) Adjournment.


DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: December 31, 2013 **January 8, 2014**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Matthew R. Knudson, Assistant General Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.4 – APPROVAL OF PIPELINE CROSSING
AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY FOR
THE ALL PARTS AUTO RECYCLING CENTER RAILROAD CROSSING***

Recommendation:

Staff recommends approving the attached Pipeline Crossing Agreement between Union Pacific Railroad (UPRR) and Palmdale Water District (District).

Alternative Options:

There are no alternatives. The District is required to enter into the attached agreement prior to Union Pacific Railroad Company authorizing the construction, operation, and maintenance of the proposed water main within their right-of-way.

Background:

All Parts Auto Recycling, Inc. has proposed an automotive recycling center, located specifically on the west side of 8th Street East just south of Rancho Vista Boulevard (APN 3022-001-027).

The District has determined that currently there are no existing facilities to serve the proposed project and is requiring that facilities be extended in 8th Street East just south of Rancho Vista Boulevard to the intersection of Avenue P-8 to accommodate service to the proposed development. Said extension will cross an existing Union Pacific Railroad spur that crosses 8th Street East (east and west) located a few hundred feet south of Rancho Vista Boulevard.

All Parts Auto Recycling, Inc. is responsible for all costs and coordination associated with the design, permitting, and construction of the facilities necessary to extend said water main in 8th Street East. Water system improvement plans are currently being reviewed and processed.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

December 31, 2013

All potable water facilities constructed shall be designed and constructed per PWD Specifications and will become the District's facilities upon acceptance by the District, therefore, the attached Pipeline Crossing Agreement is necessary for the construction, operation, and maintenance of the proposed water main that will be crossing the UPRR right-of-way along 8th Street East.

Strategic Plan Element:

This work is part of Strategic Goal 3.1 – Plan for improvements and expansion of the existing water delivery infrastructure.

Budget:

The proposed Pipeline Crossing Agreement requires a one-time fee in the amount of \$2,500 which will be paid for by Developer.

Supporting Documents:

- Proposed Railroad Crossing Agreement between UPRR and PWD
- Exhibit “E” showing location of the proposed railroad crossing

PIPELINE CROSSING AGREEMENT

Mile Post: 412.53, Mojave (Opp 412.25) Subdivision/Branch
Location: Palmdale, Los Angeles County, California

THIS AGREEMENT ("Agreement") is made and entered into as of November 25, 2013, ("Effective Date") by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation, ("Licensor") and **PALMDALE WATER DISTRICT**, to be addressed at 2029 East Avenue Q, Palmdale, California 93550 ("Licensee").

IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article 1. LICENSOR GRANTS RIGHT.

In consideration of the license fee to be paid by the Licensee and in further consideration of the covenants and agreements herein contained to be by the Licensee kept, observed and performed, the Licensor hereby grants to the Licensee the right to construct and thereafter, during the term hereof, to maintain and operate

One 12 inch encased pipeline for transporting and conveying water only

across Licensor's track(s) and property (the "Pipeline") in the location shown and in conformity with the dimensions and specifications indicated on the print dated November 22, 2013 and marked **Exhibit A**, attached hereto and hereby made a part hereof. Under no circumstances shall Licensee modify the use of the Pipeline for a purpose other than transporting and conveying water, and the Pipeline shall not be used to convey any other substance, any fiber optic cable, or for any other use, whether such use is currently technologically possible, or whether such use may come into existence during the life of this Agreement.

For the purposes of Exhibit A, Licensee acknowledges that if it or its contractor provides to Railroad digital imagery depicting the Pipeline crossing, Licensee authorizes Railroad to use the Digital Imagery in preparing the print attached as an exhibit hereto. Licensee represents and warrants that through a license or otherwise, it has the right to use the Digital Imagery and to permit Railroad to use the Digital Imagery in said manner.

Article 2. LICENSE FEE.

Upon execution of this Agreement, the Licensee shall pay to the Licensor a one-time License Fee of **Two Thousand Five Hundred Dollars (\$2,500.00)** and an Administrative fee of \$500 for agreement term modification and legal review.

Article 3. CONSTRUCTION, MAINTENANCE AND OPERATION.

The grant of right herein made to the Licensee is subject to each and all of the terms, provisions, conditions, limitations and covenants set forth herein and in **Exhibit B**, attached hereto and hereby made a part hereof.

Article 4. DEFINITION OF LICENSEE.

For purposes of this Agreement, all references in this Agreement to the Licensee shall include the Licensee's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority. If a contractor is hired by the Licensee for any work performed on the Pipeline (including initial construction and subsequent relocation or maintenance and repair work), then the Licensee shall provide a copy of this Agreement to its contractor and require its contractor to comply with all the terms and provisions hereof relating to the work to be performed. Any contractor or subcontractor shall be deemed an agent of Licensee for the purpose of this Agreement, and Licensee shall require such contractor or subcontractor to release, defend and indemnify Licensor to the same extent and under the same terms and conditions as Licensee is required to release, defend and indemnify Licensor herein.

Article 5. INSURANCE.

A. During the life of the Licensee, Licensee shall fully comply with the insurance requirements described in **Exhibit C**.

B. Failure to maintain insurance as required shall entitle, but not require, Licensor to terminate this License immediately.

C. If the Licensee is subject to statute(s) limiting its insurance liability and/or limiting its ability to obtain insurance in compliance with **Exhibit C** of this license, those statutes shall apply.

D. Licensee hereby acknowledges that it has reviewed the requirements of **Exhibit C**, including without limitation the requirement for Railroad Protective Liability Insurance during construction, maintenance, installation, repair or removal of the pipeline which is the subject of this Agreement.

Article 6. TERM.

This Agreement shall take effect as of the Effective Date first herein written and shall continue in full force and effect until terminated as herein provided.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY

PALMDALE WATER DISTRICT

By: _____
Kylan Crawford
Manager

By: _____

Name Printed: _____

Title: _____

11-8-13

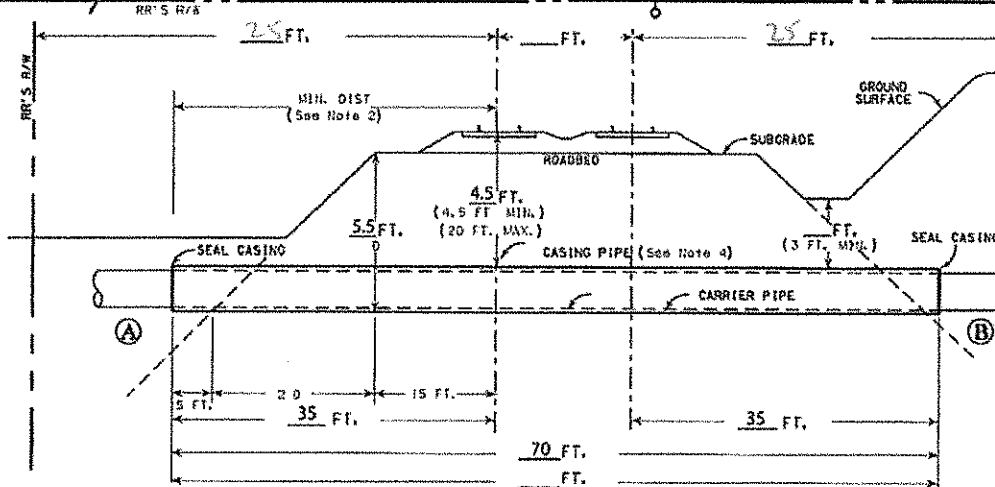
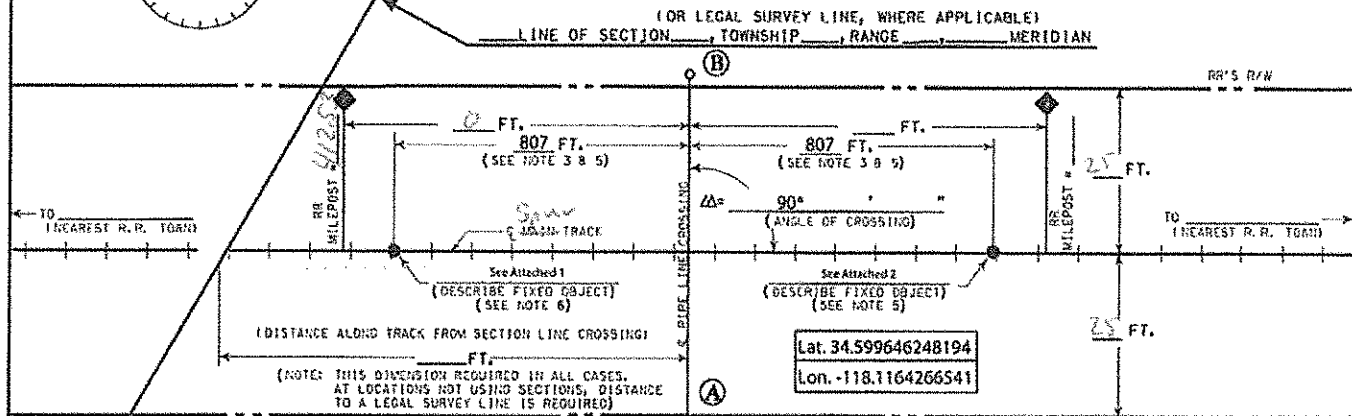
FORM DR-0404-B
REV 10-22-2007
www.uprr.com
NO SCALE

PLACE ARROW INDICATING NORTH
DIRECTION RELATIVE TO CROSSING



ENCASED NON-FLAMMABLE PIPELINE CROSSING

NOTE: ALL AVAILABLE DIMENSIONS MUST BE
FILLED IN TO PROCESS THIS APPLICATION.



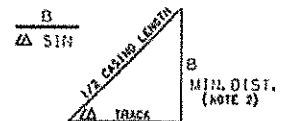
STEEL CASING WALL THICKNESS CHART

MINIMUM THICKNESS	DIAMETER OF CASING PIPE
.2500"	1/4"
.3125"	5/16"
.3750"	3/8"
.4375"	7/16"
.5000"	1/2"
.5625"	9/16"
.6250"	5/8"
	12" OR LESS
	OVER 12"-18"
	OVER 18"-22"
	OVER 22"-28"
	OVER 28"-34"
	OVER 34"-42"
	OVER 42"-48"

OVER 48" MUST BE
APPROVED BY R.R. CO.

NOTE: THIS CHART IS ONLY
FOR SMOOTH STEEL CASING
PIPES WITH MINIMUM YIELD
STRENGTH OF 35,000 PSI.

FORMULA TO FIGURE CASING
LENGTH WITH ANGLE OF
CROSSING OTHER THAN 90°



NOTES:

- ALL HORIZONTAL DISTANCES TO BE MEASURED AT RIGHT ANGLES FROM R. OF TRACK.
- CASING TO EXTEND BEYOND THE R. OF TRACK AT RIGHT ANGLES THE GREATER OF 20 + 20 FT., OR 30 FT., AND BEYOND LIMIT OF RAILROAD RIGHT-OF-WAY IF NECESSARY TO PROVIDE PROPER LENGTH OUTSIDE OF TRACK.
- MINIMUM OF 50' FROM THE END OF ANY RAILROAD BRIDGE, R. OF ANY CULVERT, OR FROM ANY SWITCHING AREA.
- SIGNAL REPRESENTATIVE MUST BE PRESENT DURING INSTALLATION IF RAILROAD SIGNALS ARE IN THE VICINITY OF CROSSING.
- ALLOWABLE FIXED OBJECTS INCLUDE: BACKWALLS OF BRIDGES; R. OF ROAD CROSSINGS OR OVERHEAD VIADUCTS (GIVE ROAD NAME), OR CULVERTS.
- CASING AND CARRIER PIPE MUST BE PLACED A MINIMUM OF 2 FEET BELOW THE EXISTING FIBER OPTIC CABLE. ANY EXCAVATION REQUIRED WITHIN 5 FEET OF THE EXISTING FIBER OPTIC CABLE MUST BE HAND DUG.

A) IS PIPELINE CROSSING WITHIN DEDICATED STREET? ☒ YES; ☐ NO;

B) IF YES, NAME OF STREET 8TH STREET EAST

D) DISTRIBUTION LINE ☒ OR TRANSMISSION LINE ☐

C) CARRIER PIPE:

COMMODITY TO BE CONVEYED WATER

OPERATING PRESSURE 65 PSI

WALL THICKNESS 0.6; DIAMETER 12; MATERIAL DUCTILE IRON

E) CASING PIPE:

WALL THICKNESS 0.5; DIAMETER 26; MATERIAL STEEL

NOTE: CASING MUST HAVE 2" CLEARANCE BETWEEN GREATEST OUTSIDE DIAMETER OF CARRIER PIPE AND INTERIOR DIAMETER OF CASING PIPE. WHEN FURNISHING DIMENSIONS, GIVE OUTSIDE OF CARRIER PIPE AND INSIDE OF CASING PIPE.

F) METHOD OF INSTALLING CASING PIPE UNDER TRACK(S):

☒ DRY BORE AND JACK (WET BORE NOT PERMITTED);

☐ TUNNEL; OTHER

G) WILL CONSTRUCTION BE BY AN OUTSIDE CONTRACTOR? ☐ YES; ☒ NO;

H) DISTANCE FROM CENTER LINE OF TRACK TO NEAR FACE OF BORING AND JACKING PITS WHEN MEASURED AT RIGHT ANGLES TO TRACK 30 MIN.)

I) APPLICANT HAS CONTACTED 1-800-336-9193, U. P. COMMUNICATION DEPARTMENT, AND HAS DETERMINED FIBER OPTIC CABLE ☒ DOES; ☐ DOES NOT; EXIST IN VICINITY OF WORK TO BE PERFORMED. TICKET NO. 20091014022

EXHIBIT "A"

(FOR RAILROAD USE ONLY)

UNION PACIFIC RAILROAD CO.

Mojuve (Spur off. 412.25)

(SUBDIVISION)

M. P. 412.53 off. E. S. 16847+161

ENCASED WATER CROSSING AT

PALMDALE Los Angeles CA

(NEAREST CITY)

(COUNTY)

(STATE)

PALMDALE WATER DISTRICT

(APPLICANT)

RR FILE NO. 0280351 DATE 11-22-13

WARNING

IN ALL OCCASIONS, U. P. COMMUNICATIONS
DEPARTMENT MUST BE CONTACTED IN ADVANCE
OF ANY WORK TO DETERMINE EXISTENCE AND
LOCATION OF FIBER OPTIC CABLE.
PHONE 1-800-336-9193

EXHIBIT B

Section 1. LIMITATION AND SUBORDINATION OF RIGHTS GRANTED.

- A. The foregoing grant of right is subject and subordinate to the prior and continuing right and obligation of the Licensor to use and maintain its entire property including the right and power of the Licensor to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication, fiber optics, or other wirelines, pipelines and other facilities upon, along or across any or all parts of its property, all or any of which may be freely done at any time or times by the Licensor without liability to the Licensee or to any other party for compensation or damages.
- B. The foregoing grant is also subject to all outstanding superior rights (including those in favor of licensees and lessees of the Licensor's property, and others) and the right of the Licensor to renew and extend the same, and is made without covenant of title or for quiet enjoyment.

Section 2. CONSTRUCTION, MAINTENANCE AND OPERATION.

- A. The Pipeline shall be designed, constructed, operated, maintained, repaired, renewed, modified and/or reconstructed by the Licensee in strict conformity with (i) Licensor's current standards and specifications ("UP Specifications"), except for variances approved in advance in writing by the Licensor's Assistant Vice President Engineering – Design, or his authorized representative; (ii) such other additional safety standards as the Licensor, in its sole discretion, elects to require, including, without limitation, American Railway Engineering and Maintenance-of-Way Association ("AREMA") standards and guidelines (collectively, "UP Additional Requirements"), and (iii) all applicable laws, rules and regulations ("Laws"). If there is any conflict between the requirements of any Law and the UP Specifications or the UP Additional Requirements, the most restrictive will apply.
- B. All work performed on property of the Licensor in connection with the design, construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline shall be done to the satisfaction of the Licensor.
- C. Prior to the commencement of any work in connection with the design, construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Pipeline from Licensor's property, the Licensee shall submit to the Licensor plans setting out the method and manner of handling the work, including the shoring and cribbing, if any, required to protect the Licensor's operations, and shall not proceed with the work until such plans have been approved by the Licensor's Assistant Vice President Engineering Design, or his authorized representative, and then the work shall be done to the satisfaction of the Licensor's Assistant Vice President Engineering Design or his authorized representative. The Licensor shall have the right, if it so elects, to provide such support as it may deem necessary for the safety of its track or tracks during the time of construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Pipeline, and, in the event the Licensor provides such support, the Licensee shall pay to the Licensor, within fifteen (15) days after bills shall have been rendered therefore, all expenses incurred by the Licensor in connection therewith, which expenses shall include all assignable costs.

- D. The Licensee shall keep and maintain the soil over the Pipeline thoroughly compacted and the grade even with the adjacent surface of the ground.
- E. In the prosecution of any work covered by this Agreement, Licensee shall secure any and all necessary permits and shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work including, without limitation, all applicable Federal Railroad Administration regulations.

Section 3. NOTICE OF COMMENCEMENT OF WORK / LICENSOR REPRESENTATIVE / SUPERVISION / FLAGGING / SAFETY.

- A. If an emergency should arise requiring immediate attention, the Licensee shall provide as much notice as practicable to Licensor before commencing any work. In all other situations, the Licensee shall notify the Licensor at least ten (10) days (or such other time as the Licensor may allow) in advance of the commencement of any work upon property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline. All such work shall be prosecuted diligently to completion. The Licensee will coordinate its initial, and any subsequent work with the following employee of Licensor or his or her duly authorized representative (hereinafter "Licensor Representative" or "Railroad Representative"):

MARC A. CHAVEZ MGR SIGNAL MNTCE 235 Luis Estrada St Beaumont, CA 92223 Work Phone: 909/8 685-2269 Fax: 909 685-2009 Cell Phone: 909 222-9523	CHARLIE J. SMITH MGR TRACK MNTCE Cell Phone: 402 594-3964 cjsmith@up.com
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- B. Licensee, at its own expense, shall adequately police and supervise all work to be performed. The responsibility of Licensee for safe conduct and adequate policing and supervision of work shall not be lessened or otherwise affected by Licensor's approval of plans and specifications involving the work, or by Licensor's collaboration in performance of any work, or by the presence at the work site of a Licensor Representative, or by compliance by Licensee with any requests or recommendations made by the Licensor Representative.
- C. At the request of Licensor, Licensee shall remove from Licensor's property any employee who fails to conform to the instructions of the Licensor Representative in connection with the work on Licensor's property. Licensee shall indemnify Licensor against any claims arising from the removal of any such employee from Licensor's property.
- D. Licensee shall notify the Licensor Representative at least ten (10) working days in advance of proposed performance of any work in which any person or equipment will be within twenty-five (25) feet of any track, or will be near enough to any track that any equipment extension (such as, but not limited to, a crane boom) will reach to within twenty-five (25) feet of any track. No work of any kind shall be performed, and no person, equipment, machinery, tool(s), material(s), vehicle(s), or thing(s) shall be located, operated, placed, or stored within twenty-five (25) feet of any of Licensor's track(s) at any time, for any reason, unless and until a railroad flagman is provided to watch for trains. Upon receipt of such ten (10) day notice, the Licensor Representative will determine and inform Licensee whether a flagman need be present and whether any special protective or safety measures need to be implemented. If flagging or other

special protective or safety measures are performed by Licensor, Licensor will bill Licensee for such expenses incurred by Licensor, unless Licensor and a federal, state or local governmental entity have agreed that Licensor is to bill such expenses to the federal, state or local governmental entity. If Licensor will be sending the bills to Licensee, Licensee shall pay such bills within thirty (30) days of receipt of billing. If Licensor performs any flagging, or other special protective or safety measures are performed by Licensor, Licensee agrees that Licensee is not relieved of any of responsibilities or liabilities set forth in this Agreement.

- E. The rate of pay per hour for each flagman will be the prevailing hourly rate in effect for an eight-hour day for the class of flagmen used during regularly assigned hours and overtime in accordance with Labor Agreements and Schedules in effect at the time the work is performed. In addition to the cost of such labor, a composite charge for vacation, holiday, health and welfare, supplemental sickness, Railroad Retirement and unemployment compensation, supplemental pension, Employees Liability and Property Damage and Administration will be included, computed on actual payroll. The composite charge will be the prevailing composite charge in effect at the time the work is performed. One and one-half times the current hourly rate is paid for overtime, Saturdays and Sundays, and two and one-half times current hourly rate for holidays. Wage rates are subject to change, at any time, by law or by agreement between Licensor and its employees, and may be retroactive as a result of negotiations or a ruling of an authorized governmental agency. Additional charges on labor are also subject to change. If the wage rate or additional charges are changed, Licensee (or the governmental entity, as applicable) shall pay on the basis of the new rates and charges.
- F. Reimbursement to Licensor will be required covering the full eight-hour day during which any flagman is furnished, unless the flagman can be assigned to other railroad work during a portion of such day, in which event reimbursement will not be required for the portion of the day during which the flagman is engaged in other railroad work. Reimbursement will also be required for any day not actually worked by the flagman following the flagman's assignment to work on the project for which Licensor is required to pay the flagman and which could not reasonably be avoided by Licensor by assignment of such flagman to other work, even though Licensee may not be working during such time. When it becomes necessary for Licensor to bulletin and assign an employee to a flagging position in compliance with union collective bargaining agreements, Licensee must provide Licensor a minimum of five (5) days notice prior to the cessation of the need for a flagman. If five (5) days notice of cessation is not given, Licensee will still be required to pay flagging charges for the five (5) day notice period required by union agreement to be given to the employee, even though flagging is not required for that period. An additional ten (10) days notice must then be given to Licensor if flagging services are needed again after such five day cessation notice has been given to Licensor.
- G. Safety of personnel, property, rail operations and the public is of paramount importance in the prosecution of the work performed by Licensee or its contractor. Licensee shall be responsible for initiating, maintaining and supervising all safety, operations and programs in connection with the work. Licensee and its contractor shall at a minimum comply with Licensor's safety standards listed in **Exhibit D**, hereto attached, to ensure uniformity with the safety standards followed by Licensor's own forces. As a part of Licensee's safety responsibilities, Licensee shall notify Licensor if it determines that any of Licensor's safety standards are contrary to good safety practices. Licensee and its contractor shall furnish copies of **Exhibit D** to each of its employees before they enter the job site.

- H. Without limitation of the provisions of paragraph G above, Licensee shall keep the job site free from safety and health hazards and ensure that their employees are competent and adequately trained in all safety and health aspects of the job.
- I. Licensee shall have proper first aid supplies available on the job site so that prompt first aid services may be provided to any person injured on the job site. Prompt notification shall be given to Licensor of any U.S. Occupational Safety and Health Administration reportable injuries. Licensee shall have a non-delegable duty to control its employees while they are on the job site or any other property of Licensor, and to be certain they do not use, be under the influence of, or have in their possession any alcoholic beverage, drug or other substance that may inhibit the safe performance of any work.
- J. If and when requested by Licensor, Licensee shall deliver to Licensor a copy of its safety plan for conducting the work (the "Safety Plan"). Licensor shall have the right, but not the obligation, to require Licensee to correct any deficiencies in the Safety Plan. The terms of this Agreement shall control if there are any inconsistencies between this Agreement and the Safety Plan.

Section 4. LICENSEE TO BEAR ENTIRE EXPENSE.

The Licensee shall bear the entire cost and expense incurred in connection with the design, construction, maintenance, repair and renewal and any and all modification, revision, relocation, removal or reconstruction of the Pipeline, including any and all expense which may be incurred by the Licensor in connection therewith for supervision, inspection, flagging, or otherwise.

Section 5. REINFORCEMENT, RELOCATION OR REMOVAL OF PIPELINE.

- A. The license herein granted is subject to the needs and requirements of the Licensor in the safe and efficient operation of its railroad and in the improvement and use of its property. The Licensee shall, at the sole expense of the Licensee, reinforce or otherwise modify the Pipeline, or move all or any portion of the Pipeline to such new location, or remove the Pipeline from the Licensor's property, as the Licensor may designate, whenever, in the furtherance of its needs and requirements, the Licensor, at its sole election, finds such action necessary or desirable.
- B. All the terms, conditions and stipulations herein expressed with reference to the Pipeline on property of the Licensor in the location hereinbefore described shall, so far as the Pipeline remains on the property, apply to the Pipeline as modified, changed or relocated within the contemplation of this section.

Section 6. NO INTERFERENCE WITH LICENSOR'S OPERATION.

- A. The Pipeline and all parts thereof within and outside of the limits of the property of the Licensor shall be designed, constructed and, at all times, maintained, repaired, renewed and operated in such manner as to cause no interference whatsoever with the constant, continuous and uninterrupted use of the tracks, property and facilities of the Licensor and nothing shall be done or suffered to be done by the Licensee at any time that would in any manner impair the safety thereof.
- B. Explosives or other highly flammable substances shall not be stored on Licensor's property without the prior written approval of Licensor.

- C. No additional vehicular crossings (including temporary haul roads) or pedestrian crossings over Licensors trackage shall be installed or used by Licensor or its contractors without the prior written permission of Licensor.
- D. When not in use, any machinery and materials of Licensee or its contractors shall be kept at least fifty (50) feet from the centerline of Licensor's nearest track.
- E. Operations of Licensor and work performed by Licensor's personnel may cause delays in the work to be performed by Licensee. Licensee accepts this risk and agrees that Licensor shall have no liability to Licensee or any other person or entity for any such delays. Licensee shall coordinate its activities with those of Licensor and third parties so as to avoid interference with railroad operations. The safe operation of Licensor's train movements and other activities by Licensor take precedence over any work to be performed by Licensee.

Section 7. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

- A. Fiber optic cable systems may be buried on the Licensor's property. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. Licensee shall telephone the Licensor during normal business hours (7:00 a.m. to 9:00 p.m. Central Time, Monday through Friday, except for holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried anywhere on the Licensor's premises to be used by the Licensee. If it is, Licensee will telephone the telecommunications company(ies) involved, arrange for a cable locator, make arrangements for relocation or other protection of the fiber optic cable, all at Licensee's expense, and will commence no work on the Licensor's property until all such protection or relocation has been accomplished. Licensee shall indemnify and hold the Licensor harmless from and against all costs, liability and expense whatsoever (including, without limitation, attorneys' fees, court costs and expenses) arising out of or caused in any way by Licensee's failure to comply with the provisions of this paragraph.
- B. **IN ADDITION TO OTHER INDEMNITY PROVISIONS IN THIS AGREEMENT, THE LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD THE LICENSOR HARMLESS FROM AND AGAINST ALL COSTS, LIABILITY AND EXPENSE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS AND EXPENSES) CAUSED BY THE NEGLIGENCE OF THE LICENSEE, ITS CONTRACTORS, AGENTS AND/OR EMPLOYEES, RESULTING IN (1) ANY DAMAGE TO OR DESTRUCTION OF ANY TELECOMMUNICATIONS SYSTEM ON LICENSOR'S PROPERTY, AND/OR (2) ANY INJURY TO OR DEATH OF ANY PERSON EMPLOYED BY OR ON BEHALF OF ANY TELECOMMUNICATIONS COMPANY, AND/OR ITS CONTRACTOR, AGENTS AND/OR EMPLOYEES, ON LICENSOR'S PROPERTY, EXCEPT IF SUCH COSTS, LIABILITY OR EXPENSES ARE CAUSED SOLELY BY THE DIRECT ACTIVE NEGLIGENCE OF THE LICENSOR. LICENSEE FURTHER AGREES THAT IT SHALL NOT HAVE OR SEEK RECOURSE AGAINST LICENSOR FOR ANY CLAIM OR CAUSE OF ACTION FOR ALLEGED LOSS OF PROFITS OR REVENUE OR LOSS OF SERVICE OR OTHER CONSEQUENTIAL DAMAGE TO A TELECOMMUNICATION COMPANY USING LICENSOR'S PROPERTY OR A CUSTOMER OR USER OF SERVICES OF THE FIBER OPTIC CABLE ON LICENSOR'S PROPERTY.**

Section 8. CLAIMS AND LIENS FOR LABOR AND MATERIAL; TAXES.

- A. The Licensee shall fully pay for all materials joined or affixed to and labor performed upon property of the Licensor in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline, and shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the property for any work done or materials furnished thereon at the instance or request or on behalf of the Licensee. The Licensee shall indemnify and hold harmless the Licensor against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished.
- B. The Licensee shall promptly pay or discharge all taxes, charges and assessments levied upon, in respect to, or on account of the Pipeline, to prevent the same from becoming a charge or lien upon property of the Licensor, and so that the taxes, charges and assessments levied upon or in respect to such property shall not be increased because of the location, construction or maintenance of the Pipeline or any improvement, appliance or fixture connected therewith placed upon such property, or on account of the Licensee's interest therein. Where such tax, charge or assessment may not be separately made or assessed to the Licensee but shall be included in the assessment of the property of the Licensor, then the Licensee shall pay to the Licensor an equitable proportion of such taxes determined by the value of the Licensee's property upon property of the Licensor as compared with the entire value of such property.

Section 9. RESTORATION OF LICENSOR'S PROPERTY.

In the event the Licensee in any manner moves or disturbs any of the property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline, then in that event the Licensee shall, as soon as possible and at Licensee's sole expense, restore such property to the same condition as the same were before such property was moved or disturbed, and the Licensee shall indemnify and hold harmless the Licensor, its officers, agents and employees, against and from any and all liability, loss, damages, claims, demands, costs and expenses of whatsoever nature, including court costs and attorneys' fees, which may result from injury to or death of persons whomsoever, or damage to or loss or destruction of property whatsoever, when such injury, death, damage, loss or destruction grows out of or arises from the moving or disturbance of any other property of the Licensor.

Section 10. INDEMNITY.

- A. As used in this Section, "Licensor" includes other railroad companies using the Licensor's property at or near the location of the Licensee's installation and their officers, agents, and employees; "Loss" includes loss, damage, claims, demands, actions, causes of action, penalties, costs, and expenses of whatsoever nature, including court costs and attorneys' fees, which may result from: (a) injury to or death of persons whomsoever (including the Licensor's officers, agents, and employees, the Licensee's officers, agents, and employees, as well as any other person); and/or (b) damage to or loss or destruction of property whatsoever (including Licensee's property, damage to the roadbed, tracks, equipment, or other property of the Licensor, or property in its care or custody).
- B. **AS A MAJOR INDUCEMENT AND IN CONSIDERATION OF THE LICENSE AND PERMISSION HEREIN GRANTED, TO THE FULLEST EXTENT PERMITTED BY LAW, THE LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS THE LICENSOR FROM**

ANY LOSS OF ANY KIND, NATURE OR DESCRIPTION ARISING OUT OF, RESULTING FROM OR RELATED TO (IN WHOLE OR IN PART):

1. THE PROSECUTION OF ANY WORK CONTEMPLATED BY THIS AGREEMENT INCLUDING THE INSTALLATION, CONSTRUCTION, MAINTENANCE, REPAIR, RENEWAL, MODIFICATION, RECONSTRUCTION, RELOCATION, OR REMOVAL OF THE PIPELINE OR ANY PART THEREOF;

2. ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LICENSE;

3. THE PRESENCE, OPERATION, OR USE OF THE PIPELINE OR CONTENTS ESCAPING THEREFROM;

4. THE ENVIRONMENTAL STATUS OF THE PROPERTY CAUSED BY OR CONTRIBUTED TO BY LICENSEE;

5. ANY ACT OR OMISSION OF LICENSEE OR LICENSEE'S OFFICERS, AGENTS, INVITEES, EMPLOYEES, OR CONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM, OR ANYONE THEY CONTROL OR EXERCISE CONTROL OVER; OR

6. LICENSEE'S BREACH OF THIS AGREEMENT,

EXCEPT TO THE EXTENT THE LOSS IS CAUSED EITHER BY (I) THE SOLE, DIRECT AND ACTIVE NEGLIGENCE OF THE LICENSOR, OR (II) THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE LICENSOR, AS DETERMINED BY A FINAL JUDGMENT OF A COURT OR ARBITRATOR OF COMPETENT JURISDICTION, IT BEING THE INTENTION OF THE PARTIES THAT THE ABOVE INDEMNITY SHALL OTHERWISE APPLY TO LOSSES CAUSED BY OR ARISING FROM OR RELATING TO OR IN CONNECTION WITH, IN WHOLE OR IN PART, THE NEGLIGENCE OF LICENSOR OR ANY RELATED PERSON OR ENTITY.

- C. Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit or proceeding brought against any indemnitee by any entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless any indemnitee. Licensee shall pay all costs incident to such defense, including, but not limited to, reasonable attorney's fees, investigators' fees, litigation and appeal expenses, settlement payments and amounts paid in satisfaction of judgments.

Section 11. REMOVAL OF PIPELINE UPON TERMINATION OF AGREEMENT.

Prior to the termination of this Agreement howsoever, the Licensee shall, at Licensee's sole expense, remove the Pipeline from those portions of the property not occupied by the roadbed and track or tracks of the Licensor and shall restore, to the satisfaction of the Licensor, such portions of such property to as good a condition as they were in at the time of the construction of the Pipeline. If the Licensee fails to do the foregoing, the Licensor may, but is not obligated, to perform such work of removal and restoration at the cost and expense of the Licensee. In the event of the removal by the Licensor of the property of the Licensee and of the restoration of the roadbed and property as herein provided, the Licensor shall in no manner be liable to the Licensee for any damage sustained by the Licensee for or on account thereof, and such removal and restoration shall in no manner prejudice or impair any right of action for damages, or otherwise, that the Licensor may have against the Licensee.

Notwithstanding the foregoing, in the event of such termination, the Licensor shall consider the feasibility of allowing Licensee to abandon the pipeline in place, with the Licensor's decision to be considered final.

Section 12. WAIVER OF BREACH.

The waiver by the Licensor of the breach of any condition, covenant or agreement herein contained to be kept, observed and performed by the Licensee shall in no way impair the right of the Licensor to avail itself of any remedy for any subsequent breach thereof.

Section 13. TERMINATION.

- A. If the Licensee does not use the right herein granted or the Pipeline for one (1) year, or if the Licensee continues in default in the performance of any covenant or agreement herein contained for a period of thirty (30) days after written notice from the Licensor to the Licensee specifying such default, the Licensor may, at its option, forthwith immediately terminate this Agreement by written notice; provided, however, that if the nature of the Licensee's cure of that default is such that it cannot be accomplished within that thirty (30) day period, Licensor shall not terminate this Agreement so long as Licensee diligently and in good faith pursues completion of that cure.
- B. In addition to the provisions of subparagraph (a) above, this Agreement may be terminated by written notice given by either party hereto to the other on any date in such notice stated, not less, however, than thirty (30) days subsequent to the date upon which such notice shall be given.
- C. Notice of default and notice of termination may be served personally upon the Licensee or by mailing to the last known address of the Licensee. Termination of this Agreement for any reason shall not affect any of the rights or obligations of the parties hereto which may have accrued, or liabilities, accrued or otherwise, which may have arisen prior thereto.

Section 14. AGREEMENT NOT TO BE ASSIGNED.

The Licensee shall not assign this Agreement, in whole or in part, or any rights herein granted, without the written consent of the Licensor, and it is agreed that any transfer or assignment or attempted transfer or assignment of this Agreement or any of the rights herein granted, whether voluntary, by operation of law, or otherwise, without such consent in writing, shall be absolutely void and, at the option of the Licensor, shall terminate this Agreement.

Section 15. SUCCESSORS AND ASSIGNS.

Subject to the provisions of Section 14 hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

Section 16. SEVERABILITY.

Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise render ineffective any other provision of this Agreement.

EXHIBIT C
Union Pacific Railroad Company
Contract Insurance Requirements

Licensee shall, at its sole cost and expense, procure and maintain during the life of this Agreement (except as otherwise provided in this Agreement) the following insurance coverage:

A. Commercial General Liability insurance. Commercial general liability (CGL) with a limit of not less than \$2,000,000 each occurrence and an aggregate limit of not less than \$4,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage).

The policy must also contain the following endorsement, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE: "Contractual Liability Railroads" ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Railroad Company Property" as the Designated Job Site.

B. Business Automobile Coverage insurance. Business auto coverage written on ISO form CA 00 01 10 01 (or a substitute form providing equivalent liability coverage) with a limit of not less \$2,000,000 for each accident, and coverage must include liability arising out of any auto (including owned, hired, and non-owned autos).

The policy must contain the following endorsements, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE: "Coverage For Certain Operations In Connection With Railroads" ISO form CA 20 70 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Property" as the Designated Job Site.

C. Workers Compensation and Employers Liability insurance. Coverage must include but not be limited to:

Licensee's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.

Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit \$500,000 each employee.

If Licensee is self-insured, evidence of state approval and excess workers compensation coverage must be provided. Coverage must include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

D. Railroad Protective Liability insurance. Licensee must maintain "Railroad Protective Liability" insurance written on ISO occurrence form CG 00 35 12 04 (or a substitute form providing equivalent coverage) on behalf of Railroad only as named insured, with a limit of not less than \$2,000,000 per occurrence and an aggregate of \$6,000,000.

The definition of "JOB LOCATION" and "WORK" on the declaration page of the policy shall refer to this Agreement and shall describe all WORK or OPERATIONS performed under this agreement

E. Umbrella or Excess insurance. If Licensee utilizes umbrella or excess policies, and these policies must "follow form" and afford no less coverage than the primary policy.

Other Requirements

F. All policy(ies) required above (except worker's compensation and employers liability) must include Railroad as "Additional Insured" using ISO Additional Insured Endorsements CG 20 26, and CA 20 48 (or substitute forms providing equivalent coverage). The coverage provided to Railroad as additional insured shall, to the extent provided under ISO Additional Insured Endorsement CG 20 26, and CA 20 48 provide coverage for Railroad's negligence whether sole or partial, active or passive, and shall not be limited by Licensee's liability under the indemnity provisions of this Agreement.

G. Punitive damages exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this agreement, or (b) all punitive damages are prohibited by all states in which this agreement will be performed.

H. Licensee waives all rights of recovery, and its insurers also waive all rights of subrogation of damages against Railroad and its agents, officers, directors and employees for damages covered by the workers compensation and employers liability or commercial umbrella or excess liability obtained by Licensee required in this agreement, where permitted by law This waiver must be stated on the certificate of insurance.

I. All insurance policies must be written by a reputable insurance company acceptable to Railroad or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the work is to be performed.

J. The fact that insurance is obtained by Licensee or by Railroad on behalf of Licensee will not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad from Licensee or any third party will not be limited by the amount of the required insurance coverage.

EXHIBIT D
SAFETY STANDARDS

MINIMUM SAFETY REQUIREMENTS

The term "employees" as used herein refer to all employees of Licensee or its contractors, subcontractors, or agents, as well as any subcontractor or agent of any Licensee.

I. Clothing

- A. All employees of Licensee will be suitably dressed to perform their duties safely and in a manner that will not interfere with their vision, hearing, or free use of their hands or feet.

Specifically, Licensee's employees must wear:

- (i) Waist-length shirts with sleeves.
- (ii) Trousers that cover the entire leg. If flare-legged trousers are worn, the trouser bottoms must be tied to prevent catching.
- (iii) Footwear that covers their ankles and has a defined heel. Employees working on bridges are required to wear safety-toed footwear that conforms to the American National Standards Institute (ANSI) and FRA footwear requirements.

- B. Employees shall not wear boots (other than work boots), sandals, canvas-type shoes, or other shoes that have thin soles or heels that are higher than normal.

- C. Employees must not wear loose or ragged clothing, neckties, finger rings, or other loose jewelry while operating or working on machinery.

II. Personal Protective Equipment

Licensee shall require its employee to wear personal protective equipment as specified by Railroad rules, regulations, or recommended or requested by the Railroad Representative.

- (i) Hard hat that meets the American National Standard (ANSI) Z89.1 – latest revision. Hard hats should be affixed with Licensee's company logo or name.
- (ii) Eye protection that meets American National Standard (ANSI) for occupational and educational eye and face protection, Z87.1 – latest revision. Additional eye protection must be provided to meet specific job situations such as welding, grinding, etc.
- (iii) Hearing protection, which affords enough attenuation to give protection from noise levels that will be occurring on the job site. Hearing protection, in the form of plugs or muffs, must be worn when employees are within:
 - 100 feet of a locomotive or roadway/work equipment
 - 15 feet of power operated tools
 - 150 feet of jet blowers or pile drivers

- 150 feet of retarders in use (when within 10 feet, employees must wear dual ear protection – plugs and muffs)
- (iv) Other types of personal protective equipment, such as respirators, fall protection equipment, and face shields, must be worn as recommended or requested by the Railroad Representative.

III. On Track Safety

Licensee and its contractor are responsible for compliance with the Federal Railroad Administration's Roadway Worker Protection regulations – 49CFR214, Subpart C and Railroad's On-Track Safety rules. Under 49CFR214, Subpart C, railroad contractors are responsible for the training of their employees on such regulations. In addition to the instructions contained in Roadway Worker Protection regulations, all employees must:

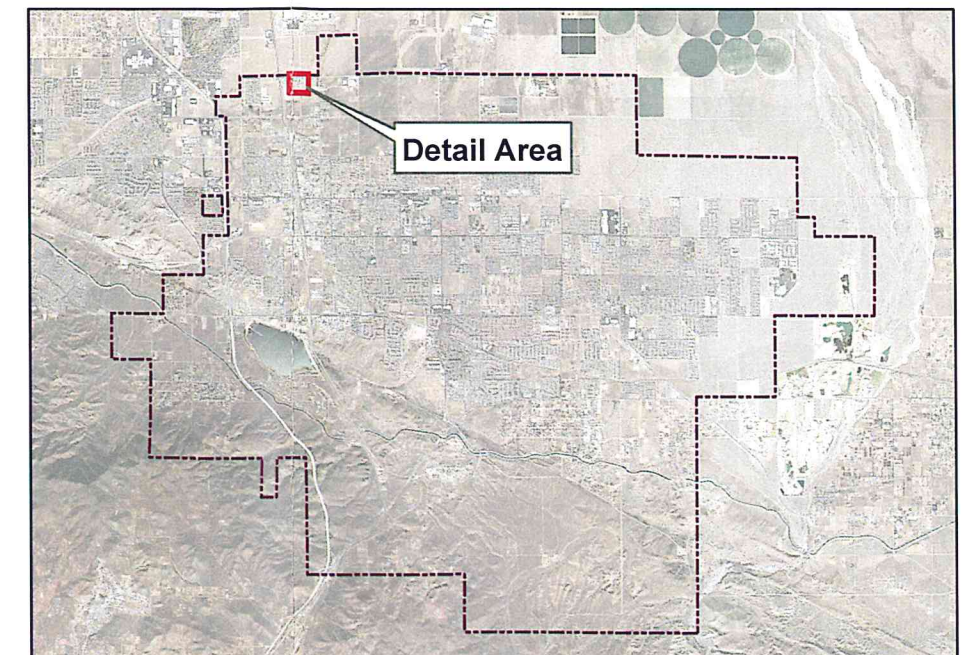
- (i) Maintain a minimum distance of at least twenty-five (25) feet to any track unless the Railroad Representative is present to authorize movements.
- (ii) Wear an orange, reflectorized work wear approved by the Railroad Representative.
- (iii) Participate in a job briefing that will specify the type of On-Track Safety for the type of work being performed. Licensee must take special note of limits of track authority, which tracks may or may not be fouled, and clearing the track. Licensee will also receive special instructions relating to the work zone around machines and minimum distances between machines while working or traveling.

IV. Equipment

- A. It is the responsibility of Licensee to ensure that all equipment is in a safe condition to operate. If, in the opinion of the Railroad Representative, any of Licensee's equipment is unsafe for use, Licensee shall remove such equipment from Railroad's property. In addition, Licensee must ensure that the operators of all equipment are properly trained and competent in the safe operation of the equipment. In addition, operators must be:
 - Familiar and comply with Railroad's rules on lockout/tagout of equipment.
 - Trained in and comply with the applicable operating rules if operating any hy-rail equipment on-track.
 - Trained in and comply with the applicable air brake rules if operating any equipment that moves rail cars or any other rail bound equipment.
- B. All self-propelled equipment must be equipped with a first-aid kit, fire extinguisher, and audible back-up warning device.
- C. Unless otherwise authorized by the Railroad Representative, all equipment must be parked a minimum of twenty-five (25) feet from any track. Before leaving any equipment unattended, the operator must stop the engine and properly secure the equipment against movement.
- D. Cranes must be equipped with three orange cones that will be used to mark the working area of the crane and the minimum clearances to overhead powerlines.

V. General Safety Requirements

- A. Licensee shall ensure that all waste is properly disposed of in accordance with applicable federal and state regulations.
- B. Licensee shall ensure that all employees participate in and comply with a job briefing conducted by the Railroad Representative, if applicable. During this briefing, the Railroad Representative will specify safe work procedures, (including On-Track Safety) and the potential hazards of the job. If any employee has any questions or concerns about the work, the employee must voice them during the job briefing. Additional job briefings will be conducted during the work as conditions, work procedures, or personnel change.
- C. All track work performed by Licensee meets the minimum safety requirements established by the Federal Railroad Administration's Track Safety Standards 49CFR213.
- D. All employees comply with the following safety procedures when working around any railroad track:
 - (i) Always be on the alert for moving equipment. Employees must always expect movement on any track, at any time, in either direction.
 - (ii) Do not step or walk on the top of the rail, frog, switches, guard rails, or other track components.
 - (iii) In passing around the ends of standing cars, engines, roadway machines or work equipment, leave at least 20 feet between yourself and the end of the equipment. Do not go between pieces of equipment if the opening is less than one car length (50 feet).
 - (iv) Avoid walking or standing on a track unless so authorized by the employee in charge.
 - (v) Before stepping over or crossing tracks, look in both directions first.
 - (vi) Do not sit on, lie under, or cross between cars except as required in the performance of your duties and only when track and equipment have been protected against movement.
- E. All employees must comply with all federal and state regulations concerning workplace safety.



OVERVIEW MAP

EXHIBIT INFORMATION:

The map is provided to show the location for a proposed 26" steel casing to be constructed under the Union Pacific Railroad right of way crossing 8th Street East between Avenue P and Avenue P-8.

Legend

- Existing PWD MainLine
- Proposed 12" DIP MainLine
- + + + + Union Pacific Railroad R.O.W.
- Proposed All Parts Auto Recycling



December 4, 2013



Scale for Detail Map



map by: R. Heinonen

EXHIBIT E

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: January 2, 2014 **January 8, 2014**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.5 – APPROVAL OF RESOLUTION NO. 14-1
AUTHORIZING SPECIFIED INDIVIDUALS TO TRANSACT BUSINESS
WITH UBS FINANCIAL SERVICES, INC.***

Recommendation:

Staff recommends approval of Resolution No. 14-1 Authorizing Specified Individuals to Transact Business with UBS Financial Services, Inc.

Background:

UBS Financial Services, Inc. requires a Resolution on file authorizing specified individuals to conduct business on behalf of the District. Resolution No. 14-1 updates the current Resolution on file with UBS Financial Services, Inc.

Strategic Plan Element:

This work is part of Strategic Element 6.0 Financial Management.

Supporting Documents:

- Resolution No. 14-1

RESOLUTION NO. 14-1

**A RESOLUTION OF THE
PALMDALE WATER DISTRICT
AUTHORIZING SPECIFIED INDIVIDUALS TO
TRANSACTION BUSINESS WITH UBS FINANCIAL SERVICES, INC.**

WHEREAS, the Board of Directors of the Palmdale Water District (the "District") has authorized certain public investments to be deposited with UBS Financial Services, Inc., for the purpose of protecting public assets and earning a safe rate of return on those invested assets being long-term Account No. SS-11475 and short-term Account No.'s SS-11432 and SS-11469 and rate stabilization fund Account SS-11810; and

WHEREAS, from time to time the Palmdale Water District has cause to withdraw, deposit, reinvest, or otherwise change the disposition of those invested assets to fulfill the mission of the District; and

WHEREAS, the Board of Directors of the District, at their regular meeting of January 8, 2014, did authorize the Secretary to execute resolutions with respect to accounts of the District held by UBS Financial Services, Inc.; and

WHEREAS, the Board of Directors of the District, at their meeting of January 8, 2014, did hereby approve the above described resolutions authorizing certain individuals to act on the District's behalf with respect to the certain specified investments of the District with UBS Financial Services, Inc.; and

WHEREAS, the Board of Directors of the District intends and requires at least one Director acting with another Director or designated staff member or two designated staff members acting together to exercise authority over investment accounts.

NOW THEREFORE, BE IT RESOLVED, that Joe Estes, Gloria Dizmang, Kathy Mac Laren, and Robert Alvarado, with any two of them acting together, are hereby authorized and directed to open an account with UBS Financial Services, Inc. in the District's name and on its behalf, for the purpose of purchasing and selling securities, and that UBS Financial Services, Inc. is hereby authorized to act upon any orders and instructions with respect to such accounts listed below and/or the delivery of securities or money therefrom when received from any of the two said individuals, acting together, who are each likewise hereby authorized to sign and deliver in the District's name and in its behalf, receipts for securities and/or funds so delivered or paid.

BE IT FURTHER RESOLVED, that any two of the following, Joe Estes, Gloria Dizmang, Kathy Mac Laren, or Robert Alvarado acting together or any one of them together with Dennis D. LaMoreaux, Robert M. Egan or Michael A. Williams or Dennis D. LaMoreaux and Michael A. Williams acting together are hereby authorized to act on behalf of the District with respect to long-term Account No. SS-11475, the short-term Account No.'s SS-11432 and SS-11469, and rate stabilization fund Account No. SS-11810.

ADOPTED THIS 8TH DAY OF JANUARY, 2014.

President, Board of Directors

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: January 2, 2014 **January 8, 2014**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.6 – APPROVAL OF RESOLUTION NO. 14-2
AUTHORIZING SPECIFIED INDIVIDUALS TO TRANSACT BUSINESS
WITH CITIZENS BUSINESS BANK***

Recommendation:

Staff recommends approval of Resolution No. 14-2 Authorizing Specified Individuals to Transact Business with Citizens Business Bank.

Background:

Citizens Business Bank requires a Resolution on file authorizing specified individuals to conduct business on behalf of the District. Resolution No. 14-2 updates the current Resolution on file with Citizens Business Bank.

Strategic Plan Element:

This work is part of Strategic Element 6.0 Financial Management.

Supporting Documents:

- Resolution No. 14-2

RESOLUTION NO. 14-2

**A RESOLUTION OF THE
PALMDALE WATER DISTRICT
AUTHORIZING SPECIFIED INDIVIDUALS TO
TRANSACTION BUSINESS WITH CITIZENS BUSINESS BANK**

WHEREAS, the Board of Directors of the Palmdale Water District (the "District") has authorized certain public funds to be deposited with Citizens Business Bank for the purpose of protecting public funds; and

WHEREAS, from time to time the Palmdale Water District has cause to withdraw, deposit, reinvest, or otherwise change the disposition of those invested assets to fulfill the mission of the District; and

WHEREAS, the Board of Directors of the District, at their regular meeting of January 8, 2014, did authorize the President and/or Secretary to execute agreements with respect to accounts of the District held by Citizens Business Bank; and

WHEREAS, the Board of Directors of the District, at their meeting of January 8, 2014, did hereby approve the above described agreements authorizing certain individuals to act on the District's behalf with respect to the certain specified accounts of the District with Citizens Business Bank; and

WHEREAS, the Board of Directors of the district intends and requires two Directors acting together or at least one Director acting with another director or designated staff member to execute authority over designated Treasury Management Agreement.

NOW, THEREFORE, BE IT RESOLVED, that Kathy Mac Laren and Joe Estes, acting together, are hereby authorized and directed to open an account with Citizens Business Bank in the District's name and on its behalf, for the purpose of securing services, and that Citizens Business Bank is hereby authorized to act upon any orders and instructions with respect to such accounts listed below and/or the delivery of securities or money therefrom when received from any of the two said individuals, acting together, who are each likewise hereby authorized to sign and deliver in the District's name and in its behalf, receipts for securities and/or funds so delivered or paid.

BE IT FURTHER RESOLVED, that any two of Joe Estes, Gloria Dizmang, Kathy Mac Laren, Robert Alvarado, or Vincent Dino acting together are hereby authorized to withdraw funds or to act on behalf of the District with respect to the General Account No. 047031559; Merchant Account No. 047031567; Customer Refund Account No. 047031575.

ADOPTED THIS 8TH DAY OF JANUARY, 2014.

President, Board of Directors

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: January 2, 2014 **January 8, 2014**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION
ON SPECIAL DISTRICT LAFCO ALTERNATE REPRESENTATIVE.***

The Palmdale Water District is entitled to cast one vote for a Special District Alternate Representative on the Local Agency Formation Commission (LAFCO). The candidates are as follows, and candidate statements are attached.

- B.J. Atkins, Board Member, Newhall County Water District
- James Bodnar, Board Member, Crescenta Valley Water District
- Melvin L. Matthews, Vice President/Director, Foothill Municipal Water District
- Joseph T. Ruzicka, Director, Division 5, Three Valleys Municipal Water District
- Harold C. Williams, Board of Trustees Member, City of Carson, Greater Los Angeles County Vector Control District

Supporting Documents:

- Special District LAFCO Alternate Representative ballot and instructions
- Candidate statements

RECEIVED

DEC 09 2013

*Lagerlof Senecal
Gosney & Kruse, LLP*

301 NORTH LAKE AVENUE, 10TH FLOOR
PASADENA, CALIFORNIA 91101
PHONE: (626) 793-9400 • FAX (626) 793-5900

William F. Kruse
E-MAIL: WFKRUSE@lagerlof.com

TO: PRESIDING OFFICER OF EACH INDEPENDENT SPECIAL DISTRICT IN
LOS ANGELES COUNTY

FROM: WILLIAM F. KRUSE

RE: BALLOT; SPECIAL DISTRICT LAFCO ALTERNATE REPRESENTATIVE

DATE : DECEMBER 3, 2013

Enclosed is the Ballot and the supplementary materials submitted for each of the candidates for Special District LAFCO ALTERNATE REPRESENTATIVE for the term expiring in May 2014. Nominations closed as of 5:00 p.m. on December 2, 2013.

Please vote for ONE candidate on the BALLOT. The marked ballot should be placed in the envelope marked "Ballot Envelope." Please write the name of your agency and sign your name on the outside of the ballot envelope and return the completed ballot by mail to:

William F. Kruse, Esq.
Lagerlof, Senecal, Gosney & Kruse, LLP
301 N. Lake Avenue, 10th Floor
Pasadena, CA 91101-5123.

No ballot will be counted if it is missing the name of the voting agency and the signature of the Presiding Officer on the ballot envelope.

The candidate receiving the highest number of votes will be declared the special district alternate representative to LAFCO. In the event of a tie, a new election will be held with only the two candidates who constituted a tie on the ballot.

Ballots must be returned by 5:00 p.m. on January 31, 2014.

WFK/pjc
Enclosures

cc: Paul Novak, w/enc.

BALLOT

SPECIAL DISTRICT LAFCO ALTERNATE REPRESENTATIVE

Please vote for no more than one candidate.

☐

B.J. ATKINS

Occupation: Board Member

Sponsor: Newhall County Water District

☐

JAMES BODNAR

Occupation: Board Member

Sponsor: Crescenta Valley Water District

☐

MELVIN L. MATTHEWS

Occupation: Vice President/Director

Sponsor: Foothill Municipal Water District

☐

JOSEPH T. RUZICKA

Occupation: Director, Division 5

Sponsor: Three Valleys Municipal Water District

☐

HAROLD C. WILLIAMS

Occupation: Board of Trustees Member, City of Carson

Sponsor: Greater Los Angeles County Vector Control District

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: NEWHALL COUNTY WATER DISTRICT

Date: NOVEMBER 14, 2013

Name of Candidate: BJ ATKINS

NEWHALL COUNTY WATER DISTRICT is pleased to nominate
BJ ATKINS as a candidate for appointment as
ALTERNATE special district representative to the Los Angeles Local Agency Formation
Commission. The nominee is an elected official or a member of the board of an independent special
district appointed for a fixed term. For your consideration, we submit the following additional
information together with a resume of the candidate's qualifications.

Elective office: BOARD DIRECTOR

Agency: NEWHALL COUNTY WATER DISTRICT

Type of Agency: _____

Term Expires: 2017

Residence Address: PO BOX 220970

NEWHALL, CA 91322

Telephone: 661-259-3610

(please attach resume - one page only)

NEWHALL COUNTY WATER DISTRICT
(Name of Agency)

By: KARIN RUSSELL

Its: BOARD SECRETARY

➤ **Contact Information:**

B.J. Atkins
P.O. Box 222320
Santa Clarita, CA 91322
bjatkins@atkinsenvironmental.com

Telephone: (661) 260-2260
Mobile: (661) 510-3663
Fax: (661) 253-3555



➤ **Personal Information:**

Date of Birth: August 29, 1954
Place of Birth: San Fernando, CA

Citizenship: United States
Sex: Male

➤ **BIO**

He is proud to be President of *Atkins Environmental HELP, Inc. (AEH)* which was founded in 1989. AEH serves as Southern California's outsource leader in environmental and regulatory compliance. B. J. has come to be known as "America's Leading Environmental Consultant".

President of Newhall County Water District –Board of Directors in 2008 and 2010, he was re-elected in Nov. 2013 to his third term. In January 2009 he was appointed by the NCWD Board to serve as their representative on the Castaic Lake Water Agency Board. CLWA is the eight largest State Water Project Contractor and Santa Clarita valley's (SCV) water wholesaler. BJ was re-appointed to CLWA in January 2013 to his second four year term.

- Holds a keen interest in government efficiency and effectiveness,
- Active participant in many of the last several California Special Districts Association conferences,
- A resident of SCV since 1966, he is a graduate of Wm. S. Hart High School, received his Associate of Arts degree from College of the Canyons (COC) and a Baccalaureate degree in Oceanography and Economics from California State University at Humboldt,
- Former President of the (Santa Clarita) Valley Industrial Association,
- Former member of the Board of Directors of the Santa Clarita Chamber of Commerce,
- Current President of the Board of Directors of the Pacific Southwest Chapter of the Alliance of Hazardous Material Professionals (an international organization of haz mat professionals),
- Member and regular supporter of the Canyon Theater Guild and Repertory East Play House,
- "COC Alumni of the Year" 2001 and Inaugurated into the "COC Alumni Hall of Fame" 2012,

➤ **Community Involvement / Special Projects:**

- Coordinated various voter registration drives throughout the SCV from 2006 to present,
- Currently serving as liaison between local homeowners, the local petroleum industry and water interests regarding the issue of hydraulic fracturing,
- Attended 5 of the last 6 trips to Sacramento for the annual KHTS AM 1220 Bus trip, advocating issues of local interest to legislators,
- Actively involved in the Santa Clara River chloride discharge issues seeking resolution,
- Active participant in and has provided a significant gift-in-kind (a required environmental site assessment) for the now approved "Habitat for Heroes" project, the first of its kind in the USA,
- Purchases annually and distributes personally Thanksgiving Turkeys to needy families in the SCV,
- Guest Lecturer at UCLA School of Public Health / Environmental Health Sciences,
- Coordinated use of the Grace Baptist Church campus for the VIA Junior Achievement "Connecting to Success" (the nations' first) event
 - Taught "Business Ethics" at Connecting to Success since 2003,
- Major Gift's (for the COC University Center) plus Alumni & Athletic Hall of Fame Committees.
- College of the Canyons Foundation, 1980 to 1992 – Board Chair, 1989 to 1990, now Emeritus
- Numerous Sponsorships – Big Win (Football & Women's soccer fundraiser), Cougar Stadium signage and the National Champion COC Hockey team,
- Currently serving as the Chairman of the Board for the Santa Clarita Environmental Education Consortium, a COC initiative "improving environmental literacy in the Santa Clarita valley",
- Former SCV Mayoral appointee to the North Los Angeles County Transportation Coalition.

HOBBIES and Interests

- Has an abiding interest in public policy, and a student of water policy and history,
- Keeps a sustainable residence & office (48 Solar panels, weather based irrigation controller, rain barrels, solar pool heater, worm farm for kitchen scraps - garden composting, etc.),
- Enjoys Ballroom Dancing and driving his Hybrid vehicle and Vespa scooter.

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Crescenta Valley Water District

Date: November 19, 2013

Name of Candidate: James Bodnar

Crescenta Valley Water District is pleased to nominate
James Bodnar as a candidate for appointment as
ALTERNATE special district representative to the Los Angeles Local Agency Formation
Commission. The nominee is an elected official or a member of the board of an independent special
district appointed for a fixed term. For your consideration, we submit the following additional
information together with a resume of the candidate's qualifications.

Elective office: Board of Director

Agency: Crescenta Valley Water District

Type of Agency: County Water District

Term Expires: November 2017

Residence Address: 2511 Countryside Lane, La Crescenta, CA 91214

Telephone: 818 - 248 -3925 (CVWD) 818 - 288 - 1283 (Bodnar Cell)

(please attach resume - one page only)

Crescenta Valley Water District
(Name of Agency)

By: 
Its: President, Crescenta Valley Water District

BODNAR FOR LAFCO

James Bodnar
2511 Countryside Lane
La Crescenta, CA 91214
November 19, 2013

Dear Los Angeles County Independent Special Districts -

I am interested in representing your district as the alternate Independent Special Districts Commissioner on the Local Agency Formation Commission for the County of Los Angeles (LAFCO). I believe my selection to the commission will help fairly represent the diverse range of interests of the special districts.

I currently serve as the President of the Crescenta Valley Water District, a county water district that is responsible for both retail water and sewer service. The district is located in the Foothills of the San Gabriel Mountains just north of Glendale and west of La Cañada Flintridge. The district serves a community of approximately 32,000 people. I understand the importance of district boundaries and working with neighboring districts and cities to provide needed services to our local residents. I have been a Board of Director for four years and was recently re-elected for another four year term.

Experience Counts

- Four years experience as a Board of Director
- Sixteen years water industry experience at The Metropolitan Water District of Southern California
- M.S. Civil Engineering, Stanford University
- B.S. Engineering, California State University Northridge
- Professional Civil Engineer
- Water Treatment and Distribution Operator
- Continuing education from UCLA, UC Berkeley, CSU Sacramento, Moorpark College, and American Water Works Association

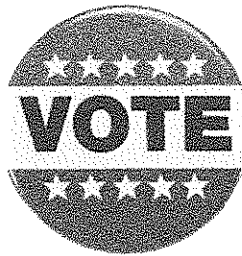
Both my experience as a Board of Director for a retail water and sanitation district and also my employment experience in the water industry make me uniquely qualified to represent your district. I am committed to actively represent your concerns on the commission. As your LAFCO Commissioner, I will discourage urban sprawl and promote efficient management of public services such as water, sanitation, mosquito control, and fire services. I will carefully review and consider all the issues from each stakeholder's perspective before making a decision.

Thank you for your consideration for the alternate representative on the LAFCO commission. If you have any questions you may call me at (818) 288-1283, email me at JamesBodnar@live.com, or visit my website at ElectBodnar.com.

Respectfully,



James Bodnar
Crescenta Valley Water District



James Bodnar
2511 Countryside Lane
La Crescenta, CA 91214
December 7, 2013

Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

RECEIVED

DEC 10 2013

Dear Palmdale Water District,

I am interested in representing your district as the alternate Independent Special Districts Commissioner on the Local Agency Formation Commission for the County of Los Angeles (LAFCO). I believe my selection to the commission will help fairly represent the diverse range of interests of the special districts.

I am a southern California native having lived here for more than forty years. I was born in Los Angeles County and live in La Crescenta, an unincorporated area of Los Angeles County. My family moved to the area after World War II in the 1950's. My grandfather worked for the Los Angeles Department of Water and Power (LADWP). My father would follow in his father's footsteps and also worked for the LADWP. I too would follow the family tradition in the water industry, but chose to work for The Metropolitan Water District of Southern California (Metropolitan), a wholesale water provider for southern California.

At Metropolitan, I am a Senior Engineer in water resource management. I work to ensure that southern California has sufficient water supply for today and the future. I have worked for Metropolitan for more than sixteen years on a variety of water resource programs, including groundwater storage, water transfers, and water exchanges. I help manage imported water supplies with a focus on State Water Project infrastructure issues. I am a licensed Professional Civil Engineer, Water Treatment Operator, and Water Distribution Operator.

I currently serve as the President on the Board of Directors of the Crescenta Valley Water District, a county water district that is responsible for both retail water and sewer service. The district is located in the Foothills of the San Gabriel Mountains just north of Glendale and west of La Cañada Flintridge. The district serves a community of approximately 32,000 people. I understand the importance of district boundaries and working with neighboring districts, cities, and communities to provide needed services to our local residents. I was elected to the Board in 2009 and was recently re-elected for another four year term.

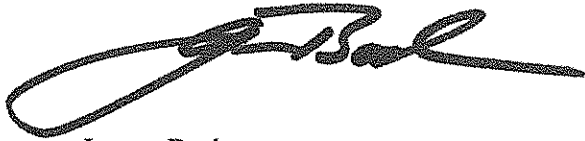
Experience Counts

- Over forty year resident of southern California
- Experience as a Board of Director at the Crescenta Valley Water District
- Sixteen years water industry experience at The Metropolitan Water District of Southern California
- M.S. Civil Engineering, Stanford University
- B.S. Engineering, California State University Northridge
- Professional Civil Engineer
- Water Treatment and Distribution Operator License
- Continuing education from UCLA, UC Berkeley, CSU Sacramento, Moorpark College, and American Water Works Association

Both my experience as a Board of Director for a retail water and sewer district and also my employment experience in the water industry make me uniquely qualified to represent your district as the alternate Independent Special Districts Commissioner. I am committed to actively represent your concerns on the commission. As your LAFCO Commissioner, I will discourage urban sprawl and promote efficient management of public services. I will carefully review and consider all the issues from each stakeholder's perspective before making an informed decision.

Thank you for your consideration for the alternate representative on the LAFCO commission. If you have any questions you may call me at (818) 288-1283, email me at JamesBodnar@live.com, or visit my website at ElectBodnar.com.

Respectfully,

A handwritten signature in black ink, appearing to read 'JB', with a large, sweeping loop at the end.

James Bodnar
Candidate for LAFCO

James D. Bodnar, P.E.
(818) 288-1283
JamesBodnar@live.com or www.ElectBodnar.com

OBJECTIVE

The alternate LAFCO Commissioner position representing Independent Special Districts.

EDUCATION

Master of Science, Civil Engineering
Stanford University, Stanford, CA
Bachelor of Science, Engineering
California State University Northridge, Northridge, CA

SPECIALIZED TRAINING AND CERTIFICATES

Professional Engineer in Civil Engineering
Board for Professional Engineers and Land Surveyors
Water Treatment Operator, T3
State of California Department of Public Health
Water Distribution Operator, D2
State of California Department of Public Health
Wastewater Treatment Plant Operation Certificate
Sacramento State Office of Water Programs
Real Estate Broker
State of California Department of Consumer Affairs
Notary Public
State of California Secretary of State

WORK HISTORY

Crescenta Valley Water District, La Crescenta, CA

December 2009 to Present

Chairman//President of Board of Directors

- Responsible for the management of a local water and sewer district.
- Established water policy for a water district that serves approximately 32,000 people.
- Director on Engineering, Policy, and Emergency Planning Committees.
- Manage annual budget and establish retail water and sewer rates for customers.
- Develop capital improvement budget and projects.
- Interact with the public and community organizations.

The Metropolitan Water District of Southern California, Los Angeles, CA

April 1997 to Present

Senior Engineer in Imported Supply Unit of the Water Resource Management Group

- Sixteen years of increasingly responsible experience in water resource management.
- Eleven years experience in managing the development and administration of water supply programs and contracts.
- Develop Board policy related to water supply and operations.
- Advise management on program issues and water supply strategies.
- Develop budget and cash flow projections on water programs.
- Prepare technical reports, presentations, and recommend solutions.

California Public Health Department, Emeryville, CA

December 1994 to March 1997

Environmental Scientist contracted from Impact Assessment, Inc.

- Worked on high priority USEPA Superfund and emergency response sites.
- Evaluated impacts of contaminants on watershed and drinking water supplies.
- Conducted fate and transport investigation and source location and identification.
- Performed public health assessments and conducted risk evaluations.
- Conducted public and intergovernmental agency meetings.
- Developed public health recommendations.

Stanford University, Stanford, CA

September 1993 to April 1994

- Design team member for the Waste-Management Education Research Consortium.
- Designed remediation system for contaminated soil.
- Fabricated operational bench scale model of the remedial design.
- System cleaned soil contaminated with metals, pesticides, and hydrocarbons.
- Developed work plan for remediation activities.

Lawrence Livermore National Laboratory, Livermore, CA

June 1993 to September 1993 and June 1992 to August 1992

Research Fellowship, Electrical Resistance Tomography Group.

- Involved with subsurface monitoring of steam injection and thermal remediation.
- Monitored efforts of innovative imaging technology, electrical resistance tomography.
- Designed, fabricated, and programmed models to enhance underground imaging technology.

OTHER SKILLS / KNOWLEDGE

State Water Project Contract and Colorado River Programs

Value Engineering Principles

Economic Principles & Cost Benefit Analysis

Water Resource Modeling

Water Supply Allocation Plan

State Water Project Infrastructure

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Foothill Municipal Water District

Date: November 21, 2013

Name of Candidate: Melvin L. Matthews

Foothill Municipal Water District is pleased to nominate Melvin L. Matthews as a candidate for appointment as **ALTERNATE** special district representative to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: Vice President/Director

Agency: Foothill Municipal Water District

Type of Agency: Special District

Term Expires: January 2015

Residence Address: 2121 Glen Springs Road, Pasadena, CA 91107

Telephone: (626) 622-9137

(please attach resume - one page only)

Kinneloa Irrigation District
(Name of Agency)

By: Richard Atwater
Its: President

Melvin L. Matthews
2121 Glen Springs Road
Pasadena, CA 91107-1015
Phone: 626-794-4167
Mobile: 626-622-9137
E-mail: melmatthews@outlook.com

Mel is the general manager of the Kinneloa Irrigation District, a water company serving the Kinneloa Ranch area east of Altadena and portions of the City of Pasadena. He has served in this position for ten years. Before becoming general manager, he was elected to the Board of Directors of the Kinneloa Irrigation District in 1997 and served as treasurer and chairman of the board for seven years.

Mel is also concurrently serving as a director and vice-president on the board of the Foothill Municipal Water District. FWMD is a member of the Metropolitan Water District of Southern California and provides supplemental imported water to eight local water agencies. He also serves on the finance committee which oversees the financial matters of the district including the preparation of the budget.

Previously, Mel was in the cable television business for 32 years as founder and president of KTS Corporation and later with Charter Communications serving as the director of government and community relations after selling his cable systems to Charter in 1993.

Prior to his cable television career, he worked for Rockwell International and was a member of the engineering group that performed the certification testing of the Environmental Control System of the Apollo Command Module.

Mel is a graduate of University of California at Berkeley with a BS in Chemical Engineering. He has also earned a MBA in Operations Management from the Anderson Graduate School of Business at UCLA. He was born in Pasadena and still lives there with his wife, Donna. They have five children and ten grandchildren.

Mel has an extensive educational background and experience in finance and has served as treasurer on numerous boards including neighborhood homeowners' associations and service clubs.

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Bob G. Kuhn, Board President

Date: October 18, 2013

Name of Candidate: Joseph T. Ruzicka

Three Valleys Municipal Water District is pleased to nominate
Joseph T. Ruzicka as a candidate for appointment as
ALTERNATE special district representative to the Los Angeles Local Agency Formation
Commission. The nominee is an elected official or a member of the board of an independent special
district appointed for a fixed term. For your consideration, we submit the following additional
information together with a resume of the candidate's qualifications.

Elective office: Director, Division 5

Agency: Three Valleys Municipal Water District

Type of Agency: California Special District

Term Expires: December 2014

Residence Address: 22311 E. Birdseye Drive

Diamond Bar, CA 91765

Telephone: 909-861-7406

(please attach resume - one page only)

Three Valleys Municipal Water District

(Name of Agency)

By: 

Its: Board President

OCT 22 2013



BOARD OF DIRECTORS

Brian Bowcock
David D. De Jesus
Carlos Goytia
Dan Horan
Bob Kuhn
Fred Lantz
Joseph T. Ruzicka

GENERAL MANAGER/CHIEF ENGINEER
Richard W. Hansen, P.E.

RECEIVED

DEC 02 2013

November 27, 2013

Mr. Dennis La Moreaux,
General Manager
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Re: **Consideration of Support for Joe Ruzicka as the Independent Special District LAFCO Representative—Alternate**

Dear General Manager:

During the first week in December, your agency will receive election materials and a ballot seeking your vote to fill the vacancy for **LAFCO Representative—Alternate Member** representing independent special districts. Three Valleys Municipal Water District has formally nominated me for this seat and I am asking your organization to concur by encouraging a vote in my support.


In supporting me, the LAFCO Board would receive the benefit of my many years of local and regional involvement along with proven problem-solving expertise. As the Three Valleys' Board's representative to LAFCO, I have attended nearly all of the meetings and am able to master the intricacies of the LAFCO process.

In both my public and professional activities I hope and strive to create positive influences and significant and important contributions.

For your convenience, I have again attached my candidate statement and resume. I encourage your district to select me as your candidate on the ballot once you have had the opportunity to review the LAFCO election materials.

If I may answer any questions, please feel free to contact me at (909) 861-7406.

Most Sincerely,
Three Valleys Municipal Water District


Joseph T. Ruzicka
Board Member, Division 5



Candidate Statement of Joseph T. Ruzicka
Nominee for LAFCO
Independent Special District Representative—Alternate Member

Joe Ruzicka, a 38-year Diamond Bar resident and retired Regional Manager for the U.S. Railroad Retirement Board, with operational and administrative responsibilities for all of Southern California, would bring many years of public and volunteer service experience to the LAFCO Board.

I have served on the various committees that led to the eventual incorporation of the City of Diamond Bar; where immediately after the incorporation I was appointed from 1989 to 1996 as an inaugural member of the Diamond Bar *Parks & Recreation Commission* and was instrumental in instituting several new programs that accommodated the needs of youth sports organizations and also helped to initiate the popular "Concerts in the Parks" series. I was then appointed as a *Planning Commissioner* for the City of Diamond Bar from 1997 to 2003, during which time there were many accomplishments including the successful development of some 425 acres in the heart of the City. I resigned from the Planning Commission to serve on the *Three Valleys MWD Board of Directors*.

As a member of the Three Valleys Board of Directors, among other appointments, I currently serve as the Three Valleys' representative to the LAFCO Commission; and in that capacity have attended nearly all meetings of the commission since my appointment.

I have also served the City of Diamond Bar as President of the local Little League, as a member of the Walnut Valley Rotary Club (past president) and as a Board Member of the Diamond Bar Improvement Association. I am an eight-year Marine Corp veteran in both active and reserve duty (1954-1962). For nine years I was the Executive Director of the San Gabriel Valley Mediation Center.

Joseph T. Ruzicka
Voice: 909-861-7406
22311 E. Birdseye Drive
Cell: 909-684-6674
Diamond Bar, Ca 91765

E-Mail: JTR987@aol.com

SKILLS

Public Communications

Good presence; excellent verbal and written communication skills; extensive experience in public speaking, presentations, governmental communications and networking.

Guidance Flexibility

Ability to be self directed, evidenced by running operations of a federal agency removed from immediate supervision; Chair of numerous organizations

Leader

Consensus builder; at ease in front of people; repeatedly chosen by peers as a leader, but also able to follow

EMPLOYMENT

Three Valleys Municipal Water District, Claremont, Ca

Board of Directors: 2003 to Present

Responsibilities include serving as a Board Member and having participated in various committee assignments, including the *Project, Planning, Development Committee* for engineering and capital projects and the *Finance/Personnel Committee*.

City of Diamond Bar, Diamond Bar, Ca

Planning Commission: 1997-2003

Responsibilities include serving as Chair and Vice Chair while making final determinations regarding land use questions for the city.

Parks & Recreation Commission: 1989-1996

Responsibilities include serving as Chair and Vice Chair while overseeing and advising the City Council on parks and recreation policy for the City.

San Gabriel Valley Mediation Center

Executive Director: 1994-2003

Assist clients in the settlement of disputes involving commercial, governmental and personal matters while overseeing the casework of six mediators.

U.S. Railroad Retirement Board

Southern California District Manager: 1975-1991

Area of responsibility extended from San Luis Obispo to San Diego and also included Clark County Nevada (Las Vegas).

State of Indiana District Manager: 1973-1975

Responsible for 90% of state with satellite offices in Fort Wayne and Evansville.

Nation's Capitol District Manager: 1969-1973

Represented the agency in Washington, DC with heavy interaction with related federal government agencies and Capitol Hill.

Duties included but were not restricted to the following:

- Liaison and representative to groups, labor organizations and public
- Organized and directed all activities within the district
- Interacted with other districts to achieve goals and objectives
- Made oral presentations before a variety of public and private organizations
- Wrote articles on technical matters and public policy issues
- Served as authoritative information resource for government and public decision makers
- Served as contact person for the media
- Member, Federal Executive Board

Additional Community Experience

- Chairman, Government Affairs Committee, San Gabriel Valley Regional Chamber of Commerce
- President, Diamond Bar Little League
- Assistant District Administrator, District 20, Little League
- Board Member, Diamond Bar Improvement Association
- President, Walnut Valley Rotary Club
- Regular member of St. Denis Catholic Church

EDUCATION

Loyola University, Chicago, Illinois

University of Detroit, Detroit, Michigan

U.S. Merchant Marine Academy, Long Island, New York

Pepperdine University, Malibu, California

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: The Greater Los Angeles County Vector Control District (GLACVCD)

Date: 11/18/13

Name of Candidate: Harold C. Williams

The Board of Trustees of the GLACVCD is pleased to nominate
Harold C. Williams as a candidate for appointment as
ALTERNATE special district representative to the Los Angeles Local Agency Formation
Commission. The nominee is an elected official or a member of the board of an independent special
district appointed for a fixed term. For your consideration, we submit the following additional
information together with a resume of the candidate's qualifications.

Elective office: Trustee representing the City of Carson

Agency: Greater Los Angeles County Vector Control District

Type of Agency: Independent Special District


Term Expires: January 2016

Residence Address: 20113 Belshaw Ave., Carson, CA 90746

Telephone: (310) 604-3387

(please attach resume - one page only)

Greater Los Angeles County Vector Control District
(Name of Agency)

By: 
Its: GENERAL MANAGER

Harold C. Williams, MSCE, P.E., DTM ♦ Resume

20113 Belshaw Ave. • Carson, CA 90746 • Res. (310) 604-3387 • Bus. (310) 629-4115 • email harldwms@gmail.com

City Elected and/or Appointed Positions

- Carson Former City Councilmember
 - Greater Los Angeles County Vector Control District –Trustee
 - South Bay Cities Council of Governments - Carson Delegate
 - League of California Cities - At-Large Director on the Board of Directors
 - League of California Cities - L.A. County Division - Environmental Quality Policy Committee
- L. A. County, Building Board of Appeals – Commissioner
- L.A. County, Compton Redevelopment Dissolution Oversight Board – Commissioner
- West Basin Water Association – Former Carson Delegate

WORK EXPERIENCE

3/03 to 12/05	Director of Public Works/City Engineer, City of Gardena
2/98 to 3/03	Director of Public Works/City Engineer, City of Hermosa
5/97 to 2/98	Director of Public Works, City of Lawndale
4/89 to 5/97	(In private practice as a consulting civil engineer)
4/84 to 4/89	Director of Public Works, City of Carson
2/80 to 4/84	Director of Public Works/City Engineer, City of Lynwood

EDUCATION

1973 to 1976	California State University, Long Beach; M.S. – Civil Engineering & Water Resources
1968 to 1973	California State University, Los Angeles; B.S. – Industrial Studies, Construction

LICENSE

1978 California Registered Professional Engineer – *Civil No. 29832*

PROFESSIONAL AFFILIATIONS

- American Public Works Association, Southern California Chapter: **President 1994**
- American Society of Civil Engineers: **Member**
- City and County Engineers Association: **President 1988**

COMMUNITY AND PUBLIC SERVICE

- The International Association of Lions Club, District 4-L3: **SR Zone A Chair**
- City of Carson Planning Commission: **Member**
- City of Carson Utility Users' Tax Citizens Oversight Committee: **Former Chair**
- City of Carson Environmental Commission: **Former Chair**
- Carson Chamber of Commerce: **Former Member, Board of Directors**

Toastmasters International

- *Distinguished Toastmaster (DTM) - Communication and Leadership Excellence Award*

RE: AGENDA ITEM NO. 7.2 - DISCUSSION OF AND POSSIBLE ACTION ON APPOINTMENT OF THE DISTRICT'S STANDING COMMITTEES.

A proposed “2014 Standing Committees and Appointments” list will be distributed at the Board meeting.

MINUTES OF MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE WATER DISTRICT, NOVEMBER 4, 2013:

A regular meeting of the Outreach Committee of the Palmdale Water District was held Monday, November 4, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) Roll Call.

Attendance:

Outreach Committee:

Gloria Dizmang, Chair

Robert Alvarado, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager

Jim Stanton, Information Technology Mngr.

Claudette Beck, Water Conservation Spvsr.

Dawn Deans, Executive Assistant

0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Alvarado, seconded by Chair Dizmang, and unanimously carried to adopt the agenda, as written.

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held October 7, 2013.

After a brief discussion, it was moved by Committee Member Alvarado, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the meeting held October 7, 2013, as written.

4.2) Discussion of Next Issue of Water News. (Water Conservation Supervisor Beck)

Water Conservation Supervisor Beck reviewed the articles for the next issue of Water News followed by discussion of the articles, revisions, and future articles.

Executive Assistant Deans then provided a delivery report of last month's Constant Contact e-Water News.

4.3) Discussion of "Before the First Drop" Marketing Campaign. (Water Conservation Supervisor Beck/Information Technology Manager Stanton)

Water Conservation Supervisor Beck stated that the landscape renovation for the winner of the "Before the First Drop" contest is complete and that the flash mob dance is being coordinated with District staff followed by discussion of posting lawn signs for the landscape renovation winner, presenting the winner and photos of the landscape at a future Board meeting, and issuing a press release on this topic.

Information Technology Manager Stanton stated that the subtitling and closed captioning files for the "Before the First Drop" videos look good and will be posted on the lobby monitors and Google YouTube after further testing.

The "Before the First Drop" marketing campaign packets for local legislators were reviewed, the Committee concurred with the packet content with minor changes, and Executive Assistant Deans stated that meetings will be scheduled with local legislators for delivery of the packets followed by discussion of posting updated pictures on the District's Community Photo Gallery.

5) Information Items.

5.1) Status of District Website Redesign. (Information Technology Manager Stanton)

Information Technology Manager Stanton stated that work continues on updating content for the District's website redesign, and it will be previewed when complete.

5.2) Ad Campaigns for 2014. (Chair Dizmang)

Chair Dizmang inquired about including ads for announcing Board meetings in the 2014 Budget followed by discussion of A.V. Press website ads, Facebook ads, Constant Contact ads, using the lobby monitors, and the cost of these ads being included in the Water Conservation budget.

Water Conservation Supervisor Beck then provided an overview of proposed 2014 advertising including the free press, Spanish ads, and radio and television ads.

5.3) Other.

Executive Assistant Deans informed the Committee of the positive comments received on the District's Facebook page.

There were no additional information items.

6) Board Members' Requests for Future Agenda Items.

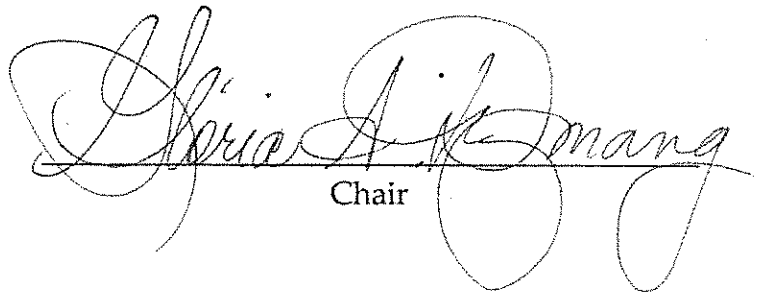
Committee Member Alvarado requested an item be included on the next agenda for "Status of updating content on the lobby monitors."

There were no further requests for future agenda items.

The next Outreach Committee meeting was scheduled for December 9, 2013 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Outreach Committee, the meeting was adjourned.


Chair

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	January 2, 2014	January 8, 2014
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 8.2.b – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF NOVEMBER 30, 2013</i>	

Attached is the Investment Funds Report and current cash balance as of November 30, 2013.
The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

		November 30, 2013				November-13	October-13
DESCR	A/C #						
CASH							
0-0103	Citizens/US Bank - Checking					1,317,792.71	811,958.91
0-0104	Citizens- Merchant					84,736.36	121,754.79
					Bank cash	1,402,529.07	933,713.70
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					1,406,229.07	937,413.70
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					3,485,141.90	3,265,398.09
	UBS Bank USA Dep acct					250,000.00	250,000.00
	1998 Debt Reserve Fund						
	FHLB par 1.4Mil matures 10/18/13 3.625% interest					0.00	0.00
	Accrued interest					0.00	0.00
						3,735,141.90	3,515,398.09
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					207,955.25	203,602.98
	UBS RMA Government Portfolio					0.00	0.00
						207,955.25	203,602.98
0-0115	LAIF					11,705.26	11,705.26
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					69,362.30	69,354.23
	Accrued interest					8,245.14	5,390.95
	US GOVERNMENT SECURITIES:						
	ISSUE		EXPIR			MARKET	MARKET
	DATE	ISSUER	DATE	RATE	PAR	VALUE	VALUE
		FNMA	10/26/2015	1.625	500,000	512,300.00	512,435.00
		FNMA	6/28/2017	1.125	500,000	499,025.00	497,770.00
		FNMA	7/17/2017	1.2	500,000	499,580.00	500,860.00
		FHLB	12/28/2017	0.95	500,000	493,665.00	493,010.00
		FHLMC	7/25/2018	2.00	500,000	0.00	0.00
					2,500,000	2,004,570.00	2,004,075.00
		CD'S					
	1	Bank of India	05/07/14	0.50	240,000	239,973.60	240,000.00
	2	Bank of Baroda	11/12/14	0.45	240,000	239,476.80	240,000.00
	3	GE Capital Bank	05/01/15	0.60	64,000	63,836.16	64,000.00
	4	Ally Bank	05/06/15	0.60	240,000	239,368.80	240,000.00
	5	Sallie Mae Bank	11/06/15	0.85	240,000	239,433.60	240,000.00
	6	Goldman Sachs Bk	11/07/16	1.00	240,000	238,857.60	240,000.00
	7	CIT Bank	11/06/17	1.60	240,000	238,826.40	240,000.00
	8	BMW Bank	11/15/18	2.00	240,000	238,492.80	240,000.00
					1,744,000	1,738,266	1,744,000
	TOTAL MANAGED ACCOUNT					4,070,443.20	4,072,820.18
	TOTAL INVESTMENTS					8,025,245.61	7,803,526.51
	GRAND TOTAL CASH AND INVESTMENTS					9,431,474.68	8,740,940.21
					Incr (Decr)	690,534.47	109,300.50
	Summary:						
	Checking		1,406,229				
	UBS MM		3,943,097				
	LAIF		11,705				
	UBS Investment		4,070,443		BNY Mellon		
			0		Construction	7,842,526.34	7,930,283.41
	Total		9,431,475				

	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Water Sales	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	2,478,205	2,263,903	2,054,348	1,838,378	24,230,720
	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	2,478,205	2,263,903	2,054,348	1,838,378	
Beginning Balance	9,001,455	9,043,624	9,364,314	7,809,930	10,211,620	10,779,452	11,006,048	10,019,343	10,128,644	8,592,553	8,740,940	9,431,475	
Water Receipts	2,428,492	1,596,949	1,905,179	1,839,852	1,931,246	2,072,882	2,277,708	2,270,293	2,513,011	2,612,051	2,146,417	1,600,000	25,194,080
Other													
Total Operating Revenue	2,428,492	1,596,949	1,905,179	1,839,852	1,931,246	2,072,882	2,277,708	2,270,293	2,513,011	2,612,051	2,146,417	1,600,000	
Operating Expenses:													
Total Operating Expenses excl GAC	1,953,262	1,477,034	1,514,430	1,096,787	1,588,065	1,618,182	1,764,877	1,781,171	1,771,481	1,843,317	1,417,193	2,255,100	20,080,899
													4,149,821
Non-Operating Revenue Expenses:													
Assessments, net	620,213	287,572	2,234	1,883,965	585,806	5,790	287,658	134,539			219,711	2,449,327	6,476,815
Special Avek CIF Payment													0
Interest	(5,316)	(6,054)	1,396	(424)	835	5,250	(66)	8,950	7,332	5,399	3,104	2,100	22,506
Mkt adj					(16,104)	(16,532)	7,269	(15,534)	12,994	3,896	(5,239)		(29,250)
Grant Re-imbursement													0
Capital Improvement Fees		44,176	(116,241)	0	48,031	0	0	22,053		1,470	2,877		2,366
													0
DWR Refund/(payment)				59,514	35,285		(436,485)			138,392	642		(202,652)
Other /Palmdale Redevel Agency	9,828	54,653	6,774	13,488	16,165	9,849	41,835		16,344	7,734	12,600		189,271
Total Non-Operating Revenues	624,724	380,347	(105,836)	1,956,543	670,018	4,358	(99,789)	150,008	36,670	156,891	233,695	2,451,427	6,459,056
Capital Expenditures	(194,434)		(61,168)	(103,645)	(54,481)	(52,617)	(82,411)	(99,088)	(49,900)	(4,443)	(92,541)	(8,870)	(803,598)
GAC	(233,893)				(216,776)		(216,829)	(216,829)		(435,781)		(195,650)	(1,515,758)
SWP Capitalized	(629,459)	(156,354)	(180,606)	(156,354)	(156,354)	(156,354)	(575,348)	(156,281)	(156,281)	(156,352)	(156,352)	(156,400)	(2,792,495)
Prepaid Insurance (paid) refunded			(65,835)					(34,140)		(162,907)			(262,882)
Bond Payments Interest			(1,010,820)						(829,635)				(1,840,455)
Principal			(517,540)						(1,261,179)				(1,778,719)
System Work for AVEK													0
Butte payments							(507,402)					(507,402)	(1,014,804)
Capital leases		(23,218)	(3,327)	(37,919)	(17,756)	(23,491)	(17,756)	(23,491)	(17,296)	(17,756)	(23,491)	(17,296)	(222,797)
Legal adjudication fees													0
Total Cash Ending Balance	9,043,624	9,364,314	7,809,930	10,211,620	10,779,452	11,006,048	10,019,343	10,128,644	8,592,553	8,740,940	9,431,475	10,342,184	(10,231,508)
											Budget	8,193,078	377,368
											diff	2,149,106	

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: January 2, 2014 **January 8, 2014**
TO: Board of Directors **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: ***AGENDA ITEM 8.2.b – STATUS REPORT ON FINANCIAL STATEMENTS,
REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR
NOVEMBER 30, 2013***

Discussion:

Presented here are Balance Sheet and Profit/Loss Statement for the period ending November 30, 2013. Also included are Year-To-Year comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of November, 2013.

This is the eleventh month of the District's Budget Year 2013. The target percentage is 91.63%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on November 30, 2013.
- Nothing significant to report.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on November 30, 2013.
- Operating revenue is at 97% of budget.
- Cash operating expense is at 85% of budget.
- Looking at cash operations only, revenue is at \$22.3MM, expense is at \$17.9MM - that's net \$4.4MM profit from operations. In 2012, eleven months operations was at net \$1.8MM.
- Three departments are over the target 91%. Those are Engineering, Operations and Finance. We have discussed the reasons in prior month reviews. Remaining departments are under the 91% target.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of November, 2012 to November, 2013.
- Total operating revenue is up by \$8K, or .4%.
- Operating expenditures are up by \$114K, or 9%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 39, or 2.4%. Total revenue per unit sold is up \$0.08, or 2.8%, and total revenue per connection is down \$0.60, or .81%.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

January 2, 2014

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through November, 2013 is up by \$1.4MM, or 7%, compared to 2012.
- Retail water related sales are up by \$1MM over last year.
- As mentioned, we are at 97% of budget, last year this time we were at 95%.
- Total revenue is down \$317K, or just under 1%.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through November, 2013 are down by \$1.1MM, or 6%, compared to 2012.
- Total Expenses are down \$2.1MM, or 6%.

Departments:

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, all departments are below the target 91% with the exception of Engineering, Operations and Finance.

Non-Cash Definitions:

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

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

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

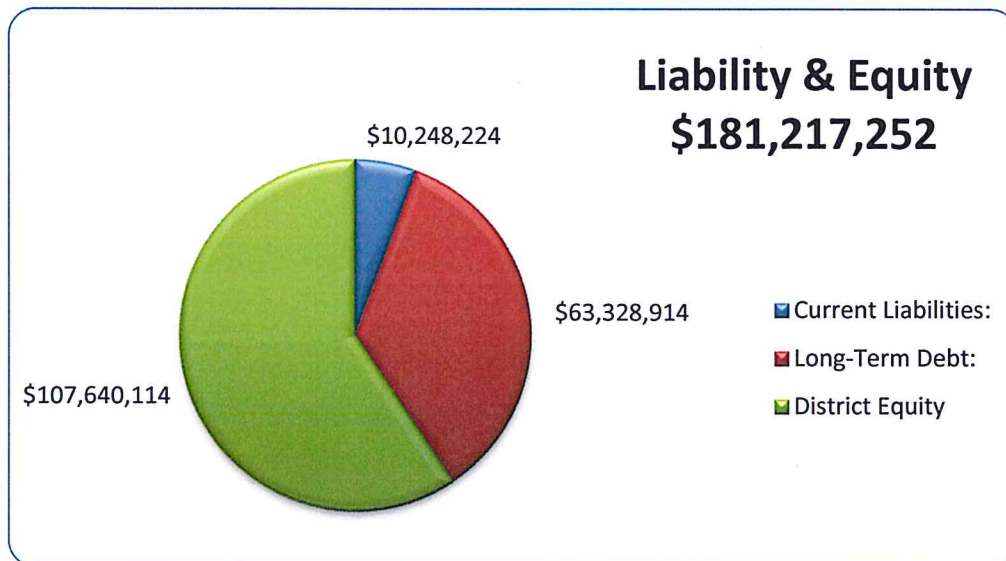
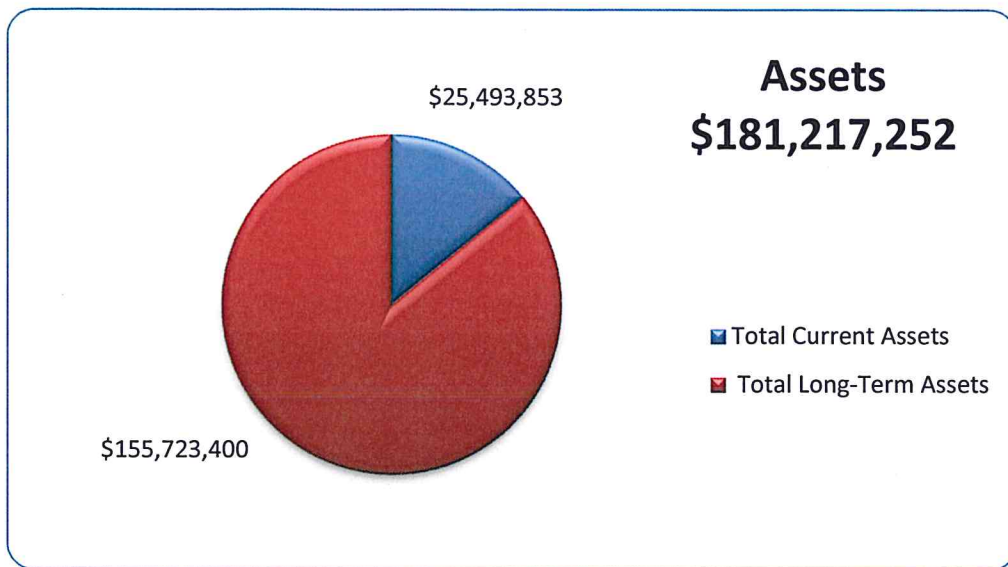
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Eleven Months Ending 11/30/2013

	<u>November 2013</u>	<u>October 2013</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,406,229	\$ 937,414
Investments	8,025,246	7,803,527
2013A Bonds - Project Funds	7,842,526	7,930,283
	<u>\$ 17,274,001</u>	<u>\$ 16,671,224</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 2,179,579	\$ 2,029,972
Accounts Receivables - Miscellaneous	59,621	60,641
Allowance for Uncollected Accounts	(257,023)	(49,317)
	<u>\$ 1,982,177</u>	<u>\$ 2,041,296</u>
Interest Receivable	\$ 9	\$ 9
Assessments Receivables	5,200,035	5,419,745
Meters, Materials and Supplies	857,194	892,814
Prepaid Expenses	180,436	202,340
Total Current Assets	<u>\$ 25,493,853</u>	<u>\$ 25,227,428</u>
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 115,851,034	\$ 116,141,643
Participation Rights in State Water Project, net	38,224,812	38,200,021
Bond Issuance Cost, Net	249,172	251,523
2013A Bonds - Cost of Issuance	1,159,832	1,159,832
2013A Bonds - Insurance & Surety Bond	238,549	239,216
Total Long-Term Assets	<u>\$ 155,723,400</u>	<u>\$ 155,992,235</u>
Total Assets	<u>\$ 181,217,252</u>	<u>\$ 181,219,663</u>
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 296,677	\$ 187,687
Current Principal Installment of Long-term Debt	1,424,665	1,424,665
Accounts Payable and Accrued Expenses	4,829,931	4,975,511
Deferred Assessments	3,696,950	3,916,661
Total Current Liabilities	<u>\$ 10,248,224</u>	<u>\$ 10,504,524</u>
Long-Term Debt:		
Pension-Related Debt	\$ 1,141,041	\$ 1,141,041
OPEB Liability	7,597,863	7,449,734
2013A Water Revenue Bonds	43,675,731	43,677,982
2012 - Certificates of Participation	10,484,761	10,477,963
2011 - Capital Lease Payable	429,518	429,518
Total Long-Term Liabilities	<u>\$ 63,328,914</u>	<u>\$ 63,176,239</u>
Total Liabilities	<u>\$ 73,577,138</u>	<u>\$ 73,680,763</u>
District Equity		
Revenue from Operations	\$ (1,792,590)	\$ (1,893,804)
Retained Earnings	109,432,704	109,432,704
Total Liabilities and District Equity	<u>\$ 181,217,252</u>	<u>\$ 181,219,663</u>

BALANCE SHEET AS OF NOVEMBER 30, 2013



Palmdale Water District
Consolidated Profit and Loss Statement
For the Eleven Months Ending 11/30/2013

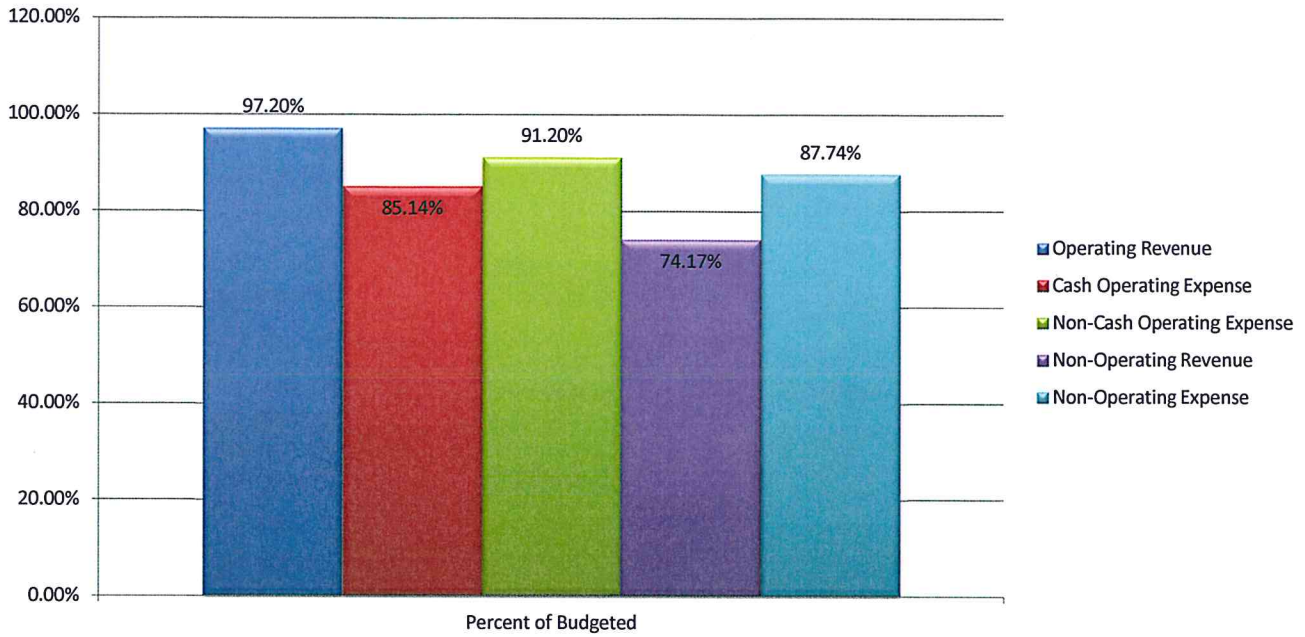
	Thru October	November	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 165,106	\$ 131	\$ 165,237		\$ 175,000	94.42%
Water Sales	7,611,819	836,479	8,448,298		8,198,000	103.05%
Meter Fees	9,214,588	920,391	10,134,979		11,232,000	90.23%
Water Quality Fees	1,420,770	135,492	1,556,261		1,638,000	95.01%
Elevation Fees	478,572	44,779	523,351		550,000	95.15%
Other	1,450,688	119,323	1,570,010		1,250,000	125.60%
Total Water Sales	\$ 20,341,543	\$ 2,056,594	\$ 22,398,136	\$ -	\$ 23,043,000	97.20%
Cash Operating Expenses:						
Directors	\$ 82,401	\$ 8,520	\$ 90,922		\$ 117,500	77.38%
Administration	1,826,073	169,411	1,995,484		2,602,000	76.69%
Engineering	1,041,410	99,029	1,140,439		1,215,750	93.81%
Facilities*	2,425,907	238,224	2,664,131	(24,000)	3,274,500	81.36%
Operations	4,357,722	405,760	4,763,482		4,944,250	96.34%
Finance*	2,371,612	248,156	2,619,768	(24,300)	2,764,700	94.76%
Water Conservation	191,865	19,057	210,922		239,750	87.98%
Human Resources*	157,651	19,378	177,029	48,300	257,900	68.64%
Information Technology	519,479	54,688	574,167		728,000	78.87%
Water Purchases	2,072,508	74,870	2,147,378		2,600,000	82.59%
Water Purchases-Prior Year OAP	436,485	-	436,485		-	-
Water Recovery	(611,089)	(474)	(611,563)		(100,000)	611.56%
Capitalized Expenditures	660,315	22,516	682,830		836,500	81.63%
GAC Filter Media Replacement	1,089,593	-	1,089,593		1,638,000	66.52%
Total Cash Operating Expenses	\$ 16,621,931	\$ 1,359,135	\$ 17,981,066	\$ -	\$ 21,118,850	85.14%
Non-Cash Operating Expenses:						
Depreciation	\$ 6,372,003	\$ 556,651	\$ 6,928,654		\$ 7,250,000	95.57%
OPEB Accrual Expense	1,652,227	165,223	1,817,449		2,000,000	90.87%
Bad Debts	5,581	6,403	11,984		100,000	11.98%
Service Costs Construction	89,708	(25)	89,682		125,000	71.75%
Capitalized Construction	(1,035,965)	(82,229)	(1,118,193)		(1,000,000)	111.82%
Total Non-Cash Operating Expenses	\$ 7,083,553	\$ 646,023	\$ 7,729,576	\$ -	\$ 8,475,000	91.20%
Net Operating Profit/(Loss)	\$ (3,363,941)	\$ 51,436	\$ (3,312,505)	\$ -	\$ (6,550,850)	50.57%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 2,683,904	\$ 188,423	\$ 2,872,327		\$ 4,300,000	66.80%
Assessments (1%)	\$ 1,639,264	31,287	1,670,552		1,500,000	111.37%
DWR Fixed Charge Recovery	233,191	642	233,833		100,000	233.83%
Interest	1,793	(2,135)	(342)		25,000	-1.37%
Capital Improvement Fees	(511)	2,877	2,366		150,000	1.58%
State Grants	-	-	-		485,000	0.00%
Other	185,577	12,600	198,178		150,000	132.12%
Total Non-Operating Revenues	\$ 4,743,219	\$ 233,695	\$ 4,976,914	\$ -	\$ 6,710,000	74.17%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 1,650,872	\$ 116,554	\$ 1,767,427		\$ 2,111,000	83.72%
Amortization of SWP	1,444,834	131,561	1,576,395		1,679,000	93.89%
Water Conservation Programs	101,583	11,594	113,177		150,000	75.45%
Total Non-Operating Expenses	\$ 3,197,290	\$ 259,709	\$ 3,456,999	\$ -	\$ 3,940,000	87.74%
Net Earnings	\$ (1,818,012)	\$ 25,422	\$ (1,792,590)	\$ -	\$ (3,780,850)	47.41%

* Budget adjustments by General Manager per Appendix A

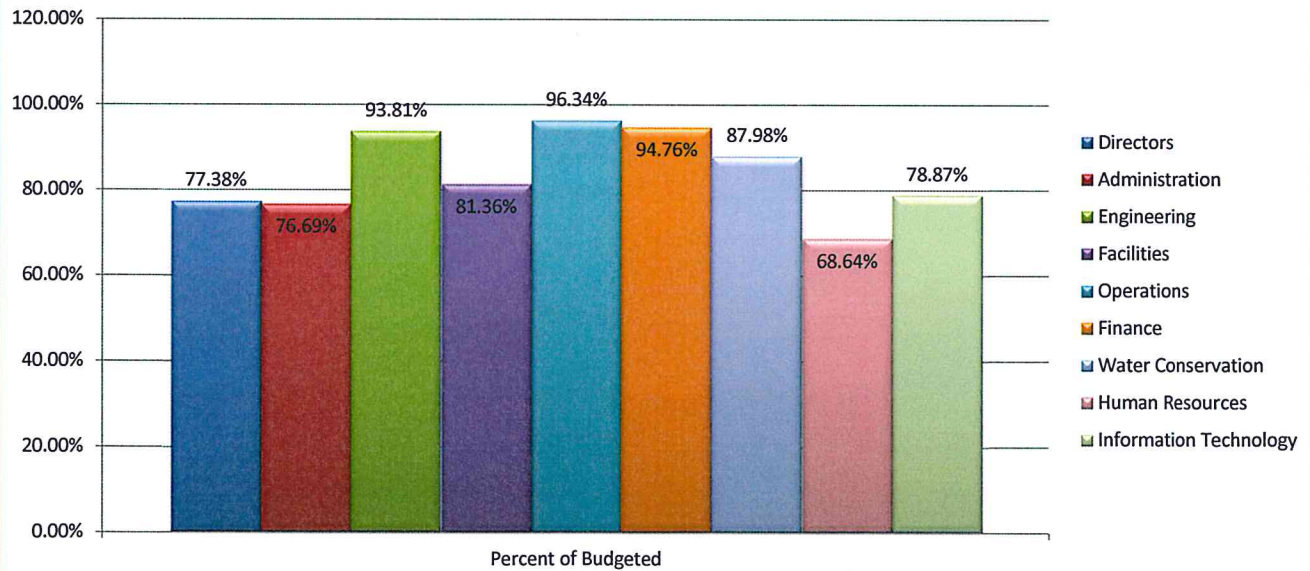
OTHER OPERATING REVENUE

Account Setup Charge(\$25)	\$2,750.00
Account Setup Charge/CC (\$35)	\$2,230.00
After Hours Service Call	\$325.00
Construction Meter Install(\$250)	\$500.00
Credit Check(\$10)	\$20.00
Door Tag Fee(\$20)	\$42,580.00
Lock Broken or Missing(\$15)	\$90.00
Meter Exchange 1" to 5/8"(\$240)	\$480.00
Pulled Meter Service Charge(\$60)	\$240.00
Repair Angle Stop(\$440.00)	\$3,080.00
Shut-Off Charge(\$30)	\$5,760.00
Shut-Off Processing Fee(\$20)	\$40.00
Standard Trip Charge(\$15)	\$255.00
Late Fees	\$51,062.57
NSF Fee	\$975.00
	<u>\$110,387.57</u>

P & L BUDGET vs. ACTUAL



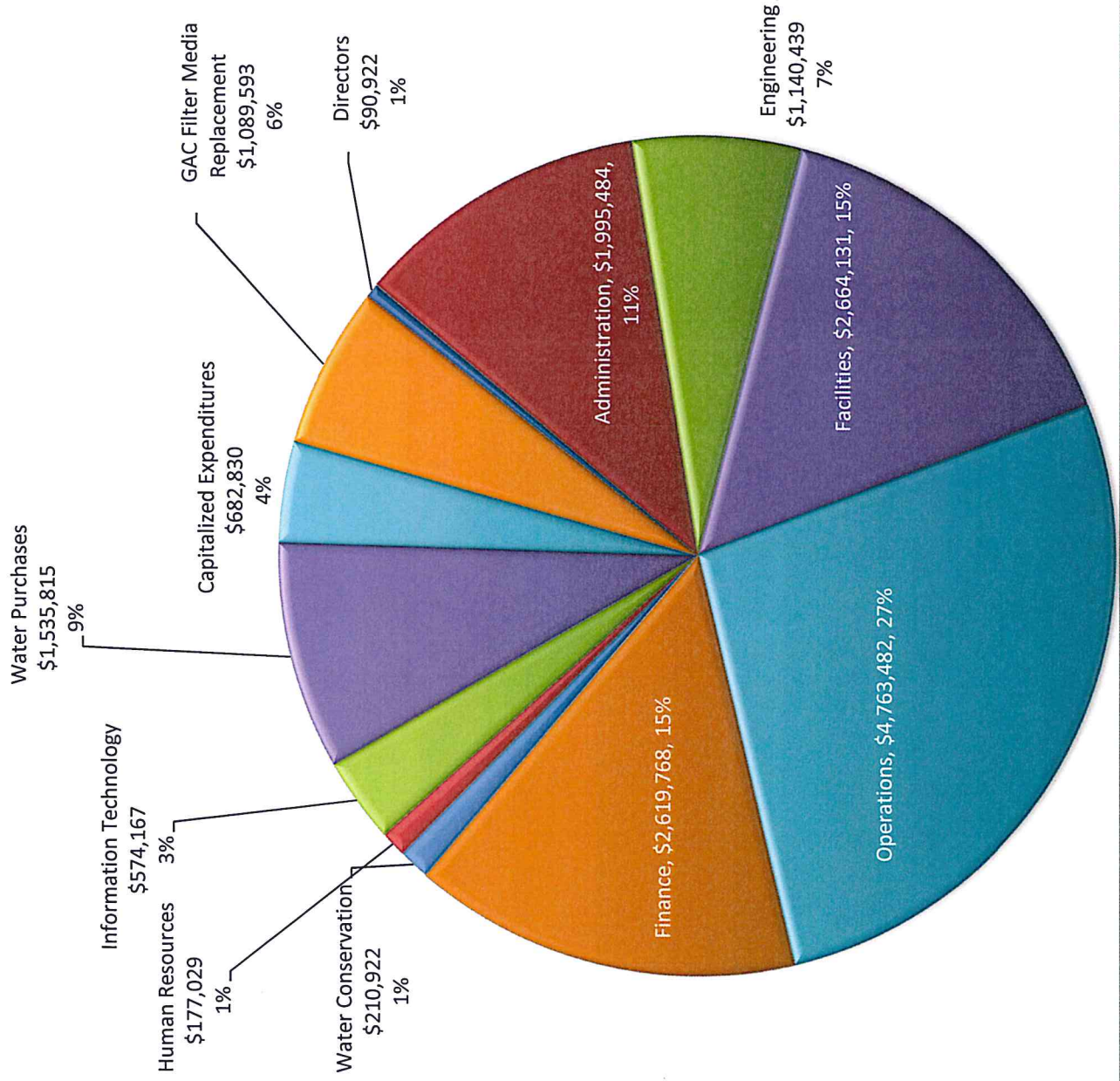
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses

YTD 11/30/13

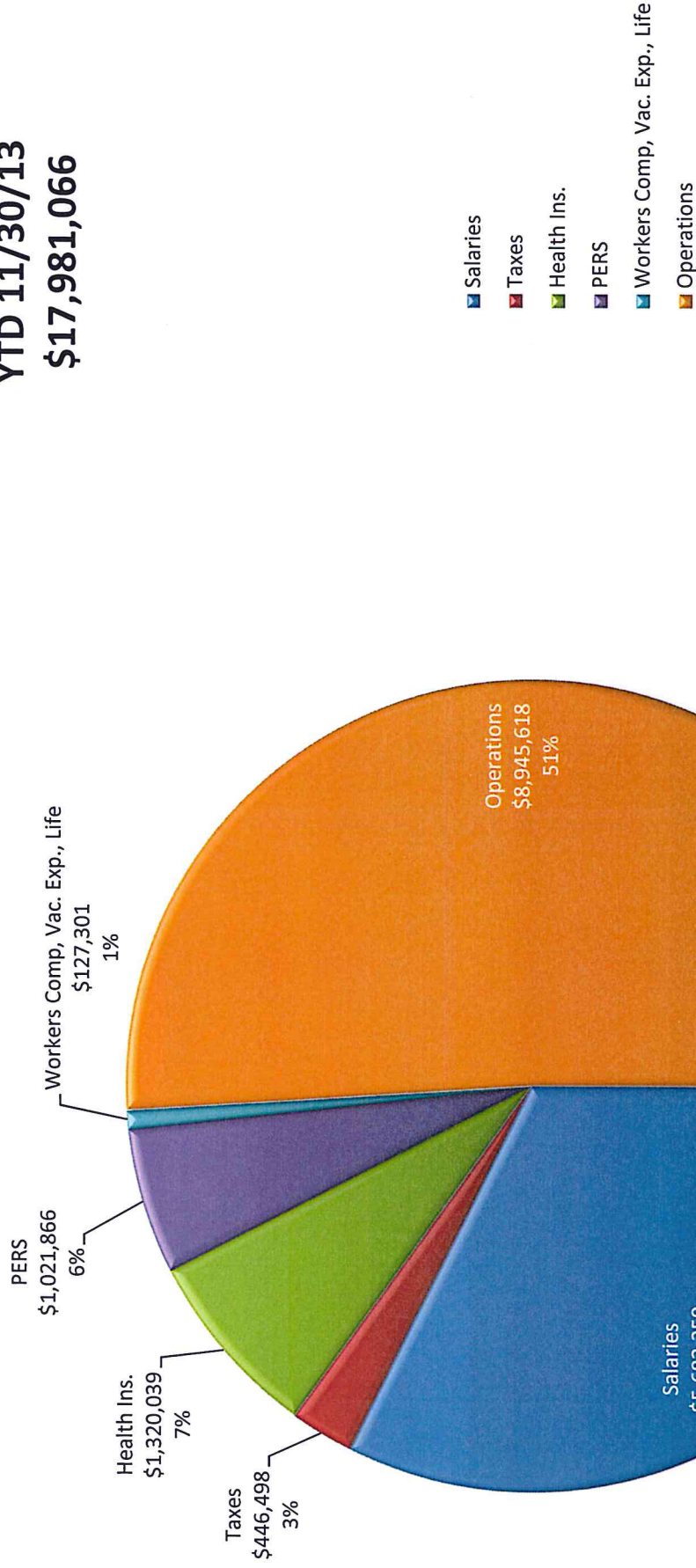
\$17,981,066



Personnel to Operations Exp

YTD 11/30/13

\$17,981,066

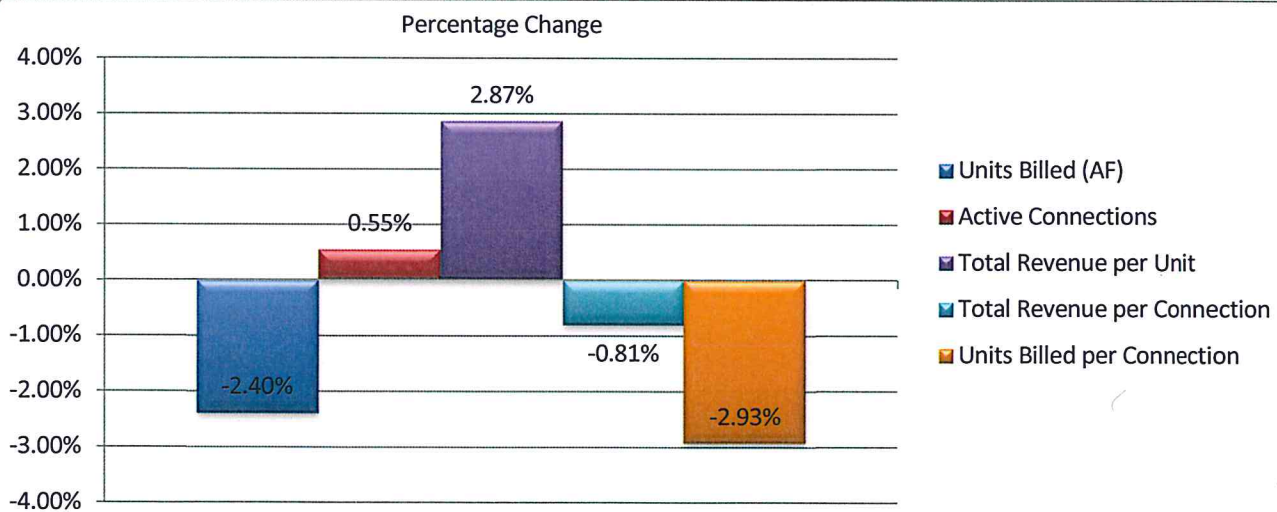
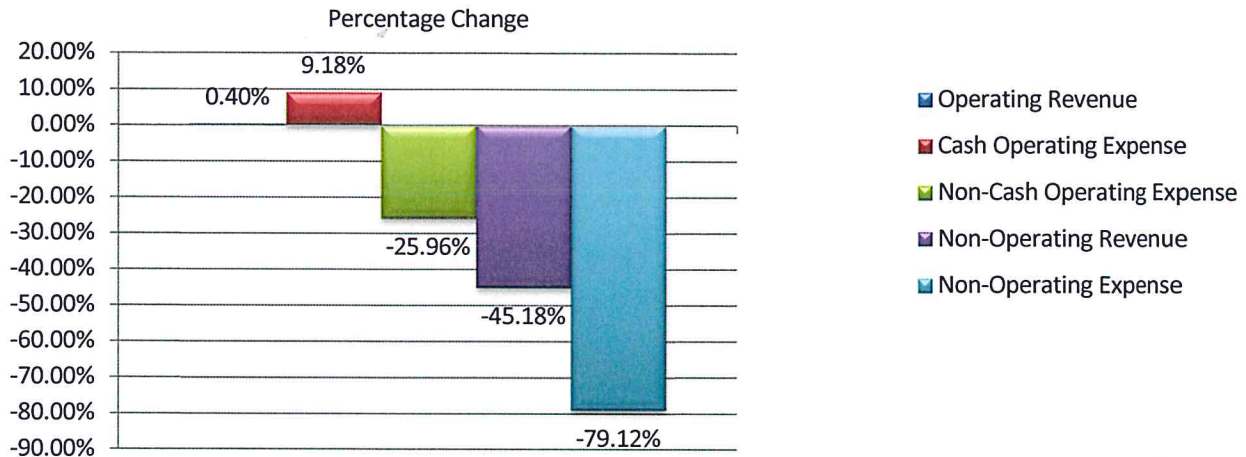


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - November

	2012	2013		%		Consumption Comparison		
	November	November	Change	Change		Units Billed	2012	2013
Operating Revenue:							703,430	686,568
Wholesale Water	\$ 37,268	\$ 131	\$ (37,137)			Active	26,201	26,345
Water Sales	855,272	836,479	(18,793)	-2.20%		Vacant	1,140	1,008
Meter Fees	863,383	920,391	57,007	6.60%				
Water Quality Fees	140,686	135,492	(5,194)	-3.69%				
Elevation Fees	45,838	44,779	(1,059)	-2.31%	Rev/unit	\$	2.91	\$ 3.00
Other	105,919	119,323	13,404	12.65%	Rev/con	\$	74.14	\$ 73.53
Total Water Sales	\$ 2,048,366	\$ 2,056,594	\$ 8,228	0.40%	Unit/con		26.85	26.06
Cash Operating Expenses:								
Directors	\$ 10,321	\$ 8,520	\$ (1,800)	-17.44%				
Administration	148,923	169,411	20,488	13.76%				
Engineering	86,992	99,029	12,036	13.84%				
Facilities	254,770	238,224	(16,546)	-6.49%				
Operations	280,330	405,760	125,430	44.74%				
Finance	192,977	248,156	55,179	28.59%				
Water Conservation	17,420	19,057	1,637	9.40%				
Human Resources	206	19,378	19,172	9301.82%				
Information Technology	61,446	54,688	(6,758)	-11.00%				
Water Purchases	55,873	74,870	18,997	34.00%				
Water Purchases-Prior Year OAP	-	-	-					
Water Recovery	(114,515)	(474)	114,041					
Capitalized Expenditures	33,301	22,516	(10,785)	-32.39%				
GAC Filter Media Replacement	216,776	-	(216,776)	-100.00%				
Total Cash Operating Expenses	\$ 1,244,820	\$ 1,359,135	\$ 114,315	9.18%				
Non-Cash Operating Expenses:								
Depreciation	\$ 780,478	\$ 556,651	\$ (223,827)	-28.68%				
OPEB Accrual Expense	147,678	165,223	17,545	11.88%				
Bad Debts	829	6,403	5,574	672.75%				
Service Costs Construction	(3,364)	(25)	3,338	-99.25%				
Capitalized Construction	(53,076)	(82,229)	(29,152)	54.93%				
Total Non-Cash Operating Expenses	\$ 872,545	\$ 646,023	\$ (226,522)	-25.96%				
Net Operating Profit/(Loss)	\$ (68,999)	\$ 51,436	\$ 120,435	-174.55%				
Non-Operating Revenues:								
Assessments	\$ 416,665	\$ 219,711	\$ (196,954)	-47.27%				
DWR Fixed Charge Recovery	-	642	642					
Interest	2,632	(2,135)	(4,767)	-181.11%				
Capital Improvement Fees	-	2,877	2,877					
State Grants	-	-	-					
Other	7,027	12,600	5,573	79.31%				
Total Non-Operating Revenues	\$ 426,324	\$ 233,695	\$ (192,629)	-45.18%				
Non-Operating Expenses:								
Interest on Long-Term Debt	\$ 1,110,439	\$ 116,554	\$ (993,884)	-89.50%				
Amortization of SWP	131,561	131,561	-	0.00%				
Water Conservation Programs	1,633	11,594	9,960	609.86%				
Total Non-Operating Expenses	\$ 1,243,633	\$ 259,709	\$ (983,924)	-79.12%				
Net Earnings	\$ (886,308)	\$ 25,422	\$ 911,729	-102.87%				

YEAR-TO-YEAR COMPARISON

November '12 -To- November '13



	2012	2013	Change	
Units Billed (AF)	1,615	1,576	-39	-2.40%
Active Connections	26,201	26,345	144	0.55%
Non-Active	1,140	1,008	-132	-11.58%
Total Revenue per Unit	\$2.91	\$3.00	\$0.08	2.87%
Total Revenue per Connection	\$74.14	\$73.53	-\$0.60	-0.81%
Units Billed per Connection	26.85	26.06	-1	-2.93%

Palmdale Water District

Revenue Analysis

For the Eleven Months Ending 11/30/2013

2013

2012 to 2013 Comparison

	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget	Thru October	November	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	\$ 165,106	\$ 131	\$ 165,237	\$ 175,000	94.42%	\$ 165,106	(37,137)	126,770	
Water Sales	7,611,819	836,479	8,448,298	8,198,000	103.05%	371,364	(18,793)	352,571	4.36%
Meter Fees	9,214,588	920,391	10,134,979	11,232,000	90.23%	607,509	57,007	664,516	7.02%
Water Quality Fees	1,420,770	135,492	1,556,261	1,638,000	95.01%	4,040	(5,194)	(1,154)	-0.07%
Elevation Fees	478,572	44,779	523,351	550,000	95.15%	(7,635)	(1,059)	(8,694)	-1.63%
Other	1,450,688	119,323	1,570,010	1,250,000	125.60%	314,756	13,404	328,159	26.43%
Total Water Sales	\$ 20,341,543	\$ 2,056,594	\$ 22,398,136	\$ 23,043,000	97.20%	\$ 1,455,140	\$ 8,228	\$ 1,462,169	6.98%

Non-Operating Revenues:

Assessments (Debt Service)	\$ 2,683,904	\$ 188,423	\$ 2,872,327	\$ 4,300,000	66.80%	\$ (560,744)	\$ (121,217)	\$ (681,961)	-19.19%
Assessments (1%)	1,639,264	31,287	1,670,552	3,170,552	52.69%	517,782	(75,737)	442,046	35.98%
DWR Fixed Charge Recovery	233,191	642	233,833	100,000	233.83%	(202,727)	642	(202,085)	
Interest	1,793	(2,135)	(342)	25,000	-1.37%	(19,865)	(4,767)	(24,633)	-101.41%
Capital Improvement Fees	(511)	2,877	2,366	150,000	1.58%	(1,340,011)	2,877	(1,337,134)	-99.82%
State Grants	-	-	-	485,000	0.00%	-	-	-	
Other	185,577	12,600	198,178	150,000	132.12%	18,993	5,573	24,567	14.15%
Total Non-Operating Revenues	\$ 4,743,219	\$ 233,695	\$ 4,976,914	\$ 8,380,552	59.39%	\$ (1,586,571)	\$ (192,629)	\$ (1,779,201)	-26.33%
Total Revenue	\$ 25,084,762	\$ 2,290,288	\$ 27,375,050	\$ 31,423,552	87.12%	\$ (131,431)	\$ (184,402)	\$ (317,032)	-1.14%

2012

	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 1,199	\$ 37,268	\$ 38,467	\$ 175,000	21.98%
Water Sales	7,240,455	855,272	8,095,728	8,145,000	99.40%
Meter Fees	8,607,079	863,383	9,470,462	10,400,000	91.06%
Water Quality Fees	1,416,729	140,686	1,557,415	1,550,000	100.48%
Elevation Fees	486,207	45,838	532,045	525,000	101.34%
Other	1,135,932	105,919	1,241,851	1,250,000	99.35%
Total Water Sales	\$ 18,886,403	\$ 2,048,366	\$ 20,935,968	\$ 21,870,000	95.73%

Non-Operating Revenues:

Assessments (Debt Service)	\$ 3,244,648	\$ 309,640	\$ 3,554,288	\$ 4,000,000	88.86%
Assessments (1%)	1,121,482	107,024	1,228,506	1,500,000	81.90%
DWR Fixed Charge Recovery	435,918	-	435,918	-	
Interest	21,659	2,632	24,291	60,000	40.48%
Capital Improvement Fees	1,339,500	-	1,339,500	1,286,848	104.09%
State Grants	-	-	-	250,000	0.00%
Other	166,584	7,027	173,611	100,000	173.61%
Total Non-Operating Revenues	\$ 6,329,790	\$ 426,324	\$ 6,756,114	\$ 7,196,848	93.88%
Total Revenue	\$ 25,216,193	\$ 2,474,690	\$ 27,692,082	\$ 29,066,848	95.27%

Palmdale Water District
Operating Expense Analysis
For the Eleven Months Ending 11/30/2013

2012 to 2013 Comparison

	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget	Thru October	November	Year-to-Date	Change %
Cash Operating Expenses:									
Directors	\$ 82,401	\$ 8,520	\$ 90,922	\$ 117,500	77.38%	\$ (7,048)	\$ (1,800)	\$ (8,848)	-8.87%
Administration	1,826,073	169,411	1,995,484	2,602,000	76.69%	(325,781)	20,488	(305,293)	-13.27%
Engineering	1,041,410	99,029	1,140,439	1,215,750	93.81%	90,497	12,036	102,533	9.88%
Facilities	2,425,907	238,224	2,664,131	3,298,500	80.77%	(466,475)	(16,546)	(483,021)	-15.35%
Operations	4,357,722	405,760	4,763,482	4,944,250	96.34%	386,848	125,430	512,278	12.05%
Finance	2,371,612	248,156	2,619,768	2,789,000	93.93%	(9,504)	55,179	45,675	1.77%
Water Conservation	191,865	19,057	210,922	239,750	87.98%	8,506	1,637	10,144	5.05%
Human Resources	157,651	19,378	177,029	209,600	84.46%	(30,600)	19,172	(11,428)	-6.06%
Information Technology	519,479	54,688	574,167	728,000	78.87%	(32,104)	(6,758)	(38,863)	-6.34%
Water Purchases	2,072,508	74,870	2,147,378	2,600,000	82.59%	(992,935)	18,997	(973,938)	-31.20%
Water Purchases-Prior Year OAP	436,485	-	436,485	-		436,485	-	436,485	
Water Recovery	(611,089)	(474)	(611,563)	(100,000)	611.56%	(481,202)	114,041	(367,161)	150.23%
Capitalized Expenditures	660,315	22,516	682,830	836,500	81.63%	153,820	(10,785)	143,035	26.50%
GAC Filter Media Replacement	1,089,593	-	1,089,593	1,638,000	66.52%	4,497	(216,776)	(212,279)	-16.31%
Total Cash Operating Expenses	\$ 16,621,931	\$ 1,359,135	\$ 17,981,066	\$ 21,118,850	85.14%	\$ (1,264,995)	\$ 114,315	\$ (1,150,681)	-6.40%
Non-Cash Operating Expenses:									
Depreciation	\$ 6,372,003	\$ 556,651	\$ 6,928,654	\$ 7,250,000	95.57%	\$ 598,800	\$ (223,827)	\$ 374,973	5.72%
OPEB Accrual Expense	1,652,227	165,223	1,817,449	3,817,449	47.61%	14,558	17,545	32,103	1.80%
Bad Debts	5,581	6,403	11,984	111,984	10.70%	1,189	5,574	6,763	129.56%
Service Costs Construction	89,708	(25)	89,682	214,682	41.77%	67,948	3,338	71,287	387.52%
Capitalized Construction	(1,035,965)	(82,229)	(1,118,193)	(2,118,193)	52.79%	(201,665)	(29,152)	(230,817)	26.01%
Total Non-Cash Operating Expenses	\$ 7,083,553	\$ 646,023	\$ 7,729,576	\$ 9,275,922	83.33%	\$ 480,831	\$ (226,522)	\$ 254,310	3.29%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 1,650,872	\$ 116,554	\$ 1,767,427	\$ 2,111,000	83.72%	\$ (430,068)	\$ (993,884)	\$ (1,423,952)	-44.62%
Amortization of SWP	1,444,834	131,561	1,576,395	1,679,000	93.89%	155,384	-	155,384	10.93%
Water Conservation Programs	101,583	11,594	113,177	150,000	75.45%	57,567	9,960	67,527	1.45%
Total Non-Operating Expenses	\$ 3,197,290	\$ 259,709	\$ 3,456,999	\$ 3,940,000	87.74%	\$ (217,117)	\$ (983,924)	\$ (1,201,041)	-25.78%
Total Expenses	\$ 26,902,774	\$ 2,264,867	\$ 29,167,640	\$ 34,334,772	84.95%	\$ (1,001,281)	\$ (1,096,131)	\$ (2,097,412)	-6.71%

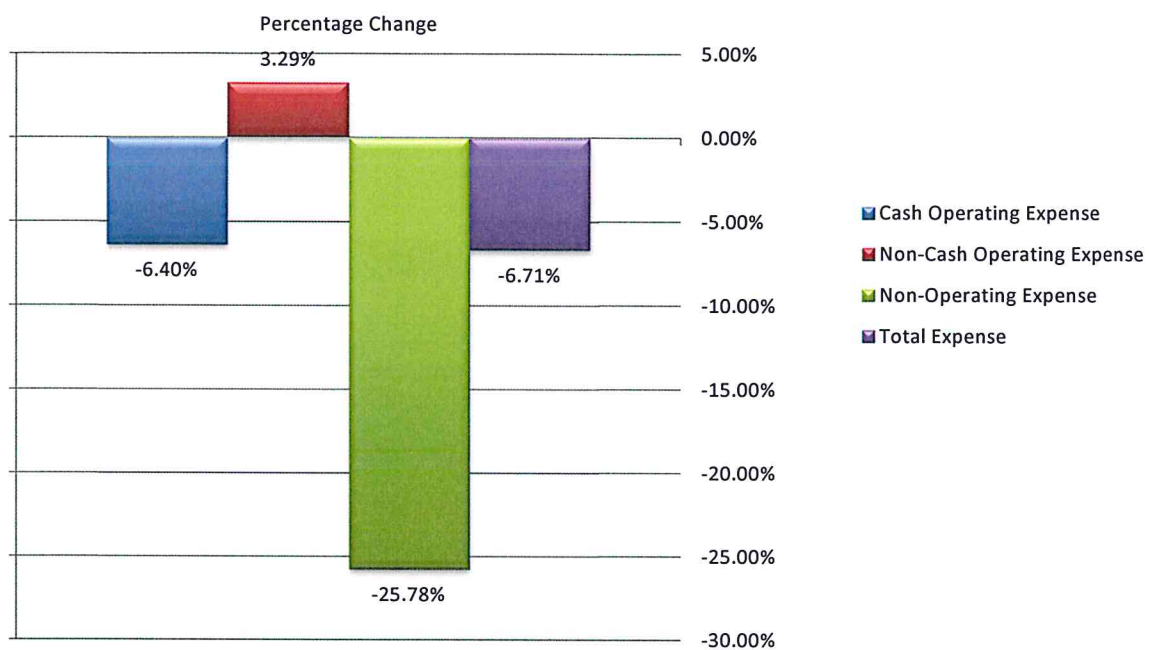
Palmdale Water District
Operating Expense Analysis
For the Eleven Months Ending 11/30/2013

2012 to 2013 Comparison

	Thru		Year-to-Date		Adjusted	% of
	October	November	2012	2013	Budget	Budget
Cash Operating Expenses:						
Directors	\$ 89,449	\$ 10,321	\$ 99,770	\$ 154,000		64.79%
Administration	2,151,854	148,923	2,300,777	3,547,000		64.87%
Engineering	950,913	86,992	1,037,905	1,169,000		88.79%
Facilities	2,892,382	254,770	3,147,151	3,490,500		90.16%
Operations	3,970,874	280,330	4,251,204	5,113,750		83.13%
Finance	2,381,115	192,977	2,574,092	2,788,750		92.30%
Water Conservation	183,358	17,420	200,778	223,500		89.83%
Human Resources	188,251	206	188,457	267,850		70.36%
Information Technology	551,583	61,446	613,029	736,750		83.21%
Water Purchases	3,065,443	55,873	3,121,316	2,800,000		111.48%
Water Purchases-Prior Year OAP	-	-	-	-		-
Water Recovery	(129,887)	(114,515)	(244,402)	(200,000)		122.20%
Capitalized Expenditures	506,495	33,301	539,796	412,500		130.86%
GAC Filter Media Replacement	1,085,096	216,776	1,301,872	1,550,000		83.99%
Total Cash Operating Expenses	\$ 17,886,926	\$ 1,244,820	\$ 19,131,746	\$ 22,053,600		86.75%
Non-Cash Operating Expenses:						
Depreciation	\$ 5,773,203	\$ 780,478	\$ 6,553,681	\$ 7,800,000		84.02%
OPEB Accrual Expense	1,637,669	147,678	1,785,346	2,000,000		89.27%
Bad Debts	4,392	829	5,220	100,000		5.22%
Service Costs Construction	21,759	(3,364)	18,396	125,000		14.72%
Capitalized Construction	(834,300)	(53,076)	(887,376)	(1,000,000)		88.74%
Total Non-Cash Operating Expenses	\$ 6,602,722	\$ 872,545	\$ 7,475,267	\$ 9,025,000		82.83%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 2,080,940	\$ 1,110,439	\$ 3,191,379	\$ 2,490,000		128.17%
Amortization of SWP	1,289,450	131,561	1,421,011	1,680,000		84.58%
Capital Lease	-	-	-	212,000		-
Water Conservation Programs	44,017	1,633	45,650	150,000		30.43%
Total Non-Operating Expenses	\$ 3,414,407	\$ 1,243,633	\$ 4,658,040	\$ 4,532,000		102.78%
Total Expenses	\$ 27,904,055	\$ 3,360,998	\$ 31,265,052	\$ 35,610,600		87.80%

EXPENSE COMPARISON YEAR-TO-DATE

November '12-To-November '13



Palmdale Water District
2013 Directors Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 43,350	\$ 45,000	\$ -	\$ 1,650	96.33%
Employee Benefits					
1-01-4005-000 Payroll Taxes	3,316	5,500		2,184	60.30%
1-01-4010-000 Health Insurance	41,863	57,000		15,137	73.44%
Subtotal (Benefits)	45,179	62,500	-	15,137	72.29%
Total Personnel Expenses	<u>\$ 88,529</u>	<u>\$ 107,500</u>	<u>\$ -</u>	<u>\$ 16,787</u>	<u>82.35%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	2,392	10,000		7,608	23.92%
Subtotal Operating Expenses	2,392	10,000	-	7,608	23.92%
Total O & M Expenses	<u>\$ 90,922</u>	<u>\$ 117,500</u>	<u>\$ -</u>	<u>\$ 24,395</u>	<u>77.38%</u>

Palmdale Water District
2013 Administration Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD	ORIGINAL		ADJUSTED	
	ACTUAL	BUDGET	ADJUSTMENTS	BUDGET	PERCENT
	2013	2013	2013	REMAINING	USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 431,673	\$ 471,500		\$ 39,827	91.55%
1-02-4000-100 Overtime	6,933	5,000		(1,933)	138.67%
1-02-4000-200 On-Call	51,706	60,000		8,294	86.18%
Subtotal (Salaries)	\$ 490,313	\$ 536,500		\$ 46,187	91.39%
Employee Benefits					
1-02-4005-000 Payroll Taxes	29,246	41,000		11,754	71.33%
1-02-4010-000 Health Insurance	73,847	80,750		6,903	91.45%
1-02-4015-000 PERS	82,465	90,750		8,285	90.87%
1-02-4020-000 Worker's Compensation	84,480	160,000		75,520	52.80%
1-02-4025-000 Vacation Benefit Expense	35,839	35,000		(839)	102.40%
1-02-4030-000 Life Insurance	6,982	7,500		518	93.10%
Subtotal (Benefits)	\$ 312,859	\$ 415,000	\$ -	\$ 102,141	75.39%
Total Personnel Expenses	\$ 803,171	\$ 951,500	\$ -	\$ 148,329	84.41%

OPERATING EXPENSES:

1-02-4050-000 Staff Travel	\$ 6,010	\$ 8,000		\$ 1,990	75.12%
1-02-4050-100 General Manager Travel	4,313	5,000		687	86.25%
1-02-4060-000 Staff Conferences & Seminars	1,150	3,000		1,850	38.33%
1-02-4060-100 General Manager Conferences & Seminars	2,631	4,500		1,869	58.48%
1-02-4070-000 Employee Expense	20,077	40,000		19,923	50.19%
1-02-4080-000 Other Operating	19,627	20,000		373	98.14%
1-02-4110-000 Consultants	40,017	134,000		93,983	29.86%
1-02-4125-000 Insurance	232,602	325,000		92,398	71.57%
1-02-4130-000 Bank Charges	108,371	130,000		21,629	83.36%
1-02-4135-000 Groundwater Adjudication	263,350	400,000		136,650	65.84%
1-02-4140-000 Legal Services	118,148	250,000		131,852	47.26%
1-02-4150-000 Accounting Services	23,692	20,000		(3,692)	118.46%
1-02-4155-000 Contracted Services	25,571	40,000		14,429	63.93%
1-02-4165-000 Memberships/Subscriptions	205,265	110,000		(95,265)	186.60%
1-02-4175-000 Permits	9,230	20,000		10,770	46.15%
1-02-4180-000 Postage	14,958	30,000		15,042	49.86%
1-02-4190-100 Public Relations - Publications	33,799	30,000		(3,799)	112.66%
1-02-4190-900 Public Relations - Other	761	1,000		239	76.10%
1-02-4200-000 Advertising	2,082	5,000		2,918	41.64%
1-02-4205-000 Office Supplies	15,006	20,000		4,994	75.03%
1-02-4215-200 Natural Gas - Office Building	2,648	5,000		2,352	52.96%
1-02-4220-200 Electricity - Office Building	43,005	50,000		6,995	86.01%
Subtotal Operating Expenses	\$ 1,192,313	\$ 1,650,500	\$ -	\$ 458,187	72.24%
Total Departmental Expenses	\$ 1,995,484	\$ 2,602,000	\$ -	\$ 606,516	76.69%

Palmdale Water District
2013 Engineering Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 705,965	\$ 749,000		\$ 43,035	94.25%
1-03-4000-100 Overtime	5,977	6,000		23	99.61%
Subtotal (Salaries)	\$ 711,942	\$ 755,000		\$ 43,058	94.30%
Employee Benefits					
1-03-4005-000 Payroll Taxes	55,970	58,000		2,030	96.50%
1-03-4010-000 Health Insurance	151,422	165,500		14,078	91.49%
1-03-4015-000 PERS	134,681	143,250		8,569	94.02%
Subtotal (Benefits)	\$ 342,074	\$ 366,750	\$ -	\$ 24,676	93.27%
Total Personnel Expenses	\$ 1,054,015	\$ 1,121,750	\$ -	\$ 67,735	93.96%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 4,167	\$ 3,000		\$ (1,167)	138.90%
1-03-4060-000 Staff Conferences & Seminars	1,460	2,500		1,040	58.40%
1-03-4155-000 Contracted Services	8,260	12,000		3,740	68.83%
1-03-4165-000 Memberships/Subscriptions	1,327	2,000		673	66.35%
1-03-4250-000 General Materials & Supplies	6,052	2,500		(3,552)	242.09%
1-03-8100-100 Computer Software - Maint. & Support	65,157	72,000		6,843	90.50%
Subtotal Operating Expenses	\$ 86,423	\$ 94,000	\$ -	\$ 7,577	91.94%
Total Departmental Expenses	\$ 1,140,439	\$ 1,215,750	\$ -	\$ 75,311	93.81%

Palmdale Water District
2013 Facilities Budget
For the Eleven Months Ending Saturday, November 30, 2013

YTD ACTUAL	ORIGINAL BUDGET	ADJUSTMENTS	ADJUSTED BUDGET	PERCENT
2013	2013	2013	REMAINING	USED

Personnel Budget:

1-04-4000-000 Salaries*	\$ 1,147,909	\$ 1,339,000	\$ (24,000)	\$ 191,091	85.73%
1-04-4000-100 Overtime	44,911	40,000		(4,911)	112.28%
Subtotal (Salaries)	\$ 1,192,820	\$ 1,379,000		\$ 186,180	86.50%

Employee Benefits

1-04-4005-000 Payroll Taxes	97,840	105,000		7,160	93.18%
1-04-4010-000 Health Insurance	350,714	384,000		33,286	91.33%
1-04-4015-000 PERS	215,442	254,500		39,058	84.65%
Subtotal (Benefits)	\$ 663,997	\$ 743,500	\$ -	\$ 79,503	89.31%

Total Personnel Expenses

\$ 1,856,816	\$ 2,122,500	\$ (24,000)	\$ 270,595	87.48%
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OPERATING EXPENSES:

1-04-4050-000 Staff Travel	\$ 731	\$ 2,500		1,769	29.23%
1-04-4060-000 Staff Conferences & Seminars	2,225	3,000		775	74.17%
1-04-4155-000 Contracted Services	63,984	28,500		(35,484)	224.51%
1-04-4175-000 Permits-Dams*	45,887	-	38,900	(6,987)	
1-04-4215-200 Natural Gas - Buildings	1,631	4,500		2,869	36.24%
1-04-4220-200 Electricity - Buildings	18,360	30,000		11,640	61.20%
1-04-4225-000 Maint. & Repair - Vehicles	31,239	45,000		13,761	69.42%
1-04-4230-100 Maint. & Rep. Office Building	4,016	18,000		13,984	22.31%
1-04-4235-110 Maint. & Rep. Equipment	6,609	7,500		891	88.12%
1-04-4235-400 Maint. & Rep. Operations - Wells	37,915	150,000		112,085	25.28%
1-04-4235-405 Maint. & Rep. Operations - Boosters	55,369	50,000		(5,369)	110.74%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,323	10,000		1,677	83.23%
1-04-4235-415 Maint. & Rep. Operations - Facilities	13,072	15,000		1,928	87.15%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	229,635	350,000		120,365	65.61%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam*	-	20,000	(18,100)	1,900	0.00%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam*	-	26,500	(20,800)	5,700	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	230	3,000		2,770	7.66%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	25,140	35,000		9,860	71.83%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	223	5,000		4,777	4.47%
1-04-6000-000 Waste Disposal	20,428	40,000		19,572	51.07%
1-04-6100-100 Fuel and Lube - Vehicle	114,837	130,000		15,163	88.34%
1-04-6100-200 Fuel and Lube - Machinery	20,052	43,000		22,948	46.63%
1-04-6200-000 Uniforms	19,338	20,000		662	96.69%
1-04-6300-100 Supplies - Misc.	35,920	47,500		11,580	75.62%
1-04-6300-800 Supplies - Construction Materials	30,333	65,000		34,667	46.67%
1-04-6400-000 Tools	10,567	12,000		1,433	88.06%
1-04-7000-100 Leases -Equipment	11,250	15,000		3,750	75.00%
Subtotal Operating Expenses	\$ 807,314	\$ 1,176,000	\$ -	\$ 368,686	68.65%

Total Departmental Expenses

\$ 2,664,131	\$ 3,298,500	\$ (24,000)	\$ 639,280	81.36%
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Palmdale Water District
2013 Operation Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 1,398,599	\$ 1,608,500		\$ 209,901	86.95%
1-05-4000-100 Overtime	79,637	61,500		(18,137)	129.49%
Subtotal (Salaries)	\$ 1,478,236	\$ 1,670,000		\$ 191,764	88.52%
Employee Benefits					
1-05-4005-000 Payroll Taxes	118,142	128,000		9,858	92.30%
1-05-4010-000 Health Insurance	322,132	378,500		56,368	85.11%
1-05-4015-000 PERS	263,097	307,000		43,903	85.70%
Subtotal (Benefits)	\$ 703,371	\$ 813,500	\$ -	\$ 110,129	86.46%
Total Personnel Expenses	\$ 2,181,606	\$ 2,483,500	\$ -	\$ 320,031	87.84%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 8,131	\$ 8,000		\$ (131)	101.64%
1-05-4060-000 Staff Conferences & Seminars	6,177	9,500		3,323	65.02%
1-05-4120-100 Training - Lab Equipment	-	4,500		4,500	0.00%
1-05-4120-200 Training - SCADA Network	1,423	9,000			
1-05-4155-000 Contracted Services	125,565	59,000		(66,565)	212.82%
1-05-4175-000 Permits	36,598	45,000		8,402	81.33%
1-05-4215-100 Natural Gas - Wells & Boosters	125,716	160,000		34,284	78.57%
1-05-4215-200 Natural Gas - WTP	2,571	3,000		429	85.68%
1-05-4220-100 Electricity - Wells & Boosters	1,384,819	1,285,000		(99,819)	107.77%
1-05-4220-200 Electricity - WTP	94,695	125,000		30,305	75.76%
1-05-4230-110 Maint. & Rep. - Office Equipment	147	500		353	29.49%
1-05-4235-110 Maint. & Rep. Operations - Equipment	9,162	15,000		5,838	61.08%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	15,254	6,000		(9,254)	254.23%
1-05-4235-415 Maint. & Rep. Operations - Facilities	44,752	38,000		(6,752)	117.77%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	4,807	2,250		(2,557)	213.65%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	22,296	10,000		(12,296)	222.96%
1-05-4236-000 Palmdale Lake Management	10,031	15,000		4,969	66.87%
1-05-4270-300 Telecommunication - Other	2,540	2,750		210	92.35%
1-05-4300-300 Testing - Edison	5,385	9,000		3,615	59.83%
1-05-6000-000 Waste Disposal	23,612	22,000		(1,612)	107.33%
1-05-6200-000 Uniforms	11,131	10,000		(1,131)	111.31%
1-05-6300-100 Supplies - Misc.	16,947	15,000		(1,947)	112.98%
1-05-6300-200 Supplies - Hypo Generator	3,750	6,750		3,000	55.56%
1-05-6300-300 Supplies - Electrical	965	3,500		2,535	27.56%
1-05-6300-400 Supplies - Telemetry	2,232	7,500		5,268	29.76%
1-05-6300-600 Supplies - Lab	33,995	35,000		1,005	97.13%
1-05-6300-700 Outside Lab Work	95,843	60,000		(35,843)	159.74%
1-05-6400-000 Tools	3,760	6,500		2,740	57.84%
1-05-6500-000 Chemicals	489,364	485,000		(4,364)	100.90%
1-05-7000-100 Leases -Equipment	209	3,000		2,791	6.98%
Subtotal Operating Expenses	\$ 2,581,876	\$ 2,460,750	\$ -	\$ (128,703)	104.92%
Total Departmental Expenses	\$ 4,763,482	\$ 4,944,250	\$ -	\$ 191,328	96.34%

Palmdale Water District
2013 Finance Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries*	\$ 1,326,680	\$ 1,482,000	\$ (24,300)	\$ 155,320	89.52%
1-06-4000-100 Overtime	28,788	20,000		(8,788)	143.94%
Subtotal (Salaries)	\$ 1,355,468	\$ 1,502,000	\$ (24,300)	\$ 146,532	90.24%
Employee Benefits					
1-06-4005-000 Payroll Taxes	109,614	115,000.00		274,136	28.56%
1-06-4010-000 Health Insurance	317,094	383,750		(34,594)	112.25%
1-06-4015-000 PERS	261,454	282,500		519,796	33.47%
Subtotal (Benefits)	\$ 688,161	\$ 781,250	\$ -	\$ 759,339	88.08%
Total Personnel Expenses	\$ 2,043,629	\$ 2,283,250	\$ (24,300)	\$ 905,871	89.51%

OPERATING EXPENSES:

1-06-4050-000 Staff Travel	\$ 412	\$ 250		(162)	164.78%
1-06-4060-000 Staff Conferences & Seminars	920	1,000		80	91.98%
1-06-4155-300 Contracted Services	9,001	24,500		15,499	36.74%
1-06-4155-100 Contracted Services - Infosend	172,469	205,000		32,531	84.13%
1-06-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	1,000		1,000	0.00%
1-06-4235-440 Maint. & Rep. Operations - Large Meters	7,298	10,000		2,702	72.98%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	333,612	175,000		(158,612)	190.64%
1-06-4250-000 General Material & Supplies	6,473	4,000		(2,473)	161.82%
1-06-4260-000 Business Forms	9,903	10,000		97	99.03%
1-06-4270-100 Telecommunication - Office	9,547	30,000		20,453	31.82%
1-06-4270-200 Telecommunication - Cellular Stipend	13,235	17,000		3,765	77.85%
1-06-4270-300 Telecommunication - Cellular	213	3,000		2,787	7.11%
1-06-4300-200 Testing - Large Meter Testing	10,555	21,500		10,945	49.09%
1-06-7000-100 Leases - Equipment	2,501	3,000		499	83.37%
Subtotal Operating Expenses	\$ 576,139	\$ 505,750	\$ -	\$ (70,389)	113.92%
Total Departmental Expenses	\$ 2,619,768	\$ 2,789,000	\$ (24,300)	\$ 835,482	94.76%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2013 Water Conservation Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 138,386	\$ 153,000		\$ 14,614	90.45%
1-07-4000-100 Overtime	926	1,000		74	92.63%
Subtotal (Salaries)	\$ 139,313	\$ 154,000		\$ 14,687	90.46%
Employee Benefits					
1-07-4005-000 Payroll Taxes	11,108	11,750		642	94.53%
1-07-4010-000 Health Insurance	24,812	22,750		(2,062)	109.06%
1-07-4015-000 PERS	27,676	29,250		1,574	94.62%
Subtotal (Benefits)	\$ 63,596	\$ 63,750	\$ -	\$ 154	99.76%
Total Personnel Expenses	\$ 202,908	\$ 217,750	\$ -	\$ 14,768	93.18%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ 420	\$ 1,000		\$ 580	42.05%
1-07-4060-000 Staff Conferences & Seminars	1,338	1,000		(338)	133.80%
1-07-4190-300 Public Relations - Landscape Workshop/Training	243	1,000		757	24.29%
1-07-4190-400 Public Relations - Contests	709	1,000		291	70.86%
1-07-4190-500 Public Relations - Education Programs	906	5,000		4,094	18.13%
1-07-4190-700 Public Relations -General Media	1,535	3,000		1,465	51.17%
1-07-4190-900 Public Relations - Other	180	5,000		4,820	3.60%
1-07-6300-100 Supplies - Misc.	2,682	5,000		2,318	53.65%
Subtotal Operating Expenses	\$ 8,014	\$ 22,000	\$ -	\$ 13,986	36.43%
Total Departmental Expenses	\$ 210,922	\$ 239,750	\$ -	\$ 28,755	87.98%

Palmdale Water District
2013 Human Resources Budget
For the Eleven Months Ending Saturday, November 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 78,310	\$ 84,000		\$ 5,690	93.23%
Employee Benefits					
1-08-4005-000 Payroll Taxes	5,996	6,500		504	92.24%
1-08-4010-000 Health Insurance	-	18,000		18,000	0.00%
1-08-4015-000 PERS	142	16,000		15,858	0.89%
Subtotal (Benefits)	\$ 6,138	\$ 40,500	\$ -	\$ 34,362	15.16%
Total Personnel Expenses	\$ 84,448	\$ 124,500	\$ -	\$ 40,052	67.83%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ -	\$ 500		\$ 500	0.00%
1-08-4060-000 Staff Conferences & Seminars	-	500		500	0.00%
1-08-4090-000 Temporary Staffing*	53,504	-	48,300	(5,204)	
1-08-4095-000 Employee Recruitment	2,320	3,000		680	77.34%
1-08-4100-000 Employee Retention	1,457	1,500		43	97.12%
1-08-4105-000 Employee Relations	3,286	3,500		214	93.87%
1-08-4110-000 Consultants	-	1,000		1,000	0.00%
1-08-4120-100 Training-Safety Consultants	25,237	38,000		12,763	66.41%
1-08-4121-000 Safety Program	-	1,000		1,000	0.00%
1-08-4165-000 Membership/Subscriptions	449	1,600		1,151	28.06%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	6,329	33,500		27,171	18.89%
Subtotal Operating Expenses	\$ 92,581	\$ 85,100	\$ 48,300	\$ 40,819	69.40%
Total Departmental Expenses	\$ 177,029	\$ 209,600	\$ 48,300	\$ 80,871	68.64%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2013 Information Technology Budget
For the Eleven Months Ending Saturday, November 30, 2013

YTD	ORIGINAL		ADJUSTED	
ACTUAL	BUDGET	ADJUSTMENTS	BUDGET	PERCENT
2013	2013	2013	REMAINING	USED

Personnel Budget:

1-09-4000-000 Salaries	\$ 191,849	\$ 204,000	\$ 12,151	94.04%
1-09-4000-100 Overtime	1,660	2,500	840	66.41%
Subtotal (Salaries)	\$ 193,509	\$ 206,500	\$ 12,991	93.71%

Employee Benefits

1-09-4005-000 Payroll Taxes	15,266	16,000	734	95.41%
1-09-4010-000 Health Insurance	38,155	41,250	3,095	92.50%
1-09-4015-000 PERS	36,909	39,250	2,342	94.03%
Subtotal (Benefits)	\$ 90,330	\$ 96,500	\$ -	93.61%

Total Personnel Expenses

\$ 283,839	\$ 303,000	\$ -	\$ 18,322	93.68%
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OPERATING EXPENSES:

1-09-4050-000 Staff Travel	\$ 997	\$ 3,000	2,003	33.23%
1-09-4060-000 Staff Conferences & Seminars	11,402	15,000	3,598	76.01%
1-09-4155-300 Contracted Services - Computer Vendors	47,501	108,000	(55,500)	4,999
1-09-4165-000 Memberships/Subscriptions	-	500	500	0.00%
1-09-4270-000 Telecommunications	46,996	-	55,500	8,504
1-09-8000-100 Computer Equipment - Computers	18,251	45,000	26,749	40.56%
1-09-8000-200 Computer Equipment - Laptops	-	10,000	10,000	0.00%
1-09-8000-300 Computer Equipment - Monitors	493	2,000	1,507	24.67%
1-09-8000-400 Computer Equipment - Printers	12	2,500	2,488	0.48%
1-09-8000-500 Computer Equipment - Toner Cartridges	1,283	3,000	1,717	42.78%
1-09-8000-600 Computer Equipment - Other	8,448	35,000	26,552	24.14%
1-09-8100-100 Computer Software - Maint. and Support	35,821	70,000	34,179	51.17%
1-09-8100-140 Computer Software - Starnik	86,900	86,000	(900)	101.05%
1-09-8100-150 Computer Software - Cogsdale Maint and Support	27,489	30,000	2,511	91.63%
1-09-8100-200 Computer Software - Software and Upgrades	4,735	15,000	10,265	31.57%
Subtotal Operating Expenses	\$ 290,328	\$ 425,000	\$ -	\$ 134,672

Total Departmental Expenses

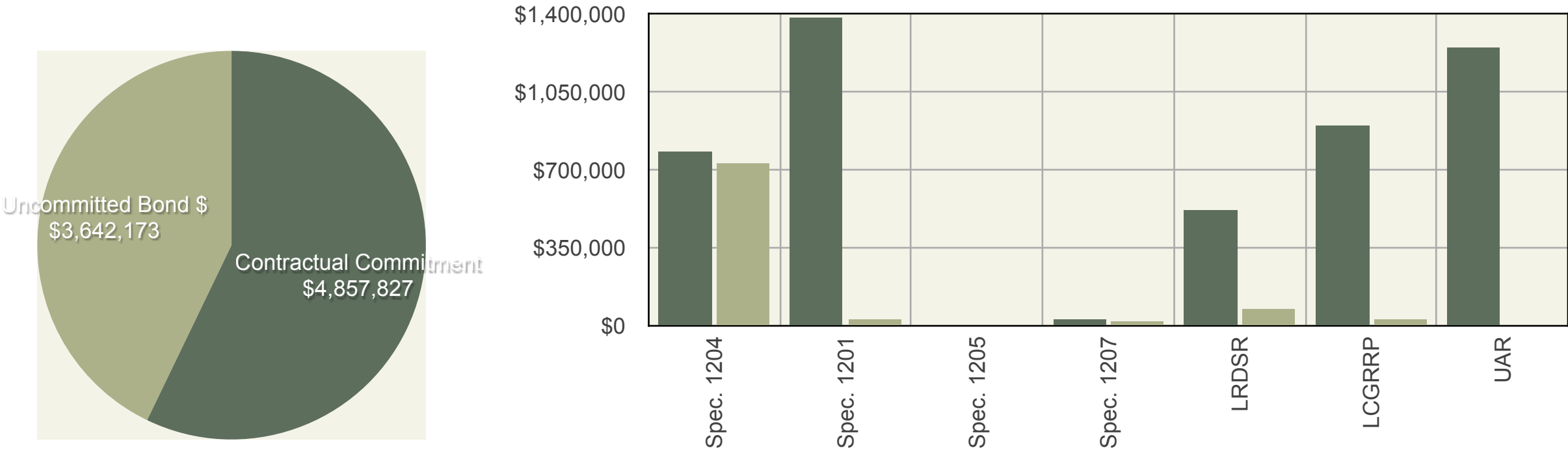
\$ 574,167	\$ 728,000	\$ -	\$ 152,994	78.87%
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Contractual Commitment

Uncommitted Bond \$

Contractual Commitment

Payout to Date



Project Commitment and Payout Summary

Project	Work Order No.	Description	CEQA	Allocated Bond \$	Contractual Commitment	Payout to Date	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	4/28/13	\$725,000	\$781,857	\$726,831	(\$56,857)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	5/8/13	\$1,450,000	\$1,387,042	\$29,925	\$62,958
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	5/8/13	\$1,200,000	\$0	\$0	\$1,200,000
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	6/16/13	\$1,400,000	\$23,510	\$18,626	\$1,376,490
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	TBD	\$975,000	\$515,925	\$74,144	\$459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	TBD	\$1,500,000	\$899,493	\$24,066	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	11/20/12	\$1,250,000	\$1,250,000	\$0	\$0
Totals:				\$8,500,000	\$4,857,827	\$873,592	\$3,642,173

Project Payout Detail

Date	Project	Description	Invoice No.	Requisition No.	Payment Amount
Jul 8, 2013	WRB	Issuance Costs	N/A	2	\$ 24,815.84
Jul 9, 2013	Spec. 1204	BV Construction - Progress Payment #1	1	3	\$ 98,552.53
Jul 17, 2013	Spec. 1207	JT Eng. - Design Progress Payment	5187	4	\$ 9,108.00
Aug 5, 2013	Spec. 1204	BV Construction - Progress Payment #2	2	5	\$ 145,175.44
Sep 4, 2013	Spec. 1204	BV Construction - Progress Payment #3-4	3 and 4	6	\$ 167,790.43
Sep 30, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-01	7	\$ 18,499.60
Sep 30, 2013	Spec. 1204	BV Construction - Progress Payment #5	5	8	\$ 46,862.08
Oct 24, 2013	Spec. 1204	BV Construction - Progress Payment #6	6	9	\$ 51,052.05
Oct 24, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-02	10	\$ 8,410.32
Nov 7, 2013	Spec. 1204	BV Construction - Progress Payment #7	7	11	\$ 87,960.50
Dec 4, 2013	Spec. 1204	BV Construction - Progress Payment #8	8	12	\$ 70,650.08
Dec 4, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-03	13	\$ 11,054.97
Jan 2, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	14	\$ 24,066.25
Jan 2, 2014	Spec. 1201	BV Construction - Progress Payment #1	1	14	\$ 29,925.00
Jan 2, 2014	Spec. 1204	BV Construction - Progress Payment #9	9	14	\$ 58,787.84
Jan 2, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-04	14	\$ 36,178.95
Jan 2, 2014	Spec. 1207	JT Eng. - Design Progress Payment	5200	14	\$ 9,518.00

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: January 2, 2014 **January 8, 2014**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 12 – CONSIDERATION AND POSSIBLE ACTION ON 2014 BUDGET***

This item will include a presentation covering an overview of the draft 2014 Budget and considerations in the budgeting process. Staff will be prepared to review the proposal. The following also provides an overview of the proposal and the potential effect on District customers for your review prior to the meeting.

December 30, 2013 Draft 2014 Budget Highlights

1) Revenues

- a. Rate Change of 3% versus planned 8% increase.
- b. Debt Coverage Ratio of 1.55 (Minimum of 1.10 required for existing long-term debt).
- c. Inclusion of full EPA grant reimbursement for water main replacements (\$485,000).
- d. Re-establishment and funding of rate stabilization fund.

2) \$359,505 in Savings due to Board Actions

- a. Kaiser Plan Premium Savings (\$140,000).
- b. Insurance Premium Cap Savings (\$82,000).
- c. 2004 Series Refunding Savings (\$137,505).

3) Staffing

- a. 0.6 % COLA (\$36,000)
- b. Availability of Performance Merit Increases (\$37,500).
- c. Availability of Non-Cumulative Merit Awards (\$81,500).
- d. No change in funded positions.

4) Reserve Levels and Asset Values

- a. The reserve level increased \$2,528,433 in 2013 over the budgeted amount of \$8.2MM to \$10,775,511. The draft 2014 Budget puts \$73,830 of that gain towards new projects, studies, and equipment replacements leaving the reserve level at \$10,701,681 at the end of 2014, (see Page 24). The District's Reserve Policy goal is \$16.2MM, (Appendix C).
- b. \$3,029,500 in new projects/studies/equipment replacement.
- c. \$5,678,500 from 2013 Series bond for replacement water mains, etc.

Additional Information

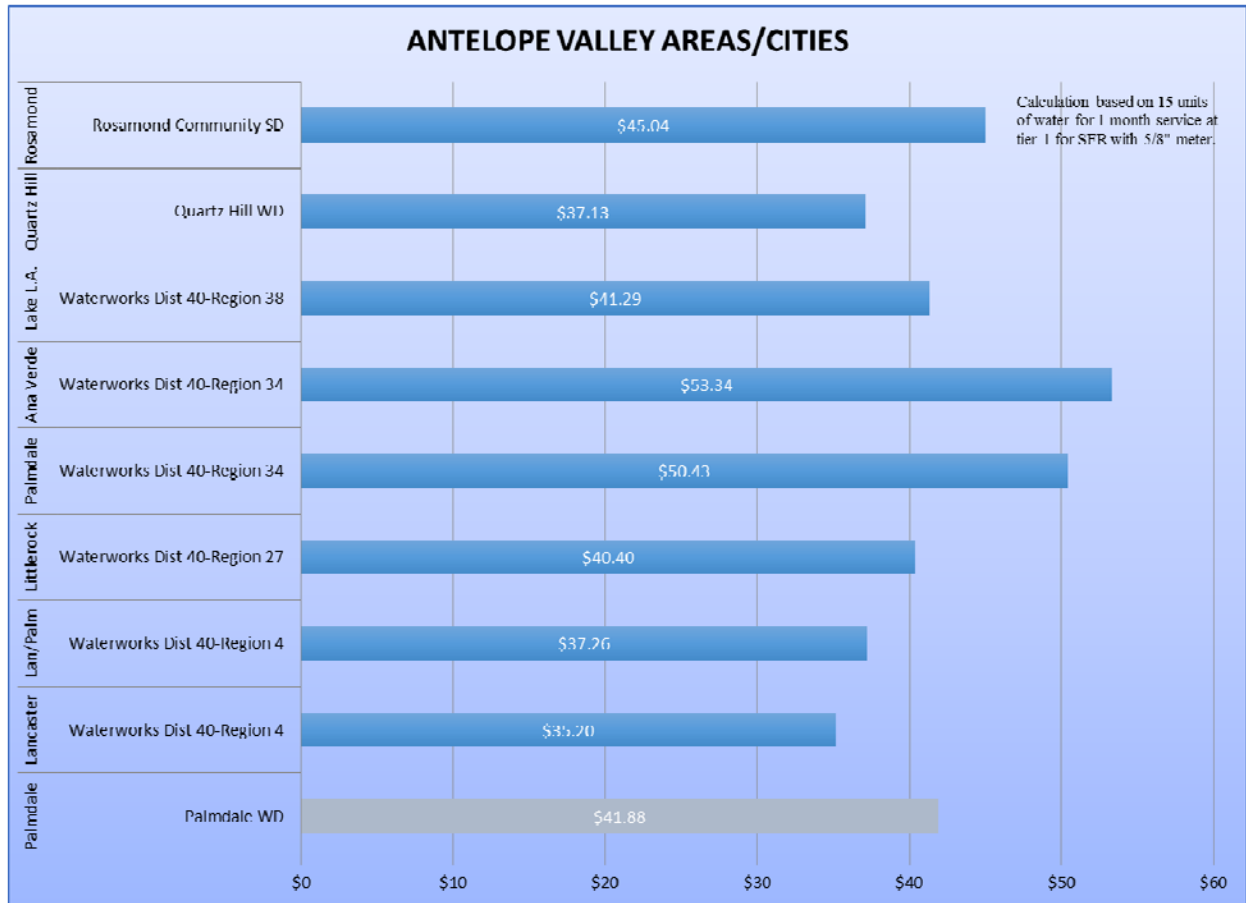
1. Alternate Rate Changes: The information for alternate rate changes of 0%, 2%, 4%, and 5% is as summarized below:
 - a. 0%: \$623,500 reduction in revenues from December 30 draft budget
\$697,500 reduction in reserve level
 - b. 2%: \$226,500 reduction in revenues from December 30 draft budget
\$300,000 reduction in reserve level
 - c. 4%: \$226,500 increase in revenues from December 30 draft budget
\$152,000 increase in reserve level or funding of unfunded equipment/projects
 - d. 5%: \$377,000 increase in revenues from December 30 draft budget
\$303,000 increase in reserve level or funding of unfunded equipment/projects
2. Employee PERS Contribution:.....1% = \$58,300
3. Performance Merit Increase Availability:.....\$37,500
4. Non-Cumulative Merit Award Availability:.....\$81,500
5. Kaiser Contract Change (Independent to ACWA/JPIA):.....\$140,000
6. 0.6% COLA:.....\$36,000
7. 1% Difference in Rate Change:.....\$226,500
8. 2% Difference in Rate Change:.....\$377,000
9. 3% Difference in Rate Change:.....\$623,500

MONTHLY EFFECT OF PROPOSED RATE CHANGE TO CUSTOMER CLASSES

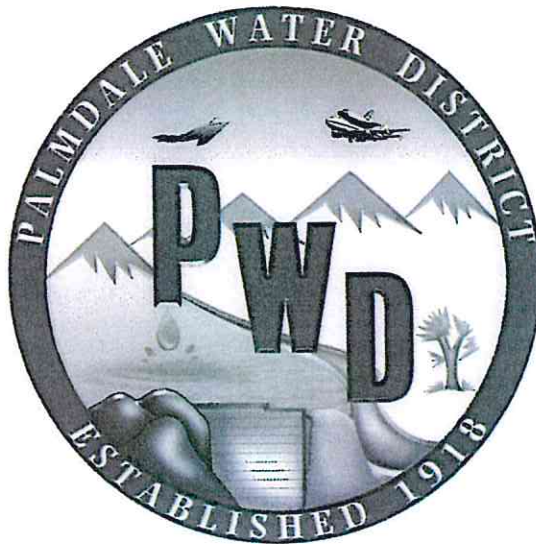
<u>Customer Class</u>	<u>Aver. 2013 Bill*</u>	<u>Proposed 3% Increase</u>	<u>Proposed Aver. Bill</u>
Single Family Residential	\$57.43	\$1.72	\$59.15
Multi-Family Residential	\$221.67	\$6.65	\$228.32
Commercial	\$321.65	\$9.65	\$331.30
Irrigation	\$361.76	\$10.85	\$372.62

*Based on actual 2013 billings

MONTHLY EFFECT OF PROPOSED RATE CHANGE COMPARED TO OTHER LOCAL WATER AGENCIES



PALMDALE WATER DISTRICT



2014 BUDGET

Draft: December 30, 2013

PALMDALE WATER DISTRICT
2014 BUDGET
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SECTION I EXECUTIVE SUMMARY

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PALMDALE WATER DISTRICT

Providing High Quality Water to our Current and Future Customers at a Reasonable Cost

2014 BUDGET – EXECUTIVE SUMMARY

FOR: PALMDALE WATER DISTRICT CUSTOMERS AND STAKEHOLDERS

FROM: DENNIS LaMOREAUX, GENERAL MANAGER

Introduction

Thank you for your interest in Palmdale Water District. This document is the proposed 2014 Palmdale Water District Budget. The following Executive Summary provides an overview of the District, its Strategic Plan, and how the 2014 Budget relates to the Strategic Plan.

Palmdale Water District was formed in 1918 by a vote of its customers as a public Irrigation District under the California Water Code. It had previously served the community of Palmdale as various forms of a private company for over 30 years. As a public agency, and in partnership with the neighboring Littlerock Creek Irrigation District, the District financed and built Littlerock Dam to increase water supplies. This remains an important resource today for the District's customers. It also demonstrates how the District's foresight and planning has created a strong foundation for the community of Palmdale.

Palmdale Water District is in its 96th year as a public agency in 2014 and will begin its 97th year in July. The District retains its focus of providing a critical service to its customers through this approved Budget. The focus is identified in the District's Strategic Plan, including the Mission Statement shown in the heading. The Strategic Plan also identifies the Core Values exercised by the District and the Strategic Elements required to accomplish its Mission. The management Strategic Elements provide the framework for the remaining 2014 Budget discussion. They are:

✓ ***Financial Management***

✓ ***Administrative Management***

✓ ***Infrastructure Management***

✓ ***Natural Resources Management***

✓ ***Personnel Management***

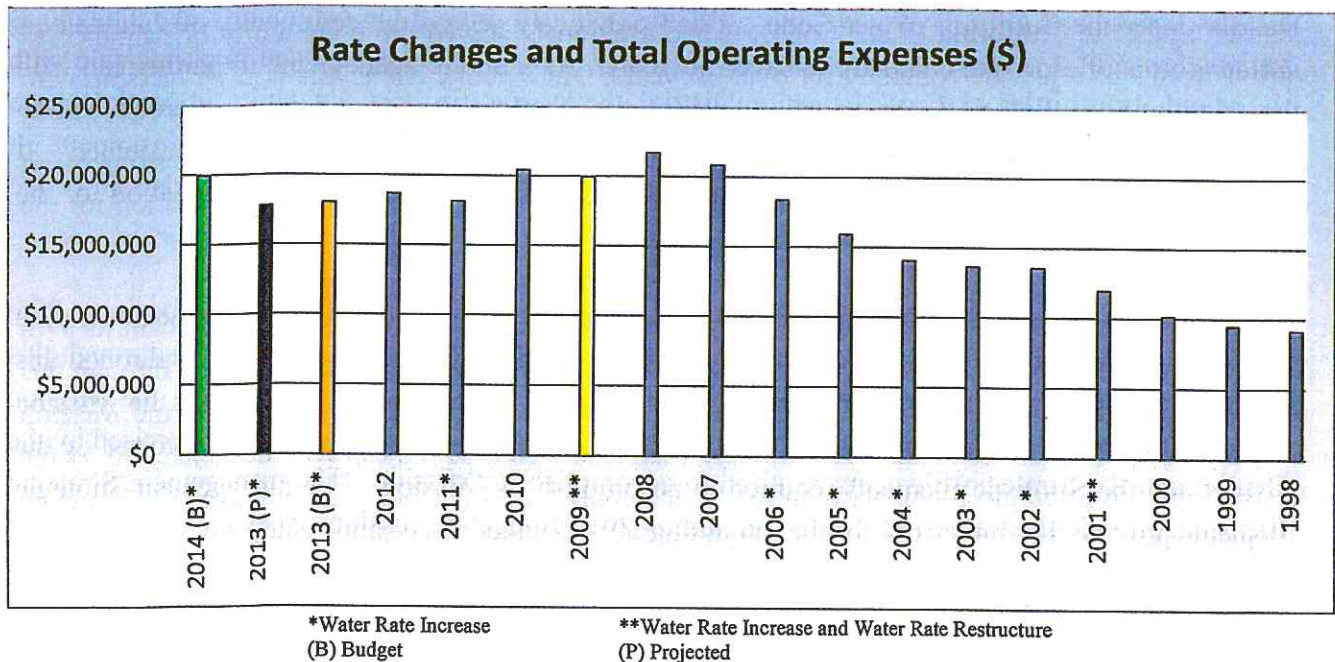
❖ Financial Management

The purpose of the 2014 Budget is to continue financial planning of the public's funds to assure financial stability and demonstrate responsible stewardship of those funds. The District's overall financial position is stable. However, the reserve levels remain low. The 2014 Budget projects a conservative revenue year and maintains reserves at approximately \$x.x million.

Operating Budget

The following is a graph of operating expenditures from 1998 to 2013 and shows the 2014 Budget. The costs shown are the top ten Operating Expense lines from the Income Statement (from Directors to Water Purchases, excluding GAC costs for comparative purposes.)

Fixed versus Variable - The District's fixed costs (those which do not vary based on the amount of water delivered) for 2014 are estimated at \$xx.xx million. Fixed revenues generated by monthly service fees will generate \$xx.xx million in revenue, so the remaining \$x.xx million in costs must be covered by using revenue from commodity charges.



Approved Water Rate Changes and Structure Review

The preceding graph also shows the District's water rate changes and restructuring during the same timeframe. The year 2000 water rate increase and restructuring introduced a five-tier increasing block rate system, an additional four-tiered elevation rate system, and preset increases for the next five years. The year 2005 water rate changes included updates from the year 2000 water

rate study and again set five years of preapproved increases. However, in 2006, a California Supreme Court ruling invalidated any further increases without the District following the Proposition 218 procedures to adjust the water rates.

The District completed a Proposition 218 process in May 2009 that included water rate increases and restructured the water rate system. The water rate structure changed to water budgets for District customers that tailored the increasing block tiers to their water needs. This also set out five years of preset water rate increases as had been completed in earlier five-year plans. These consisted of a 14% increase in 2010 and 8% increases in the next four years. Changes in District financing plans and operations costs allowed the Board of Directors to eliminate the 2010 14% increase, reduce the 2011 8% increase to 5%, eliminate the 2012 8% rate increase, and include the 2013 8% increase.

Analysis of Projected Revenue versus Actual

❖ **Administrative Management**

❖ *Infrastructure Management*

❖ *Natural Resources Management*

❖ *Personnel Management*

❖ Conclusion

SECTION II SUMMARIES

SUMMARY OF REVENUES AND EXPENDITURES

FUND ANALYSIS

*PROJECT REQUEST SUMMARY
(Three-Year Breakdown)*

2014 FUND SOURCE SUMMARY

INCOME STATEMENT

FIVE-YEAR CASH FLOW

DEPARTMENTAL STAFFING

ORGANIZATIONAL CHART

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**Palmdale Water District
Budget 2014
Summary of Revenues and Expenditures – 2014 Budget (Proposed)**

Cash Basis (18,800 Ac. Ft.) - 3.0% Increase		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 9,375,000	
Meter Fees	11,390,000	
Elevation Fees	525,000	
Other Operating Revenue	1,700,000	
Water Quality Fees (Restricted Use)	1,638,000	
(Increase)/Decrease in Cash (From Operating)	(182,050)	
Directors		\$ 117,500
Administration		3,585,800
Engineering		1,166,000
Facilities		3,458,500
Operations		5,476,500
Finance		2,971,250
Water Conservation		270,000
Human Resources		215,300
Information Technology		853,600
Water Purchases		2,550,000
Capitalized Expenditures		2,143,500
Water Quality Expense (GAC)		1,638,000
SUBTOTAL OPERATING	\$ 24,445,950	\$ 24,445,950
Projected Beginning Cash - 01/01/2014	\$ 10,775,511	
Assessments received	6,200,000	
Capital Improvement Fees	150,000	
State Grants	485,000	
Interest on Investments	25,000	
Other Income	185,000	
Payments for State Water Project		2,336,380
Principal Paid on Long Term Debt		1,473,000
Interest Paid on Long Term Debt		2,245,000
Capital Leasing		217,500
Water Conservation		143,000
Acquisition of Property, Plant & Equipment		886,000
	\$ 17,820,511	\$ 7,300,880
Projected Ending Cash - Non-Operating	10,519,631	
Increase/(Decrease) in Cash (From Operating)	182,050	
Projected Ending Cash - 12/31/2014	10,701,681	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2014	\$ 10,701,681	

Palmdale Water District
Budget 2014
Summary of Revenues and Expenditures – 2013 Projected

Cash Basis		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 9,335,000	
Meter Fees	11,025,000	
Elevation Fees	565,000	
Other Operating Revenue	1,685,000	
Water Quality Fees (Restricted Use)	1,650,000	
(Increase)/Decrease in Cash (From Operating)	(4,543,515)	
Directors		\$ 100,500
Administration		2,172,750
Engineering		1,252,250
Facilities		2,912,000
Operations		5,109,000
Finance		2,871,000
Water Conservation		234,750
Human Resources		186,250
Information Technology		661,500
Water Purchases		2,186,485
Capitalized Expenditures		685,000
Water Quality Expense (GAC)		1,345,000
SUBTOTAL OPERATING	\$ 19,716,485	\$ 19,716,485
Actual Beginning Cash - 01/01/2013 (Audited)	\$ 8,852,185	
Assessments received	6,992,205	
Capital Improvement Fees	244,949	
State Grants	-	
Interest on Investments	-	
Other Income	175,000	
Payments for State Water Project		2,821,029
Principal Paid on Long Term Debt		1,840,455
Interest Paid on Long Term Debt		1,778,719
Capital Leasing		239,557
Water Conservation		125,000
Acquisition of Property, Plant & Equipment		3,227,583
	\$ 16,264,339	\$ 10,032,343
Projected Ending Cash - Non-Operating	6,231,996	
Increase/(Decrease) in Cash (From Operating)	4,543,515	
Projected Ending Cash - 12/31/2013	10,775,511	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2013	\$ 10,775,511	

**Palmdale Water District
Budget 2014
Funds Analysis – 2012 End of Year (Actual)**

Fund levels reflect the fiscal viability of the District. These funds have been set aside pursuant to legal requirements or action by the Board of Directors. Category of funds were established by Resolution No. 09-03 passed and adopted March 11, 2009 and shown on 2012 and 2013 Funds Analysis sheets. On November 13, 2013 this resolution was superseded by Resolution No. 13-13 and is shown on the 2014 Fund Analysis sheet (See Appendix C for verbaige for the Reserve Fund Policy – Resolution No. 13-13).

Sources of Cash	Actual Ending Balance 12/31/2011	2012 Budget		Actual Ending Balance 12/31/2012
		Sources	Uses	
Net Operating Income		\$ (7,164,735)		
Adjustment - Water Quality (GAC Media)		1,550,184		
Adjustment - Depreciation/Amortization Add Back		7,768,448		
Adjustment - Post Employment Benefits (GASB 45)		1,716,709		
Adjustment - Bad Debt		(104,725)		
Adjustment - Service Costs Construction		168,706		
Adjustment - Capitalized Construction		(992,970)		
Net Non-Operating Income		4,044,761		
Cash from Revenues above Expenses to place into funds		\$ 6,986,378		
Reserve Funds (Based on Resolution No. 09-03)				
1 Water Facilities Connection Fees (CIF)	\$ -	\$ 1,257,818	\$ 1,257,818	\$ -
2 Water Supply Connection Fees	-	-	-	-
3 Debt Service Reserve Fund	1,661,732	-	1,661,732	-
4 Dam Self Insurance Reserve	-	-	-	-
Total Legally Restricted	\$ 1,661,732	\$ 1,257,818	\$ 2,919,550	\$ -
5 Rate Stabilization Fund	\$ -	\$ -	\$ -	\$ -
6 O&M Operating Reserve (3 months cash operating expenses)	3,233,379	1,128,370	311,974	4,049,775
7 Supplemental Water Supply Fund	\$ 1,500,000	275,000	275,000	1,500,000
8 Asset Replacement Fund (% of annual depreciation)	1,175,023	2,725,784	2,572,722	1,328,085
9 Conservation Program Fund	\$ 150,000	49,222	49,222	150,000
10 Water Quality Service Fee	1,743,116	1,550,184	1,468,975	1,824,325
11 Unrestricted Reserves	\$ -	-	-	-
Total Board Restricted	\$ 7,801,518	\$ 5,728,560	\$ 4,677,893	\$ 8,852,185
Total Funds	\$ 9,463,250	\$ 6,986,378	\$ 7,597,443	\$ 8,852,185

**Palmdale Water District
Budget 2014
Funds Analysis – 2013 Budget (as proposed)**

Sources of Cash	Actual Ending Balance 12/31/2012	2013 Budget		Projected Balance 12/31/2013
		Sources	Uses	
Net Operating Income		\$ (6,536,350)		
Adjustment - Water Quality (GAC Media)		1,638,000		
Adjustment - Depreciation/Amortization Add Back		7,250,000		
Adjustment - Post Employment Benefits (GASB 45)		2,000,000		
Adjustment - Bad Debt		100,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(1,000,000)		
Net Non-Operating Income		2,770,000		
Cash from Revenues above Expenses to place into funds		\$ 6,346,650		
Reserve Funds (Based on Resolution No. 09-03)				
1 Water Facilities Connection Fees (CIF)	\$ -	\$ 150,000	\$ 150,000	\$ -
2 Water Supply Connection Fees	-	-	-	-
3 Debt Service Reserve Fund	-	-	-	-
4 Dam Self Insurance Reserve	-	-	-	-
Total Legally Restricted		\$ -	\$ 150,000	\$ -
5 Rate Stabilization Fund	\$ -	\$ -	\$ -	\$ -
6 O&M Operating Reserve (3 months cash operating expenses)	4,049,775.38	2,509,250	3,779,757	2,779,268
7 Supplemental Water Supply Fund	1,500,000.19	150,000	495,000	1,155,000
8 Asset Replacement Fund (% of annual depreciation)	1,328,084.83	1,849,400	793,000	2,384,485
9 Conservation Program Fund	150,000.00	50,000	150,000	50,000
10 Water Quality Service Fee	1,824,325.00	1,638,000	1,638,000	1,824,325
11 Unrestricted Reserves	-	-	-	-
Total Board Restricted		\$ 8,852,185	\$ 6,196,650	\$ 8,193,078
Total Funds		\$ 8,852,185	\$ 6,346,650	\$ 8,193,078

**Palmdale Water District
Budget 2014
Funds Analysis – 2013 Estimated End of Year (Actual)**

Sources of Cash	Actual Ending Balance 12/31/2012	2013 Budget		Projected Balance 12/31/2013
		Sources	Uses	
Net Operating Income		\$ (4,056,485)		
Adjustment - Water Quality (GAC Media)		1,345,000		
Adjustment - Depreciation/Amortization Add Back		7,485,000		
Adjustment - Post Employment Benefits (GASB 45)		2,000,000		
Adjustment - Bad Debt		140,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(1,150,000)		
Net Non-Operating Income		3,762,154		
Cash from Revenues above Expenses to place into funds		\$ 9,650,669		
Reserve Funds (Based on Resolution No. 09-03)				
1 Water Facilities Connection Fees (CIF)	\$ -	\$ 244,949	\$ 244,949	\$ -
2 Water Supply Connection Fees	-	-	-	-
3 Debt Service Reserve Fund	-	-	-	-
4 Dam Self Insurance Reserve	-	-	-	-
Total Legally Restricted		\$ -	\$ 244,949	\$ -
5 Rate Stabilization Fund	\$ -	\$ 480,000	\$ -	\$ 480,000
6 O&M Operating Reserve (3 months cash operating expenses)	4,049,775	3,160,720	2,784,811	4,425,684
7 Supplemental Water Supply Fund	1,500,000	-	-	1,500,000
8 Asset Replacement Fund (% of annual depreciation)	1,328,085	4,015,000	3,227,583	2,115,502
9 Conservation Program Fund	150,000	100,000	125,000	125,000
10 Water Quality Service Fee	1,824,325	1,650,000	1,345,000	2,129,325
11 Unrestricted Reserves	-	-	-	-
Total Board Restricted		\$ 8,852,185	\$ 9,405,720	\$ 10,775,511
Total Funds		\$ 8,852,185	\$ 9,650,669	\$ 10,775,511

**Palmdale Water District
Budget 2014
Funds Analysis – 2014 Budget (Proposed)**

Sources of Cash	Projected Ending Balance 12/31/2013	2014 Budget		Projected Balance 12/31/2014
		Sources	Uses	
Net Operating Income		\$ (8,392,950)		
Adjustment - Water Quality (GAC Media)		1,638,000		
Adjustment - Depreciation/Amortization Add Back		7,350,000		
Adjustment - Post Employment Benefits (GASB 45)		2,000,000		
Adjustment - Bad Debt		100,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(1,000,000)		
Net Non-Operating Income		3,212,000		
Cash from Revenues above Expenses to place into funds		\$ 5,032,050		

Reserve Funds (Based on Resolution No. 13-13)

1	Capital Improvement Fund (CIF)	\$ -	\$ 150,000	\$ 150,000	\$ -
2	Bond Proceeds Fund	7,750,000	-	5,678,500	2,071,500
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	480,000	480,000	-	960,000
Total Legally Restricted		\$ 8,230,000	\$ 630,000	\$ 5,828,500	\$ 3,031,500

						Reserve Fund Numbers
5	Dam Self Insurance	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	5,000,000
6	O&M Operating Reserve (3-Months operating exp.)	4,425,684	1,902,050	1,630,880	4,696,854	5,600,000
7	O&M Emergency Reserve	-	-	-	-	5,600,000
8	Unrestricted Reserves	5,869,827	(2,500,000)	3,325,000	44,827	
Total Board Restricted (Operating Cash)		\$ 10,295,511	\$ 4,402,050	\$ 4,955,880	\$ 9,741,681	16,200,000
Total Operating Cash		\$ 10,775,511			\$ 10,701,681	
Operating Cash Reserve (Shortage)/Overage						(5,498,319)

**Palmdale Water District
Budget 2014
Capital Projects – Expenditure Summary (Three-Year Breakdown)**

PROJECT EXPENDITURE SUMMARY			
BUDGETING YEAR AMOUNT			
	2014	2015	2016
Studies and Planning Documents	250,000	120,000	-
Safety & Regulatory Requirements	-	-	-
New Equipment	18,000	216,000	-
Replacement Equipment	276,500	229,000	960,000
General Projects	493,500	641,000	430,000
Replacement Capital Projects	2,017,000	5,297,000	3,150,000
New Capital Projects	-	-	-
New Capital Projects (CIF)	50,000	-	1,500,000
GAC Media Replacement	1,562,500	1,600,000	1,600,000
Annual Project Expenditures: ¹	<u>4,667,500</u>	<u>8,103,000</u>	<u>7,640,000</u>
3-Yr Total:	<u><u>20,410,500</u></u>		

¹ The 2014 total amount includes items classified under capital expense. This amount is removed for the fund analysis calculation due to the amount of \$3,781,500 being factored into the net operating income already.

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**Palmdale Water District
Budget 2014
Capital Projects – 2014 Fund Breakdown Summary**

	2014 FUND BREAKDOWN					
	O&M	CF	WS	AR	CON	WRB
Studies and Planning Documents	50,000	200,000	-	-	-	-
Safety & Regulatory Requirements	-	-	-	-	-	-
New Equipment	18,000	-	-	-	-	-
Replacement Equipment	56,000	-	-	145,000	-	75,500
General Projects	302,500	-	-	41,000	150,000	-
Replacement Capital Projects	1,717,000	-	-	300,000	-	-
New Capital Projects	-	-	-	-	-	-
New Capital Projects (CIF)	-	50,000	-	-	-	-
Series 2013A Water Revenue Bond Fund	-	-	-	-	-	5,678,500
GAC Media Replacement (6 Contractors)	-	-	-	-	-	-
	2,143,500	250,000	-	486,000	150,000	1,562,500
2014 Total Tie-out:	4,667,500					5,678,500

	Abbreviation Explanation
219,000	O&M = Plant Expensed
2,560,500	CF = Water System Connection Fund
250,000	WS = Source Water Supply
(2,143,500)	AR = Asset Replacement
886,000	CON = Conservation Program
	WQ = Water Quality Fund
	WRB = 2013A Water Revenue Bond Fund

Equipment
Capital Projects - General Fund
Capital Projects - CIF
Plant Expenditures

**Palmdale Water District
Budget 2014
Capital Projects – 2014 Fund Breakdown Summary (Continued)**

Breakdown Category Definitions	
Studies and Planning Documents	Documents that assist in developing long term guidelines for the District. These include items such as the District's strategic or master plan, CEQA compliance documents, efficiency plans and studies, etc.
Safety & Regulatory Requirements	Items that can either be mandated or compliance related issues. These purchase help to satisfy requirements that can come from our insurance carrier (JPIA) during monthly inspections or to meet changes in federal/state regulatory compliance or OSHA guidelines.
New Equipment	Items that are first time purchases for the District and have a one time expenditure to purchase. This will include vehicles, printers, lab equipment, etc.
Replacement Equipment	Items that are replacement purchases for assets/equipment within the District and have a one time expenditure for purchase.
General Projects	Items that will include purchases from multiple vendors or span a period of time to complete. These typically are not asset replacement and will include overhauls to well and booster pumps, etc.
Replacement Capital Projects	Projects that typically go out to bid and replace large dollar assets and span a period of time for completion. Typical examples include replacement water mains, booster stations, well sites, etc.
New Capital Projects	Projects that assist in meeting the District's service requirements that are outside the Master Plan due to pre-existing development. This could include additional water facilities to meet items such as changes in fire flow demand, etc.
New Capital Projects (CIF)	Projects that were developed as part of the District's Master Plan to meet future growth requirements within service boundaries. These projects are usually offset by capital improvement fees paid for by developers and typically are building new developments that expand the current installed service area.
Series 2013A Water Revenue Bond	The District went through and re-financed the 2004 certificates of participation (COPs) to eliminate the provision for restricted funds, improve interest rates and gain additional funding (\$8.5 Million) to catch up on various projects including water main replacements, source water protection and water banking.

**Palmdale Water District
Budget 2014
Income Statement**

	PROPOSED 2014	PROJECTED 2013	BUDGET ² 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
Operating Revenue						
Wholesale Water (AVEK & LCID)	225,000	200,000	175,000	50,345	-	-
Water Sales	9,150,000	9,135,000	8,198,000	8,732,110	7,828,995	7,841,545
Meter Fees	11,390,000	11,025,000	11,232,000	10,318,032	10,331,401	10,049,688
Water Quality Fees	1,638,000	1,650,000	1,638,000	1,658,418	1,544,001	1,567,034
Elevation Fees	525,000	565,000	550,000	563,499	514,356	801,877
Other	1,700,000	1,685,000	1,250,000	1,339,084	1,586,910	1,264,530
	<u>24,628,000</u>	<u>24,260,000</u>	<u>23,043,000</u>	<u>22,661,487</u>	<u>21,805,664</u>	<u>21,524,673</u>
Operating Expenses						
Directors	117,500	100,500	117,500	109,815	144,707	136,055
Administration	3,585,800	2,172,750	2,602,000	2,499,320	3,601,954	4,031,877
Engineering	1,166,000	1,252,250	1,215,750	1,155,799	1,170,449	1,105,929
Facilities	3,458,500	2,912,000	3,298,500	3,305,594	3,215,769	3,301,961
Operations	5,476,500	5,109,000	4,944,250	4,738,208	4,681,601	4,551,993
Finance	2,971,250	2,871,000	2,774,500	2,840,351	2,790,709	2,783,992
Water Conservation	270,000	234,750	239,750	223,804	207,563	206,048
Human Resources	215,300	186,250	209,600	192,206	235,797	216,096
Information Technology	853,600	661,500	728,000	721,173	562,174	405,872
Water Purchases	2,400,000	2,500,000	2,600,000	3,614,861	2,657,610	3,383,530
OAP Chrg (Prior Year)	250,000	436,485	-	-	(591,517)	688,425
Water Recovery	(100,000)	(750,000)	(100,000)	(394,902)	(1,363,902)	(351,096)
Water Quality (GAC Media)	1,638,000	1,345,000	1,638,000	1,550,184	1,219,205	1,031,565
Plant Expenditures	2,143,500	685,000	836,500	713,641	297,937	306,960
Cash Expenses	<u>24,445,950</u>	<u>19,716,485</u>	<u>21,104,350</u>	<u>21,270,054</u>	<u>18,830,058</u>	<u>21,799,207</u>
Depreciation	7,350,000	7,485,000	7,250,000	7,768,448	7,285,492	7,010,721
Post Employment Benefit (GASB 45)	2,000,000	2,000,000	2,000,000	1,716,709	1,803,368	1,854,179
Bad Debts	100,000	140,000	100,000	(104,725)	49,729	102,119
Service Costs Construction	125,000	125,000	125,000	168,706	28,429	(139,929)
Capitalized Construction	(1,000,000)	(1,150,000)	(1,000,000)	(992,970)	(1,021,987)	(893,408)
Non-Cash Expenses	<u>8,575,000</u>	<u>8,600,000</u>	<u>8,475,000</u>	<u>8,556,168</u>	<u>8,145,031</u>	<u>7,933,681</u>
Net Operating Income/(Loss)	<u>(8,392,950)</u>	<u>(4,056,485)</u>	<u>(6,536,350)</u>	<u>(7,164,735)</u>	<u>(5,169,425)</u>	<u>(8,208,215)</u>
Non-operating Revenues						
Assessments (Debt Service)	4,400,000	4,756,500	4,300,000	4,394,572	5,562,065	5,855,862
Assessments (1%)	1,600,000	1,720,314	1,500,000	1,518,943	-	-
Successor Agency Component (Prop Tax)	200,000	515,391	-	185,432	-	-
DWR Fixed Charge Recovery	100,000	234,000	100,000	549,374	-	-
Interest	35,000	30,000	35,000	24,866	78,519	99,060
Market Adj. on Investments	(10,000)	(30,000)	(10,000)	-	-	(10,289)
Capital Improvement Fees	150,000	244,949	150,000	1,257,818	1,225,519	148,777
Grants - State & Federal	485,000	-	485,000	-	76,200	(273)
Sale of Real Property	-	32,000	-	-	-	944,207
Other	185,000	175,000	150,000	159,238	165,515	135,748
	<u>7,145,000</u>	<u>7,678,154</u>	<u>6,710,000</u>	<u>8,090,243</u>	<u>7,107,818</u>	<u>7,173,092</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,111,000	2,056,000	2,111,000	2,417,320	2,540,875	2,550,410
Amortization of SWP	1,679,000	1,735,000	1,679,000	1,578,940	1,453,125	1,364,095
Capital Leasing	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Water Conservation	143,000	125,000	150,000	49,222	95,662	41,486
	<u>3,933,000</u>	<u>3,916,000</u>	<u>3,940,000</u>	<u>4,045,482</u>	<u>4,089,662</u>	<u>3,955,990</u>
Net Non-operating Income/(Loss)	<u>3,212,000</u>	<u>3,762,154</u>	<u>2,770,000</u>	<u>4,044,761</u>	<u>3,018,155</u>	<u>3,217,101</u>
Net Earnings/(Loss)	<u>(5,180,950)</u>	<u>(294,331)</u>	<u>(3,766,350)</u>	<u>(3,119,974)</u>	<u>(2,151,270)</u>	<u>(4,991,114)</u>

Palmdale Water District

Budget 2014

Income Statement – General Information

	PROPOSED 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
Operating Revenue	1.52%	11.26%	5.67%	3.92%	1.31%	1.26%
Operating Expenses	-0.29%	5.59%	4.05%	5.05%	2.66%	55.57%
Non-operating Revenues	-6.94%	8.02%	-5.60%	13.82%	-0.91%	-4.17%
Non-operating Expenses	0.43%	-4.25%	-3.66%	-1.08%	3.38%	0.16%

Footnotes:

- ² 2013 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.
- ³ 2012 charges were higher due to reclassification of fixed cost refunds to non-operating revenues by \$436,000. No adjustment were made to prior years for similar refunds.
- ⁴ GAC filter media purchases are directly offset by the revenues from the water quality fee for prior year. The 2014 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 Water supply connection fees will be charged to developers to offset new source water supply. This component's effective date is January 1, 2014 and is part of the capital improvement fees.
- ⁷ The District received offset credits in the amount of \$(869,253) related to the variable cost component in purchased water from the State Water Project (DWR). This has been reflected in the Water Recovery amount of \$(1,363,902) for 2011. Moving forward the amount has been distributed based on the type of credits and directly offset a portion of the current year assessments and is shown in non-operating revenue under DWR Fixed Charge Recovery.

General Information:

The District entered into Capital Leasing agreements in 2011 for computer equipment, telephony system, and SCADA network infrastructure. These agreements will run for a term of 60 months and will conclude in 2015.

Projected federal grant funds were adjusted to coincide with the potential revenue receipt. The receipt of these funds will now be shown in 2014 due to changes in approval requirements and additional paperwork required by the administrative agency overseeing these funds.

Cost Factors and Assumptions:

Cost of Living possible increase maximum of 0.60% effective January 1, 2013 subject to Board approval of the 2014 Budget.

Worker's comp rates are calculated at .0101 for office personnel and .0510 for field personnel.

PERS is calculated at 19.913% for 6 months (Jan. thru Jun.) and 20.652% for 6 months (Jul thru Dec.) for all employees except for those that fall under Public Employee Pension Reform Act (PEPRA). Employee who meet the PEPRA requirement the employer contribution for 2014 is 6.25% for the District.

Employee benefits includes the cost of medical, dental & vision plans as well as the employee assistance program and on the job life insurance death benefit.

The District's medical insurance rates have a slight decrease on the blended average for the three medical plans plus an additional offering of the Anthem Blue Cross Advantage PPO in the amount of 0.58%. Currently, the dental insurance offered to its employees shows no increase projected while the vision insurance has gone up by 5.45%. All health insurance plans are managed and administered through Health Insurance includes benefits to directors that qualify for benefits based on years of service as a director.

Operating Revenue estimates were based on the potential sales of 18,800 ac. ft. of water for the 2014 Budget.

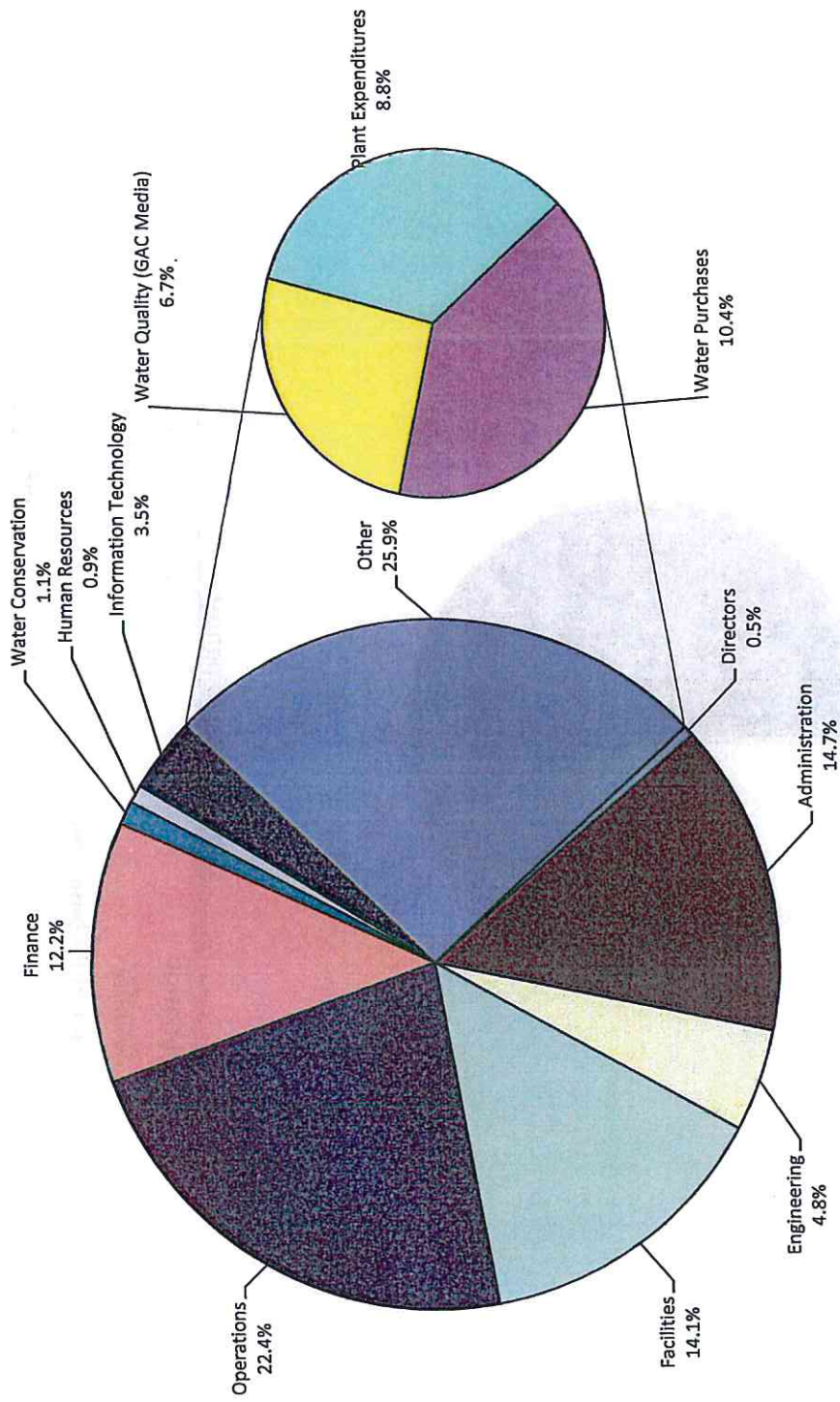
Southern California Edison (SCE) has proposed a 16% rate hike for 2014 energy rates as they relate to the District's wells and boosters. Currently that rate increase has been assigned a docket number by the PUC and will be going through the hearing process. SCE has just received final PUC approval on their 2013 4% rate increase and we will most likely start seeing those costs immediately in 2014.

Natural Gas expenses saw a rise in our commodity costs by 40% in 2013 from 2012. The Federal Energy Regulatory Commission (FERC) - Department of Energy is predicting an increase of 2% in commodity costs for the 2013-14 winter natural gas costs. If this occurs, it will be a direct pass-through from the Gas Company at the time of usage for the District.

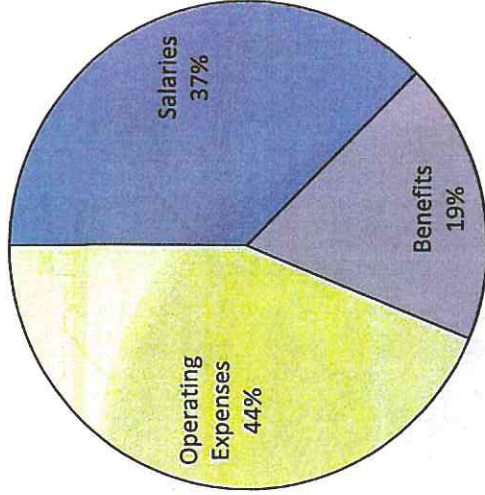
2014 will see well 11 coming back fully online after being down for four years. This change will cause the natural gas expenses, as they relate to the wells, to significantly increase from 2013.

2014 will see a settlement payment in the Ground Water Adjudication case for the Woods Class pumpers. The District's portion as it relates to that settlement are \$590,500 and has been included in the operational expense projections.

Palmdale Water District 2014 Operating Expenses (Proposed – excluding non-cash expenses) – Graph



**Palmdale Water District
2014 Departmental Expenses (Proposed) – Graph**



Departmental Expenses	
Salaries	\$ 6,690,000
Benefits	3,363,600
Operating Expenses	7,842,850
Total	\$ 17,896,450

**Palmdale Water District
Budget 2014
5-Year Cash Flow (Aggregate)**

	Proposed 2014	Projected 2013	Audited Numbers		
			2012	2011	2010
Beginning Cash	<u>10,775,511</u>	<u>8,852,185</u>	<u>9,463,250</u>	<u>8,122,631</u>	<u>8,663,548</u>
Operating Activities					
Net Operating Revenues	24,628,000	24,260,000	23,126,334	21,768,599	21,684,514
Net Operating Expenses	<u>24,445,950</u>	<u>19,716,485</u>	<u>22,232,461</u>	<u>18,924,721</u>	<u>20,610,956</u>
Net cash provided by operating activities	182,050	4,543,515	893,873	2,843,878	1,073,558
Other Sources and Uses of Cash					
Assessments received	6,200,000	6,992,205	5,903,403	4,826,073	5,790,877
Payments for State Water Project	(2,336,380)	(2,821,029)	(2,832,287)	(2,225,748)	(2,535,815)
Capital Improvement Fees Received	150,000	244,949	1,257,817	1,225,519	148,777
Water Conservation	(143,000)	(125,000)	-	-	-
Proceeds on Issuance of Long Term Debt					
Acquisition of Property, Plant & Equip. - Current Yr	(886,000)	(3,227,583)	(2,572,722)	(2,422,408)	(3,514,159)
Acquisition of Property, Plant & Equip. - Carryover	-	-	-	-	-
Capital Leasing	(217,500)	(239,557)	(223,539)	-	-
Principal Paid on Long Term Debt	(1,473,000)	(1,840,455)	(1,220,000)	(1,170,000)	(1,125,000)
Interest Paid on Long Term Debt	(2,245,000)	(1,778,719)	(2,414,192)	(2,465,142)	(2,561,976)
State Grants and Other Income	670,000	175,000	571,895	655,472	2,094,050
Interest on Investments	<u>25,000</u>	<u>-</u>	<u>24,687</u>	<u>72,975</u>	<u>88,771</u>
Net Cash Provided by Other Sources and Uses	(255,880)	(2,620,189)	(1,504,938)	(1,503,259)	(1,614,475)
Net Increase (Decrease) in Cash	<u>(73,830)</u>	<u>1,923,326</u>	<u>(611,065)</u>	<u>1,340,619</u>	<u>(540,917)</u>
Cash End of Year	<u>10,701,681</u>	<u>10,775,511</u>	<u>8,852,185</u>	<u>9,463,250</u>	<u>8,122,631</u>
Less Restricted Cash	-	-	-	1,661,732	1,626,295
Rate Stabilization Fund	960,000	480,000	-	-	-
Available Operating Cash	<u>10,701,681</u>	<u>10,775,511</u>	<u>8,852,185</u>	<u>7,801,518</u>	<u>6,496,336</u>

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Palmdale Water District
2014 Departmental Staffing Budget

POSITION	2014	2013	2012
ADMINISTRATION:			
General Manager	1	1	1
Assistant General Manager	1	1	1
Water & Energy Resources Manager	1	1	1
Executive Assistant	1	1	1
Administrative Assistant	1	1	1
SUBTOTAL:	5	5	5
ENGINEERING:			
Engineering Manager	0	1	1
Project Manager	1	1	1
Construction Inspector	3	3	3
Cross Connection Technician	1	1	1
Engineering Technician	3	3	3
SUBTOTAL:	8	9	9
FACILITIES:			
Facilities Manager	1	1	1
Construction Supervisor	0	0	1
Senior Service Worker	3	3	3
Service Workers	11	11	11
Warehouse Technician	2	2	2
Equipment Mechanic Supervisor	1	1	1
Equipment Mechanic	4	4	4
SUBTOTAL:	22	22	23
OPERATIONS:			
Operations Manager	1	1	1
Treatment Plant Supervisor	1	1	1
Plant Operators	6	6	6
Senior Maintenance Mechanic	1	1	1
Maintenance Mechanic	1	1	1
Administrative Technician	1	1	1
Water Quality Supervisor	1	1	1
Laboratory Analyst	2	2	2
Systems Supervisor	1	1	1
Pump Operator	2	2	2
Electrician	2	2	2
Electronic Technician	2	2	2
SUBTOTAL:	21	21	21
FINANCE:			
Finance Manager	1	1	1
Senior Accountant	1	1	1
Accounting Technician	1	1	1
Accounting Assistant	1	1	1
Customer Service Supervisor	1	1	1
Assistant Customer Service Supervisor	1	1	1
Customer Service Representative	9	9	9
Part time Customer Service Representative	0	0	2
Field Service Supervisor	0	0	1
Senior Field Service Technician	1	1	1
Field Service Technician	7	7	6
SUBTOTAL:	23	23	25

Palmdale Water District
2014 Departmental Staffing Budget (continued)

POSITION	2014	2013	2012
WATER CONSERVATION:			
Community & Government Affairs Coordinator	1	1	1
Water Conservation Supervisor	1	1	1
Water Conservation Aide	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL	3	3	3
HUMAN RESOURCES:			
Human Resources Manager	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	1	1	1
INFORMATION TECHNOLOGY:			
Information Technology Manager	1	1	1
Information Technology Technician	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	2	2	2
DISTRICT TOTAL:	85	86	89

Proposed Positions & Changes for 2014

Engineering:
Engineering Manager

Position will not be funded but remains in chart until approved re-organization of the chart occurs. This position was defunded at the November 27, 2013 Board Meeting. Funding for this position was transferred over to fund the Assistant General Manager moving forward.

Construction Inspector

Position will be funded for twelve months

FACILITIES:
Service Worker

All positions will be funded for twelve months

WATER CONSERVATION:
Community & Gov't Affairs Coordinator

Position will not be funded but remains in chart.

Palmdale Water District Organizational Chart



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SECTION III

DEPARTMENTAL BUDGETS

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Administration Department

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Administration Department

DESCRIPTION:

The Administration Department manages the District through the Board of Directors, which sets policy, and the General Manager, who reports to the Board and manages the daily operation of the District. The attorneys and financial advisor positions, which answer to the Board and interact with the staff through the General Manager, are also an integral part of the Administration Department. The positions of Assistant General Manager, Executive Assistant, Administrative Assistant, & Water and Energy Resources Director also operate out of the Administration Department.

**Palmdale Water District
Budget 2014
Board of Directors**

Directors

PERSONNEL BUDGET:

	BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-01-4000-000 Directors Fees	45,000	48,000	45,000	40,650	41,850	49,388
Benefits						
1-01-4005-000 Payroll Taxes	5,500	4,000	5,500	3,167	6,009	3,514
1-01-4010-000 Health Insurance	57,000	45,500	57,000	62,579	89,580	73,749
Subtotal (Benefits)	62,500	49,500	62,500	65,746	95,589	77,263
Personnel Expenses	107,500	97,500	107,500	106,396	137,439	126,652
<hr/>						
OPERATING EXPENSES:						
1-01-4050-000 Director's Travel, Seminars & Meetings	10,000	3,000	10,000	3,419	7,268	9,403
Total Operating Expense	10,000	3,000	10,000	3,419	7,268	9,403
Total Departmental Expenses	117,500	100,500	117,500	109,815	144,707	136,055

Palmdale Water District

Budget 2014

Administration

Administration

PERSONNEL BUDGET:

	BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-02-4000-000 Salaries	656,000	475,000	471,500	499,688	551,638	719,742
1-02-4000-100 Salaries - Departmental Overtime	7,500	7,500	5,000	8,678	6,217	7,677
1-02-4000-200 Salaries - District-wide On-call/Standby	60,000	57,500	60,000	54,620	58,299	56,329
Subtotal (Salaries)	723,500	540,000	536,500	562,986	616,153	783,748
Employee Benefits						
1-02-4005-000 Payroll Taxes	41,500	31,125	41,000	30,681	35,497	34,540
1-02-4010-000 Health Insurance	76,800	80,500	80,750	82,661	104,849	124,138
1-02-4015-000 Pers	132,500	90,000	90,750	91,869	88,045	105,019
1-02-4020-000 Worker's Comp (District-wide)	125,000	115,250	160,000	126,579	157,099	176,082
1-02-4025-000 Vacation Benefit Expense (District-wide)	35,000	50,000	35,000	(91,399)	31,402	8,597
1-02-4030-000 Life Insurance/EAP Program (District-wide)	7,500	7,625	7,500	7,115	7,876	4,994
Subtotal (Benefits)	418,300	374,500	415,000	247,505	424,768	453,370
Personnel Expenses	1,141,800	914,500	951,500	810,492	1,040,921	1,237,118

OPERATING EXPENSES:

1-02-4050-000 Staff Travel	8,000	6,750	8,000	8,537	7,001	9,365
1-02-4050-100 General Manager Travel	5,000	5,000	5,000	5,679	5,964	3,029
1-02-4060-000 Staff Conferences & Seminars	3,000	2,000	3,000	754	378	1,793
1-02-4060-100 General Manager Conferences & Seminars	4,500	3,500	4,500	2,184	1,905	1,980
1-02-4070-000 Employee Expense	40,000	22,000	40,000	41,677	37,458	67,524
1-02-4080-000 Other Operating	20,000	20,500	20,000	13,460	25,511	27,774
1-02-4110-000 Consultants	250,000	45,000	134,000	202,170	235,470	289,920
1-02-4115-100 Settlements - City of Palmdale	-	-	-	-	-	20,000
1-02-4115-200 Settlements - Mr. Hill's Contract	-	-	-	-	-	377,900
1-02-4125-000 Insurance	300,000	254,500	325,000	296,966	278,683	287,883
1-02-4130-000 Bank Charges	130,000	120,000	130,000	108,284	128,732	147,385
1-02-4135-000 Groundwater Adjudication	400,000	245,000	400,000	228,378	1,053,682	676,467
1-02-4135-100 Groundwater Adjudication - Woods Class	590,500	-	-	-	-	-
1-02-4140-000 Legal Services	250,000	135,000	250,000	395,212	349,197	502,651
1-02-4140-100 Legal Services - Consultants	-	-	-	25,000	140,275	-
1-02-4150-000 Accounting Services	25,000	24,000	20,000	22,304	25,745	25,913
1-02-4155-000 Contracted Services	-	28,000	40,000	25,057	26,856	28,222
1-02-4155-205 Contracted Services - Landscape Services	10,500	-	-	-	-	-
1-02-4155-210 Contracted Services - Janitorial Services	12,000	-	-	-	-	-
1-02-4155-215 Contracted Services - Elevator Services	3,250	-	-	-	-	-
1-02-4155-220 Contracted Services - GASB45 Actuarial	3,250	-	-	-	-	-
1-02-4165-000 Memberships/Subscriptions	220,000	210,000	110,000	106,298	92,884	118,381
1-02-4170-000 Elections	-	-	-	78,451	-	77,032
1-02-4175-000 Permits	20,000	10,000	20,000	9,111	10,713	10,750
1-02-4180-000 Postage	30,000	17,000	30,000	21,056	22,377	18,629
1-02-4190-100 Public Relations - Publications	40,000	40,000	30,000	25,928	38,094	29,728
1-02-4190-900 Public Relations - Other	1,000	1,250	1,000	1,437	1,102	1,194
1-02-4200-000 Advertising	5,000	2,500	5,000	4,325	2,745	3,740
1-02-4205-000 Office Supplies	18,000	16,000	20,000	17,878	18,833	19,068
1-02-4215-200 Natural Gas - Office Building	5,000	3,750	5,000	3,637	4,541	2,387
1-02-4220-200 Electricity - Office Building	50,000	46,500	50,000	45,048	46,495	44,819
1-02-4230-110 Mice & Rep Office - Equipment	-	-	-	-	615	-
1-02-4255-000 Office Furniture	-	-	-	-	5,559	-
1-02-6300-100 Supplies - Janitorial	-	-	-	-	218	1,224
Total Operating Expense	2,444,000	1,258,250	1,650,500	1,688,829	2,561,033	2,794,759
Total Departmental Expenses	3,585,800	2,172,750	2,602,000	2,499,320	3,601,954	4,031,877

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Engineering Department

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Engineering Department

DESCRIPTION:

The Engineering Department's primary responsibilities are planning, project development and management, and quality control. Associated duties include CEQA compliance, permit maintenance, plan checking, construction inspection, updating facility maps, maintaining standard construction specifications, and reporting water production to maintain water rights.

2013 ACCOMPLISHMENTS:

- 1) Provided input and staff time for various state reports.
- 2) Updated GIS, water service maps, and developed a new updated 1000' scale map for use by all departments.
- 3) Worked with IT Department on implementation and deployment of iPads for use in the field.
- 4) Updated total quantification miles of pipe, number of valves, fire hydrants, air-vacs, and other facilities.
- 5) Completed survey and related DSOD reporting for both Littlerock and Palmdale Dam.
- 6) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS and completed updated topography survey of reservoir to determine current reservoir capacity.
- 7) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
- 8) Completed the update of the Capital Improvement Fees and the implementation of a Water Supply Component.
- 9) Assisted with the replacement of residential meters by providing construction management oversight.
- 10) Completed the design and construction oversight for the water main replacement project in 16th, 17th, and 18th Street East, South of Avenue Q.
- 11) Completed the design and construction oversight for the water main replacement project Lago Lindo Rd.
- 12) Completed the design and construction oversight for the water main replacement project in Sumac, 3rd Street East, and Carolside between Avenue Q and Avenue Q-3.
- 13) Completed the design and awarded a contract for the water main replacement project in 20th Street East, 22nd Street East, and Puerta.
- 14) Provided design review and inspection for the Transit Village Development Project.
- 15) Completed the design of the water main replacement project in Avenue P-14 between 4th and 6th Street East.
- 16) Completed the selection process of a consultant to prepare the Feasibility Study for the Littlerock Creek Groundwater Recharge and Recovery Project.
- 17) Completed the design and construction oversight for the replacement of the 3600' hydro-pneumatic tank and related piping.
- 18) Completed the replacement of the hydro-electric generator at Lake Palmdale due to failure that occurred in May, 2012.
- 19) Participated and provided input on the update of the Antelope Valley Integrated Regional Water Management Plan Update.
- 20) Participated and provided input on the Antelope Valley Salt and Nutrient Management Plan.

2013 ACCOMPLISHMENTS (continued):

- 21) Participated in the development of the Upper Amargosa Recharge Project Cooperative Agreement.
- 22) Completed the design and construction management for the equipment associated with the installation of a Granular Activated Carbon Vessel located at the Underground Booster Station.
- 23) Submitted a grant application under DWR's Proposition 1E for the Littlerock Reservoir Sediment Removal Project.
- 24) Participated in the operation of the Palmdale Recycled Water Authority.

2014 OBJECTIVES:

- 1) Continue providing QA/QC on the construction of the new tracts, commercial, and city projects which require water system improvements.
- 2) Continue providing QA/QC on the planning, design, and construction of various water distribution, energy, and treatment projects that may be necessary to maintain operation and improvement to the water system.
- 3) Obtain necessary environmental clearance and permits for the Littlerock Reservoir Sediment Removal Project.
- 4) Continue working on the development of a groundwater recharge project in Littlerock Creek.
- 5) Continue ensuring that all water storage tanks are properly maintained and coated.
- 6) Continue improving the District's new GIS mapping tools and software.
- 7) Complete the design and construction of the various asset replacement projects that have been identified in the 2013 Budget.
- 8) Complete the update of the Water System Master Plan and related EIR.
- 9) Participate in the update of the Water Rate Study.

**Palmdale Water District
Budget 2014
Engineering**

Engineering

PERSONNEL BUDGET:

		BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-03-4000-000	Salaries	668,500	776,000	749,000	761,583	777,873	769,680
1-03-4000-100	Salaries - Departmental Overtime	6,500	6,500	6,000	1,173	10,758	5,381
	Subtotal (Salaries)	675,000	782,500	755,000	762,756	788,631	775,061
Employee Benefits							
1-03-4005-000	Payroll Taxes	51,500	62,000	58,000	57,388	57,608	56,784
1-03-4010-000	Health Insurance	154,000	165,250	165,500	157,833	151,270	126,171
1-03-4015-000	PERS	133,500	147,000	143,250	143,557	134,619	120,295
	Subtotal (Benefits)	339,000	374,250	366,750	358,778	343,496	303,250
	Personnel Expenses	1,014,000	1,156,750	1,121,750	1,121,535	1,132,127	1,078,311

OPERATING EXPENSES:

1-03-4050-000	Staff Travel	3,000	4,500	3,000	4,239	4,275	3,425
1-03-4060-000	Staff Conferences & Seminars	2,500	2,000	2,500	1,415	2,557	2,055
1-03-4155-000	Contracted Services	-	11,000	12,000	4,186	9,513	-
1-03-4155-305	Contracted Services - GIS Services	40,000	-	-	-	-	-
1-03-4155-310	Contracted Services - Reproduction	18,000	-	-	-	-	-
1-03-4155-315	Contracted Services - Prod./Demand Database	67,000	-	-	-	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	2,500	-	-	-	-	-
1-03-4155-325	Contracted Services - Backflow Software	1,000	-	-	-	-	-
1-03-4165-000	Memberships/Subscriptions	2,000	1,500	2,000	2,798	2,763	2,854
1-03-4250-000	General Materials & Supplies	2,500	6,500	2,500	1,870	1,390	918
1-03-4230-110	Maintenance & Repair - Office Equipment	-	-	-	-	599	69
1-03-8100-100	Computer Software - Maint. & Support	13,500	70,000	72,000	19,757	17,226	18,297
	Total Operating Expense	152,000	95,500	94,000	34,264	38,322	27,619
	Total Departmental Expenses	1,166,000	1,252,250	1,215,750	1,155,799	1,170,449	1,105,929

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Facilities Department

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Facilities Department

DESCRIPTION:

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

2013 WATER YEAR INDICATORS:

- 1) 28,210 Meters in service
- 2) 9,381 System valves in service
- 3) 414 Miles of pipe in service
- 4) 234 Emergencies to which the department responded

2013 ACCOMPLISHMENTS:

- 1) Performed 1,139 hours of building and grounds maintenance including 81 repairs. This maintenance included general upkeep of grounds, fence repairs, building repairs, and graffiti removal, continuous cleaning and reorganizing for storage and warehouse needs, shifted the fabrication shop to accommodate more room for fleet and heavy equipment repair.
- 2) Performed 4,270 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM), 19 natural gas engine repairs, 102 natural gas engine inspections, and 29 pump and motor repairs.
- 3) Performed 1,481 hours of meter repair and maintenance exchanging meters, angle stop repairs and leaks. This included fabrication of compound meter lids and repairing piping and installation of new meters.
- 4) Performed 279 hours of Treatment Plant repairs.
- 5) Performed 2,428 hours of vehicle and heavy equipment maintenance and repair activities performing 313 miscellaneous repairs, 104 scheduled PM's, and 131 truck, trailer and crane repairs and inspections.
- 6) Performed quarterly maintenance on all HVAC units. This includes 78 HVAC unit services and 8 repairs
- 7) District Office elevator load tested and certified.
- 8) District Training 2,251 hours. This included training on backhoe/loader safety, hazmat, rigging and signal person, crane certification, traffic control, forklift, confined space, underground locating training along with leadership and supervisor training, reasonable suspicion training for Supervisors, CPR/First Aid and automated external defibrillator (AED) training. The District has implemented in-house training programs with (2) of the above categories and utilized cost free training from Joint Powers Insurance Authority (JPIA), on (4) other courses along with the Southern California Gas Co. for (HVAC training). This year allowed an opportunity to compile an up-to-date look at what training needed to be completed and by whom. By not following the customary practice of training on a wide net and focusing on identifying the true necessity to continue to reduce costs.
- 9) Conducted the valve exercising program, which included exercising 1,031 system valves.
- 10) Air-vacuum breaker rehabilitation program this includes rebuilding and/or replacing units to improve all elevation zones to achieve better function throughout the distribution system. A total of 79 air-vacuum breakers were serviced, rebuilt or replaced.
- 11) As of 11-20-2013 we have repaired 263 mainline leaks and 87 residential service line leaks This was a significant drop from 2012 and was contributed to our current mainline replacement program.

2013 ACCOMPLISHMENTS (continued):

- 12) Conducted work on the District's flushing program (Water Quality) flushing 814,190 cubic feet (6,090,141 gallons) of water flushed to maintain adequate chlorine residuals and low turbidity numbers throughout our distribution system. 101 yearly sites flushed.
- 13) Two-Way Radio Narrow-banding Upgrade: To maintain compliance with FCC rules and regulations, District radio repeater and mobile radios have been replaced with compliant equipment.
- 14) Through competitive bidding we were able to reduce materials costs within the Facilities Department. This has reduced additional costs by \$26,500.
- 15) 2013 budget included purchase of a new dump truck for Construction Crew activities. In discussions with stakeholders, it was determined that Construction Crew needs would be better served with the acquisition of a used dump truck and used backhoe. This proposal was accepted by the Facilities committee and suitable equipment was identified, purchased and placed in service.
- 16) Regulatory Compliance: Antelope Valley Air Quality Management District (AVAQMD) has performed annual site inspections of District Facilities including fuel tanks and Internal Combustion Engine (ICE) installations. Mechanics have implemented a new program of quarterly in-house emissions inspections of District natural gas fueled permitted engines in compliance with permit conditions, inspections which were previously performed by outside vendors. Mandated Source Testing completed on 3 natural gas engines at Well #15, 25th Street Generator Site and the 45th Street Generator Site.
- 17) Well 11: Flywheel mounted centrifugal clutch has been retrofit to engine, rebuilt angle drive re-installed and building re-assembled. Engine has been started, pump and clutch tested and well development completed. Well 11 is operating as designed and has been turned over to Operations Department for disinfection and sampling before being returned to service.
- 18) Well 3: Long term issue with generator intermittently experiencing overload and over-speed shut-downs is continuing and increasing in frequency. Outside vendors have performed several repairs in the past but issue continues to persist. Diagnostics by Shop staff indicate a fuel delivery issue. Shop staff rebuilt, balanced and adjusted fuel pressure regulators solving issue.
- 19) Well 15: Shop staff elected to perform top-end overhaul at well 15 as a cost-saving measure. During overhaul several quality control issues were identified with prior repairs performed by vendors. Issues were corrected and increased involvement by Shop staff is planned for all future outsourced repairs.
- 20) Well 21: Submersible pump motor failed and pumping equipment was removed for repair. Video-log of well revealed that mild cleaning of well casing was warranted at this time to maintain well performance. Well was brushed and bailed and pumping equipment, including replacement pump motor, was reinstalled by vendor.
- 21) 45th Street Booster Site: Failed booster pump 5 replaced, aligned and returned to service. Generator developed large exhaust leak from expansion joint during Edison Time-of-Use and operation of generator was critical to prevent Edison penalty assessment. Shop staff repaired leak with minimal downtime. Generator developed issue developing full power and overload safeties were shutting down generator. Ignition system breakdown was identified as part of the issue and ignition system was replaced with a non-intrinsically safe system to allow use of less expensive ignition maintenance parts to reduce future maintenance expenses. Intrinsically safe ignition not required for this installation.
- 22) 3600' Booster Site: Booster 1 failed while preparations were being made for hydro-pneumatic tank replacement. Shop staff needed to replace booster as quickly as possible to accommodate tank replacement. A new pump and motor were installed and returned to service. New pump experienced a catastrophic failure to the pump volute appearing to be a result of piping miss-

alignment. A new pump wet-end was installed and piping changes made to align piping with new pump

- 23) Truck 4: To extend useful life of dump truck and reduce capital expenditure, Shop staff performed major system rebuilds to dump truck 4 including replacing dump bed floor and rebuilding tailgate, repairing engine, installing rebuilt transmission and replacing clutch, repairing 2-speed rear differential, re-upholstering seat and painting truck.
- 24) Tractor 101: Tractor experienced several instances of unexpected engine failure. Issue was determine to be an intermittent electrical short in wiring harness under tractor cab requiring removal of complete cab to access harness. Shop staff removed cab, repaired harness and re-installed cab.
- 25) Replaced a section of 12" Double dipped and wrapped (DDW) steel pipe that failed on a transition (area of pipe that involves fittings to accommodate elevation change or other utilities) at 10th. St. E. and Ave Q, two sections were changed out with schedule 40 steel pipe and new fittings, along with 5 other locations that required drop in sections of pipe due to splits or total failure of said pipe.
- 26) Construction Crew installed a 6" check valve at the Sanitation District for the recycled water line that feeds McAdam Park. (This will eliminate water back flowing into the Sanitation District basin due to approximately 32' elevation difference)
- 27) Construction crew installed a section of pipe at the Underground Booster Site consisting of tee, valves, piping and reducers for the future tie-in point of the G.A.C. Local Contactor Absorption System.
- 28) Construction crew replaced 740' of pipe that had numerous leaks on a county road (S-10 and 40th St. E.) that caused erosion and extra repair to the area with every leak.
- 29) Construction crew replaced 700' of pipe in another section on a county road (Lago Lindo) replacing 1964 DDW steel pipe.
- 30) Construction crew has completed another pipeline replacement of 5,700' of 6" and 8" pipe replacing 1950 DDW steel pipe that had frequent leaks causing constant rework and grading of dirt roads in this area.

2014 OBJECTIVES:

- 1) Continue valve-exercising program.
- 2) Continue flushing program (water quality and required chlorine residuals).
- 3) Continue air-vac rebuild/replacement maintenance program to ensure proper operation.
- 4) Continue mainline replacement program.
- 5) Continue dead end tie-in program
- 6) Continue upgrade piping, plumbing and electrical at all well sites.
- 7) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.
- 8) Repair and test propane back up fuel systems on engines at Well 11, Well 15 and 25th Street generator. Implement maintenance and testing program for propane systems. Perform re-hab efforts at well 4, 14, 19, 25 and 30..

Palmdale Water District

Budget 2014

Facilities

Facilities

PERSONNEL BUDGET:

		BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-04-4000-000	Salaries	1,450,000	1,257,000	1,339,000	1,423,089	1,370,889	1,345,077
1-04-4000-100	Salaries - Departmental Overtime	36,500	48,000	40,000	29,565	47,171	46,025
	Subtotal (Salaries)	1,486,500	1,305,000	1,379,000	1,452,654	1,418,060	1,391,102
Employee Benefits							
1-04-4005-000	Payroll Taxes	111,000	107,000	105,000	113,849	113,701	99,084
1-04-4010-000	Health Insurance	374,500	380,500	384,000	393,665	341,285	276,349
1-04-4015-000	PERS	278,000	233,500	254,500	269,180	243,376	207,987
	Subtotal (Benefits)	763,500	721,000	743,500	776,694	698,361	583,419
	Personnel Expenses	2,250,000	2,026,000	2,122,500	2,229,348	2,116,421	1,974,521

OPERATING EXPENSES:

1-04-4050-000	Staff Travel	2,500	1,500	2,500	78	625	835
1-04-4060-000	Staff Conferences & Seminars	3,000	3,000	3,000	449	2,081	625
1-04-4155-000	Contracted Services	-	66,500	28,500	27,017	25,060	12,367
1-04-4155-405	Contracted Services - Landscape Svcs (NOB-Shop)	5,000	-	-	-	-	-
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	26,000	-	-	-	-	-
1-04-4155-415	Contracted Services - Alarm Services	5,000	-	-	-	-	-
1-04-4155-420	Contracted Services - Janitorial Services	6,000	-	-	-	-	-
1-04-4155-425	Contracted Services - Pest Control Svcs (NOB-Shop)	5,500	-	-	-	-	-
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	23,000	-	-	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous	1,000	-	-	-	-	-
1-04-4175-000	Permits (Littlerock & Palmdale Dams)	50,000	46,000	-	-	-	-
1-04-4215-200	Natural Gas - Buildings	4,500	3,000	4,500	3,093	3,749	4,195
1-04-4220-200	Electricity - Buildings	30,000	22,000	30,000	28,758	11,665	12,385
1-04-4225-000	Maint. & Repair - Vehicles	45,000	36,000	45,000	34,347	43,599	32,035
1-04-4230-100	Maint. & Rep. Operations - Office Building	18,000	5,000	18,000	79,565	10,315	60,534
1-04-4230-110	Maint. & Rep. Office - Equipment	-	-	-	-	-	357
1-04-4235-110	Maint. & Rep. Operations - Equipment	7,500	7,500	7,500	7,259	5,689	3,578
1-04-4235-400	Maint. & Rep. Operations - Wells	135,000	48,000	150,000	67,600	105,612	57,249
1-04-4235-405	Maint. & Rep. Operations - Boosters	65,000	58,000	50,000	39,274	53,599	36,749
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	10,000	10,000	10,000	6,618	20,998	2,206
1-04-4235-415	Maint. & Rep. Operations - Facilities	15,000	15,000	15,000	18,919	9,912	27,763
1-04-4235-420	Maint. & Rep. Operations - Water Lines	325,000	240,000	350,000	342,999	404,457	633,952
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	15,000	500	20,000	16,524	19,649	39,979
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	15,000	500	26,500	27,339	26,539	26,139
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	3,000	500	3,000	373	184	-
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	35,000	26,000	35,000	33,212	30,061	72,012
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,000	500	5,000	104	3,917	35
1-04-4250-100	Materials - Hot Tapping	-	-	-	-	-	1,029
1-04-6000-000	Waste Disposal	40,000	30,000	40,000	39,172	20,468	19,594
1-04-6100-100	Fuel and Lube - Vehicle	130,000	120,000	130,000	135,193	126,814	78,549
1-04-6100-200	Fuel and Lube - Machinery	43,000	28,000	43,000	40,573	31,097	27,321
1-04-6200-000	Uniforms	21,000	21,500	20,000	17,031	16,884	12,660
1-04-6300-100	Supplies - Misc.	47,500	40,000	47,500	38,922	41,510	141,820
1-04-6300-800	Supplies - Construction Materials	45,000	35,000	65,000	46,509	65,251	-
1-04-6400-000	Tools	12,000	11,000	12,000	12,863	7,968	8,297
1-04-7000-100	Leases - Equipment	15,000	11,000	15,000	12,457	11,647	15,174
	Total Operating Expense	1,208,500	886,000	1,176,000	1,076,246	1,099,348	1,327,440
	Total Departmental Expenses	3,458,500	2,912,000	3,298,500	3,305,594	3,215,769	3,301,961

Operations Department

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Operations Department

DESCRIPTION:

The Operations Department operates the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The Operations Department monitors and maintains operation of the District's 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 seismic valves, 9 hydro-pneumatic tanks, and hypochlorite disinfection equipment at 32 of the above sites. The department is responsible for maintaining compliance with all Federal, State, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, lake management, energy management, and pumping efficiency, as well as handling customer related water quality complaints and water quality analysis.

2013 WATER YEAR INDICATORS:

- 1) Treated 13,260.3* acre-feet of surface water, 60.7% of total production, (4.8% more than 2011/12).
- 2) Pumped 8,594.1* acre-feet of ground water, 39.3% of total production, (3.7% more than 2011/12).
- 3) 21,854.4* Total acre-feet of water produced for Water Year (4.3% more than 2011/12).
- 4) Operated Water Treatment Plant 8,486* hours.
- 5) Received 13,182.1* acre-feet of State Project Water (8.6% less than 2011/12).
- 6) 1,557.6* acre-feet of water was drawn from the Littlerock Reservoir (none was taken last year).
- 7) Presently maintain 30.61** million gallons of potable water in distribution reservoir storage (as of October 01, 2013).
- 8) Presently maintain 3723.5 acre-feet of water in Lake Palmdale at an elevation of 2,810.70 feet above sea level, and approximately 100.0 acre-feet in Littlerock reservoir at an elevation of 3,207.86 feet above sea level (as of October 01, 2013).

* Water Year: October 1, 2012 to September 30, 2013

** Maximum Storage for 24 hr. period of September 30 to October 01, 2013

2013 ACCOMPLISHMENTS:

- 1) Joined with Water Research Foundation to assist with a study on determining the cost effectiveness of chromium VI removal technologies.
- 2) Continued to adapt distribution strategies to improve water quality and increase energy efficiency.
- 3) Developed departmental budget tracker to increase account balance awareness for supervisors.
- 4) Monitored water supplies for Radioactivity, MTBE, TTHM's and Hexavalent Chromium and all other constituents required by law.
- 5) GAC contactors were utilized to reduce disinfection byproducts and taste and odor compounds, thereby providing a higher quality of water.
- 6) Completed a full scale test of an alternative coagulant aid.
- 7) Prepped lake level for lake maintenance to occur in late 2013.
- 8) Enhanced SCADA Programming to develop automatic reports of plant and groundwater production.
- 9) Continued to diligently install, upgrade, maintain and repair a wide variety of critical distribution equipment to ensure reliable and efficient operations of the distribution system.
- 10) Completed Annual Laboratory re-certification.
- 11) Began phase I of WTP Security upgrades
- 12) Completed update to fail safe SCADA system at the Main office.
- 13) Completed installation of Distribution System radio backbone.
- 14) Utilized SEMS CMMS system for work orders and preventative maintenance scheduling.

2013 ACCOMPLISHMENTS (continued):

- 15) Staff continued an in-house preventative maintenance program on automated valve actuators reducing the departments contracted maintenance costs.
- 16) Engaged in EnerNoc energy demand response program to reduce energy costs.
- 17) Completed setup of demand response program through Honeywell.
- 18) Completed phase I of Calgon f300 and Siemens CX carbon medias full scale study.
- 19) Began Phase II of Calgon f400 and Siemens CX reactivated full scale study.
- 20) Found defect in replacement surface wash pump and worked with the vendor to repair.
- 21) Completed phase II of Distribution system radio upgrade. This has allowed several remote sites to communicate in real time versus 10-20 minute poll times.
- 22) Completed waiver request to California Department of Public Health for SOCs. If granted this will save approximately \$40,000 per skipped triennial cycle.
- 23) Responded to 7 planned Edison outages and 4 unplanned outages.
- 24) Took part in 16 total energy demand response events in 2013.
- 25) Continued work on ARC-Flash improvement.

2014 OBJECTIVES:

- 1) Continue development and execution of an effective lake monitoring program and cleanup of Lake Palmdale shoreline.
- 2) Comply with the Stage 2 Disinfection Byproduct Rule.
- 3) Begin process for certification through ELAP for testing TTHM and VOCs for regulatory reporting.
- 4) Continue to refine plant and distribution systems operational practices to reduce costs and optimize water quality.
- 5) Continue jar testing of coagulants to further reduce chemical costs and optimize treatment.
- 6) Repair and utilize Flocc Aid dosing station.
- 7) Utilize CMMS for SOP, manual, picture and video retention.
- 8) Complete optimization of the WTP SCADA.
- 9) Begin installation of phase III Distribution radio system upgrade.
- 10) Complete phase I of WTP security system.
- 11) Continue demand response program with Honeywell and EnerNoc to reduce electricity costs.
- 12) Begin using localized GAC treatment to reduce overall GAC operation costs.
- 13) Continue development of real-time SCADA tools for monitoring energy consumption and operational costs.
- 14) Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law.
- 15) Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
- 16) Complete phase II of full-scale testing of both Siemens and Calgon GAC media.
- 17) Install new surface wash pump and repair old one to keep as a spare.
- 18) Obtain long-term GAC contract at reduced costs.
- 19) Utilize intra-net for improved departmental communication.
- 20) Maintain excellent interdepartmental cooperation through clear communication and promoting the understanding and respect of all staff's contributions towards our shared mission.
- 21) Encourage continued education and training in order to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
- 22) Continue to upgrade, standardize, maintain and repair distribution and WTP facilities to ensure reliable and efficient performance..

Palmdale Water District

Budget 2014

Operations

Operations		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2014	2013	2013	2012	2011	2010
1-05-4000-000	Salaries	1,734,000	1,553,000	1,608,500	1,643,361	1,571,485	1,527,312
1-05-4000-100	Salaries - Departmental Overtime	85,000	92,500	61,500	88,128	113,848	67,947
	Subtotal (Salaries)	1,819,000	1,645,500	1,670,000	1,731,489	1,685,334	1,595,259
Employee Benefits							
1-05-4005-000	Payroll Taxes	131,000	130,000	128,000	132,513	124,733	120,429
1-05-4010-000	Health Insurance	343,000	357,500	378,500	359,376	345,691	290,849
1-05-4015-000	PERS	324,000	286,500	307,000	308,076	273,221	234,153
	Subtotal (Benefits)	798,000	774,000	813,500	799,965	743,644	645,430
	Personnel Expenses	2,617,000	2,419,500	2,483,500	2,531,453	2,428,978	2,240,689
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	8,000	9,000	8,000	7,329	11,061	4,914
1-05-4060-000	Staff Conferences & Seminars	9,500	7,000	9,500	10,530	11,856	2,420
1-05-4120-100	Training - Lab Equipment	4,500	-	4,500	1,962	1,962	-
	Training - SCADA Network Equipment	9,000	2,000	9,000	-	-	-
1-05-4155-000	Contracted Services	-	128,000	59,000	57,871	62,870	53,483
1-05-4155-505	Contracted Services - Landscape Services	2,000	-	-	-	-	-
1-05-4155-510	Contracted Services - Alarm Services	1,000	-	-	-	-	-
1-05-4155-515	Contracted Services - Janitorial Services	5,750	-	-	-	-	-
1-05-4155-520	Contracted Services - Pest Control Services	500	-	-	-	-	-
1-05-4155-525	Contracted Services - Wind Turbine Services	35,000	-	-	-	-	-
1-05-4155-530	Contracted Services - CIMS Software	10,000	-	-	-	-	-
1-05-4155-535	Contracted Services - SCADA Software	11,000	-	-	-	-	-
1-05-4155-540	Contracted Services - Lab Software	1,500	-	-	-	-	-
1-05-4155-545	Contracted Services - Lab Equipment Services	6,000	-	-	-	-	-
1-05-4155-550	Contracted Services - Water Quality Services	25,000	-	-	-	-	-
1-05-4155-555	Contracted Services - SCADA Hardware	3,500	-	-	-	-	-
1-05-4155-560	Contracted Services - Seismic Valve Controllers	6,000	-	-	-	-	-
1-05-4155-599	Contracted Services - Miscellaneous	2,000	-	-	-	-	-
1-05-4175-000	Permits	45,000	40,000	45,000	39,536	30,831	67,367
1-05-4215-100	Natural Gas - Wells & Boosters	236,000	160,000	160,000	100,834	90,390	119,255
1-05-4215-200	Natural Gas - Water Treatment Plant	3,000	3,000	3,000	914	2,503	1,623
1-05-4220-100	Electricity - Wells & Boosters	1,515,000	1,400,000	1,285,000	1,113,121	1,168,686	1,302,564
1-05-4220-200	Electricity - Water Treatment Plant	125,000	95,000	125,000	131,036	182,572	173,859
1-05-4230-110	Maint. & Rep. Office - Equipment	500	500	500	-	334	255
1-05-4235-110	Maint. & Rep. Operations - Equipment	22,500	11,000	15,000	12,475	5,597	10,040
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,000	16,000	6,000	2,674	595	2,954
1-05-4235-415	Maint. & Rep. Operations - Facilities	45,000	46,000	38,000	43,234	41,815	29,048
1-05-4235-445	Maint. & Rep. Operations - Telemetry	2,250	5,000	2,250	4,962	14,490	507
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	30,000	24,000	10,000	4,013	1,344	10,318
1-05-4236-000	Palmdale Lake Management	15,000	11,000	15,000	14,742	14,645	9,048
1-05-4240-000	Maint. & Repair - Wind Turbine	6,000	-	-	-	-	-
1-05-4250-000	General Material & Supplies	-	-	-	-	1,167	-
1-05-4270-300	Telecommunication - Other	2,750	2,750	2,750	2,557	3,003	2,622
1-05-4300-300	Testing - Edison Testing	9,000	7,000	9,000	11,700	5,385	11,610
1-05-5011-000	Emergency Repair & Recovery	-	-	-	-	12,492	-
3-05-4300-100	R&D - Filter Media Testing	-	-	-	-	10,975	-
1-05-6000-000	Waste Disposal	22,000	24,000	22,000	3,161	36,357	2,696
1-05-6200-000	Uniforms	12,000	12,000	10,000	9,973	7,862	5,669
1-05-6300-100	Supplies - Misc.	15,000	16,000	15,000	17,897	10,035	13,704
1-05-6300-200	Supplies - Hypo Generators	6,750	5,000	6,750	5,785	5,590	8,719
1-05-6300-300	Supplies - Electrical	3,500	3,000	3,500	4,145	2,304	5,202
1-05-6300-400	Supplies - Telemetry	7,500	2,500	7,500	7,577	(3,926)	6,428
1-05-6300-600	Supplies - Lab	35,000	35,000	35,000	34,075	31,289	32,182
1-05-6300-700	Outside Lab Work	60,000	100,000	60,000	46,580	71,720	66,354
1-05-6400-000	Tools	6,500	4,250	6,500	4,190	6,677	4,397
1-05-6500-000	Chemicals	485,000	520,000	485,000	513,587	409,083	347,746
1-05-7000-100	Leases -Equipment	3,000	500	3,000	297	1,061	1,226
1-05-8100-200	Computer Software - Software and Upgrades	-	-	-	-	-	15,095
	Total Operating Expense	2,859,500	2,689,500	2,460,750	2,206,755	2,252,623	2,311,304
	Total Departmental Expenses	5,476,500	5,109,000	4,944,250	4,738,208	4,681,601	4,551,993

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Finance Department

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Finance Department

DESCRIPTION:

The Finance Department's primary responsibility is overseeing the finance related aspects of the District. This includes customer service, accounts payable, payroll, bank reconciliation, financial reporting (both state and local), auditing, internal controls, and fixed asset allocation.

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

2013 WATER YEAR INDICATORS:

- 1) Processed 2,358 +/- New Account Applications.*
- 2) Completed 15,181 +/- non-application based customer service orders.*
- 3) Issued 31,358 door tags, 2,920 shutoffs, and processed 699 rejected payments.*
- 4) Processed 297,163 payments: Make up was 95,702 mail payments, 72,635 front counter, 25,326 credit cards by telephone, 68,318 Website payments (Credit card & ACH) and 35,182 Third Party Electronic Check Payment processed (ACH)*.
- 5) Number of Customers Assisted 133,205 (Calls 61,081 and Front Counter 72,124).*
- 6) 19,147.74 acre feet of water billed.*
- 7) Serviced an average of 26,345 active customer accounts.
- 8) Serviced a total of 27,353 customers (active and inactive).

* All numbers are based on a reporting period of October 1, 2012 through September 30, 2013.

2013 ACCOMPLISHMENTS:

Finance Staff

- 1) Completed the annual audit and required reporting to outside governing agencies. This included producing the actual audited financial report in-house for review by the independent auditors.
- 2) Worked with other departments on clean-up and review of fixed asset schedules to verify whether the equipment portion of assets remained or had been disposed of. This was done to satisfy auditors request made during field work portion of the audit.
- 3) Provided technical, financial, and acquisition support to all departments.
- 4) Provided monthly financial reports to General Manager and Board of Directors.
- 5) Provided employee compensation in a timely manner.
- 6) Liquidated District's obligations in a timely manner.
- 7) Continued work on procedural documentation related to payables and payroll processing. This includes initiating cross-training for the accounting personnel overseeing these areas for increased coverage.
- 8) Continued refining workflow schedule for better closure of financial periods to improve monthly reconciliation processes.

2013 ACCOMPLISHMENTS (continued):

Customer Service Staff

- 1) Cross training of office staff in various areas (billing, image scanning, collections, cash handling and mail payments) to enable the office to operate efficiently.
- 2) Customer service staff is continuing to promote the Districts website. By promoting this staff is helping the District increase the enrollment of customers using the website to manage their water service accounts.
- 3) Customer service staff is processing mail and night drop check payments using the OCR Scanner. Then we send the check payment file electronically to the bank for processing. This has reduced the time the District waits to receive a rejected payment notice. It has also reduced the number of bank adjustments received.
- 4) Coordinating the large meter repair, and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
- 5) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes. This increases the Districts ability to obtain meters reads more efficiently.
- 6) New bill format contains more detailed billing information on the allocation calculation as well as providing the customer with due dates to avoid late fees. This has eliminated the issuance of a separate late fee billing which has resulted in the District saving approximately \$49,000 a year.

2014 OBJECTIVES:

Finance Staff

- 1) Complete year-end audit and required financial reporting in a timely manner.
- 2) Continue to provide technical, financial, and acquisition support to all departments.
- 3) Continue to provide monthly financial reports to the General Manager and Board of Directors.
- 4) Complete work on procedural documentation related to payables and payroll processing and related cross-training.
- 5) Continue development of procedural documentation related to other financial related processes such as job costing, depreciation, and account reconciliation.
- 6) Continue improving on finance workflow schedule to better position the District for information requests related to the District's financial information.

Customer Service Staff

- 1) Provide Customer Service staff with additional training/education to foster effective customer service practices/programs to meet the changing needs of our customers.
- 2) Cross training office personnel in various areas (mail payment handling, scanning, collections, cash handling, and the like) to maintain and/or improve the office efficiency.
- 3) Maintain (test, repair or replace) the existing radio read infrastructure. This enables the District to obtain meter reads more efficiently and maintain better accuracy for billing.
- 4) Oversee large meter repair, replacement and/or testing to improve accuracy and reliability.
- 5) Enable the IVR (interactive voice recognition) system so that customers can call in, inquire about balances on their accounts and pay their bills at any time. This system will also allow us to contact customers quickly in specific areas in case of emergency shutdowns.

Palmdale Water District **Budget 2014** **Finance**

Finance		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2014	2013	2013	2012	2011	2010
1-06-4000-000	Salaries	1,645,000	1,466,500	1,482,000	1,533,269	1,508,723	1,679,094
1-06-4000-100	Salaries - Departmental Overtime	19,000	31,000	20,000	18,656	30,945	12,214
	Subtotal (Salaries)	1,664,000	1,497,500	1,502,000	1,551,925	1,539,668	1,691,308
Employee Benefits							
1-06-4005-000	Payroll Taxes	123,000	119,000	115,000	117,568	119,983	122,180
1-06-4010-000	Health Insurance	317,000	344,000	383,750	369,836	366,021	337,125
1-06-4015-000	PERS	331,000	284,000	282,500	289,841	264,424	259,728
	Subtotal (Benefits)	771,000	747,000	781,250	777,245	750,428	719,033
	Personnel Expenses	2,435,000	2,244,500	2,283,250	2,329,170	2,290,096	2,410,341
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	250	500	250	-	173	757
1-06-4060-000	Staff Conferences & Seminars	1,000	1,000	1,000	928	456	330
1-06-4155-100	Contracted Services - Infosend	205,000	186,000	205,000	215,422	215,438	229,475
1-06-4155-300	Contracted Services - Vendors	-	10,000	10,000	12,577	23,230	-
1-06-4160-605	Contracted Services - Assessor Data (Realquest)	10,000	-	-	-	-	-
1-06-4160-610	Contracted Services - Credit Reporting Services	4,000	-	-	-	-	-
1-06-4160-615	Contracted Services - AMR Services (Itron)	4,500	-	-	-	-	-
1-06-4160-620	Contracted Services - Letter Extractor (OPEX)	2,500	-	-	-	-	-
1-06-4165-000	Memberships/Subscriptions	500	500	500	220	275	435
1-06-4230-110	Maintenance & Repair - Office Equipment	1,000	-	1,000	117	209	8,700
1-06-4235-440	Maint. & Rep. Operations - Large Meters	10,000	7,500	10,000	13,802	8,648	34,517
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	225,000	365,000	175,000	210,001	174,009	-
1-06-4250-000	General Material & Supplies	6,000	7,000	4,000	2,810	5,993	2,687
1-06-4260-000	Business Forms	10,000	10,000	10,000	7,851	7,163	22,125
1-06-4270-100	Telecommunication - Office	12,000	10,500	30,000	13,995	28,144	29,620
1-06-4270-200	Telecommunication - Cellular Stipend	17,000	14,500	17,000	15,170	15,845	23,602
1-06-4270-300	Telecommunication - Cellular (District On-Call)	3,000	250	3,000	1,564	2,426	245
1-06-4300-100	Testing - Meter Testing	-	-	-	-	-	152
1-06-4300-200	Testing - Large Meter Testing	21,500	11,000	21,500	14,335	15,575	19,300
1-06-7000-100	Leases - Equipment	3,000	2,750	3,000	2,389	3,030	1,707
	Total Operating Expense	536,250	626,500	491,250	511,180	500,613	373,651
	Total Departmental Expenses	2,971,250	2,871,000	2,774,500	2,840,351	2,790,709	2,783,992

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Water Conservation Department

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Water Conservation Department

DESCRIPTION:

The Water Conservation Department's primary responsibilities are planning and executing conservation programs and providing information and education on conservation issues. Programs are developed for PWD customers and school classrooms. The duties include: public relations such as speaking to other agencies or groups, developing pamphlets, booklets, flyers, brochures and event planning and executing. The department also oversees the District's compliance of the California Urban Water Conservation Council's (CUWCC) Memorandum of Understanding (MOU) with the implementation of the Best Management Practices (BMP) within the District's water conservation programs.

2013 ACCOMPLISHMENTS:

- 1) Provide tours of both Littlerock Dam and WTP for elementary schools throughout the year.
- 2) Participated in the local events: the Home Show, City of Palmdale's Thursday Night on the Square, the Heritage Festival, the Christmas Parade and several other approved events for the year..
- 3) Planned and developed six bi-monthly PWD "Water News" inserts distributed with customer bills and six eWater news for constant contact customers.
- 4) Coordinated Consumer Confidence Report with TP staff and Four Star Printing for distributing to the public
- 5) Planned and developed the new 2013 "Cash for Grass" program and provided 10 "Cash for Grass" landscape-training workshops during the year.
- 6) Developed monthly water use reports for the Palmdale School District and Antelope Valley Union High School District's (AVUHSD) Palmdale High School.
- 7) Planed, developed and executed rebate programs throughout the year including; "Cash for grass," washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and PWD/HydroPoint smart controller program.
- 8) Generated necessary press releases throughout the year for water conservation rebates, public information and general PWD public relations.
- 9) Developed promotional media for water conservation rebates and public information.
- 10) Compiled water use data on rebate customers for water savings throughout the year.
- 11) Provided and developed all the information and documentation for BMPs.
- 12) Assisted the Administrative Service Department's field service group with their meter replacement written program and sent a copy to the Department of Water Resources (DWR).
- 13) Compiled all conservation programs and data for reporting the BMPs to DWR regarding the CUWCC required BMP reporting.
- 14) Produced and sent 2012/2013 CUWCC reports online through the CUWCC's reporting web site.
- 15) Attended the AVRCD's Garden committee meetings and helped to plan the AVRCD's May Open House and Plant sale and the Oct. Open house and plant.
- 16) Planned and executed the 2013 PWD Plant Sale
- 17) Revamped the Aquadog and PWD logos and began using Aquadog again in promotional conservation message.
- 18) Attended the college advisory committee meeting to help develop the year's landscape program.
- 19) Developed the urinal rebate program for 2014.
- 20) Provided materials for the student summer camp.
- 21) Planned, developed and accomplished the "Before the First Drop" Campaign.

2014 OBJECTIVES:

- 1) Plan, develop and execute class contests for elementary schools.
- 2) Provide six tours for elementary schools throughout the year.
- 3) Provide six classroom presentations to elementary schools throughout the year.
- 4) Plan, develop and execute PWD's six bi-monthly "Water News" billing inserts and e-water news for constant contact customers.
- 5) Plan, develop and execute PWD's monthly employee newsletter.
- 6) Plan, develop and execute PWD's 2014 Plant sale
- 7) Coordinate, develop and execute PWD's Consumer Confidence Report.
- 8) Continue compiling water use data on rebate customers for water savings throughout the year.
- 9) Plan, develop and execute "Fix a leak Week materials."
- 10) Plan, develop and execute 10 landscape "Cash for Grass" training workshops.
- 11) Continue executing rebate programs including: the new 2014 "Cash for grass," program, washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and the new commercial rebate program
- 12) Plan, develop, and complete compliance worksheets and submit to the California Urban Water Conservation Council (CUWCC) for 2013 and 2014
- 13) Plan, develop and execute press releases for water conservation rebates, public information and general PWD public relations.
- 14) Plan, develop and execute promotional media for water conservation rebates and public information
- 15) Develop and provide conservation materials for the City of Lancaster's Home and Garden
- 16) Develop and provide conservation materials for all approved events for the year.
- 17) Develop and provide conservation materials for the Student Summer Camp
- 18) Develop and provide conservation materials for the AVRCD (2) Plant Sales.
- 19) Develop and provide conservation materials for the PWD Plant sale
- 20) Continue to compile all conservation programs and data for reporting the Best Management Practices (BMPs) to DWR regarding the CUWCC required BMP reporting.
- 21) Plan and develop a landscape contest.
- 22) Plan and develop the "Before the First Drop" materials to enter into the 2014 Best in Blue outreach campaign contest.

**Palmdale Water District
Budget 2014
Water Conservation**

Water Conservation

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2014	2013	2013	2012	2011	2010
PERSONNEL BUDGET:							
1-07-4000-000	Salaries	168,500	153,000	153,000	152,210	149,794	153,005
1-07-4000-100	Salaries - Departmental Overtime	1,000	1,250	1,000	1,000	939	946
	Subtotal (Salaries)	169,500	154,250	154,000	153,210	150,733	153,951
Employee Benefits							
1-07-4005-000	Payroll Taxes	13,000	12,250	11,750	11,710	11,498	11,355
1-07-4010-000	Health Insurance	31,500	27,500	22,750	20,340	15,310	12,635
1-07-4015-000	PERS	34,000	30,000	29,250	29,602	26,469	23,670
	Subtotal (Benefits)	78,500	69,750	63,750	61,652	53,277	47,661
	Personnel Expenses	248,000	224,000	217,750	214,862	204,010	201,612
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	1,000	750	1,000	116	-	579
1-07-4060-000	Staff Conferences & Seminars	1,000	1,500	1,000	399	35	285
1-07-4190-300	Public Relations - Landscape Workshop/Training	1,000	500	1,000	442	974	478
1-07-4190-400	Public Relations - Contests	1,000	1,000	1,000	-	58	-
1-07-4190-500	Public Relations - Education Programs	5,000	1,500	5,000	3,995	616	438
1-07-4190-700	Public Relations - General Media (Public Outreach)	3,000	2,000	3,000	875	-	-
1-07-4190-900	Public Relations - Other	5,000	500	5,000	3,116	-	-
1-07-6300-100	Supplies - Misc.	5,000	3,000	5,000	-	1,869	2,656
	Total Operating Expense	22,000	10,750	22,000	8,942	3,552	4,437
	Total Departmental Expenses	270,000	234,750	239,750	223,804	207,563	206,048

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Human Resources Department

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Human Resources Department

DESCRIPTION:

The Human Resources Department manages the District's human resource-related tasks. This includes planning, organizing, directing and reviewing the activities and operations of the Human Resources Department, including recruitment and selection, on boarding, classification and compensation, benefits administration, employee relations, performance management, training, safety and risk management.

2013 ACCOMPLISHMENTS:

- 1) Provided training workshop and served as a resource for the Board of Directors for the General Manager's review process.
- 2) Researched and provided reports to the Personnel Committee and Board of Directors regarding District benefits and various options for consideration.
- 3) Completed Cost-of-Living research for 2013, culminating in data provided to the Personnel Committee and staff presentation to the Board of Directors for consideration.
- 4) Chaired and facilitated the monthly meetings of the Communications Committee.
- 5) Coordinated completion of annual hazard business plans for the District.
- 6) Completed the District's 2013 Property Assessment for Insurance Coverage.
- 7) Coordinated the completion of JPIA's Property Recommendations for 2013.
- 8) Coordinated the completion of JPIA's District's Risk Assessment process.
- 9) Coordinated Employee Benefits/Wellness Fair with 13 vendors participating and presentation by two keynote speakers.
- 10) Completed employee-specific training program through Target Safety/Prevention Link.

2014 OBJECTIVES:

- 1) Continue working on competencies and criteria for Performance Evaluation process for 2014 with managers and supervisors.
- 2) Continue implementation of NeoGov's On-Line Hiring process, including enhancements of the application and qualifying questionnaires.
- 3) Finalize implementation of NeoGov's On-Boarding module (New Employee Orientation).
- 4) Recruit staff in specific functional areas to serve on Safety Sub-Committee for required Training and annual schedules.
- 5) Provide support to General Manager relative to Strategic Plan revisions.
- 6) Continue efforts on workforce planning in conjunction with the District's Strategic Plan.
- 7) Perform research and develop presentations for Personnel Committee and the Board of Directors for consideration.
- 8) Coordinate 2014 Employee Benefits and Wellness Fair.
- 9) Continue focus on Wellness programs to ensure a healthier workforce.
- 10) Coordinate the work of the Action Plan for Communications initiatives.
- 11) Facilitate Communications Committee meetings.
- 12) Facilitate Safety and Safety Sub-Committee meetings.
- 13) Develop Employee Handbook Task Force.
- 14) Update Employee Handbook to present to Personnel Committee for review
- 15) Conduct 2014 salary survey.

**Palmdale Water District
Budget 2014
Human Resources**

Human Resources

PERSONNEL BUDGET:

	BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-08-4000-000 Salaries	97,000	85,500	84,000	105,474	125,029	111,469
1-08-4000-100 Salaries - Departmental Overtime	-	-	-	-	-	-
Subtotal (Salaries)	97,000	85,500	84,000	105,474	125,029	111,469
Employee Benefits						
1-08-4005-000 Payroll Taxes	7,500	6,500	6,500	8,432	7,693	8,178
1-08-4010-000 Health Insurance	19,200	-	18,000	14,396	20,343	13,658
1-08-4015-000 Pers	6,500	1,000	16,000	18,557	22,914	17,296
Subtotal (Benefits)	33,200	7,500	40,500	41,384	50,950	39,132
Personnel Expenses	130,200	93,000	124,500	146,858	175,979	150,601
OPERATING EXPENSES:						
1-08-4050-000 Staff Travel	500	-	500	231	1,325	1,591
1-08-4060-000 Staff Conferences & Seminars	500	-	500	250	1,344	1,380
1-08-4090-000 Temporary Staffing	-	52,000	-	-	1,966	-
1-08-4095-000 Employee Recruitment	3,000	3,000	3,000	515	1,100	4,309
1-08-4100-000 Employee Retention	1,500	1,500	1,500	2,014	3,140	1,032
1-08-4105-000 Employee Relations	3,500	3,500	3,500	2,974	3,185	1,938
1-08-4110-000 Consultants	1,000	-	1,000	-	-	500
1-08-4120-100 Training - Safety/HR Consultants	38,000	25,000	38,000	17,118	21,497	25,623
1-08-4121-000 Safety/HR Program	1,000	-	1,000	-	-	540
1-08-4165-000 Memberships/Subscriptions	1,600	750	1,600	1,946	1,144	145
1-08-4165-100 HR/Safety Publications	1,000	-	1,000	348	1,246	388
-08-4210-000 Office Furniture	-	-	-	-	196	-
1-08-6300-500 Supplies - Safety	33,500	7,500	33,500	19,952	23,677	28,047
Total Operating Expense	85,100	93,250	85,100	45,348	59,818	65,495
Total Departmental Expenses	215,300	186,250	209,600	192,206	235,797	216,096

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Information Technology Department

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Information Technology Department

DESCRIPTION:

The Palmdale Water District Information Technology (IT) department provides IT support for the District's computer network, including the operation, maintenance, upgrade, and repair of network hardware and District employee workstations. The primary responsibility of the IT Department is providing a safe and secure networking environment. Additional responsibilities include the day-to-day operation of the network datacenter and servers, the District phone system, office machines, and software applications. The IT department is also responsible for testing and evaluating new software applications and hardware being considered for purchase by the District to insure they perform in our current and future infrastructure.

2013 ACCOMPLISHMENTS:

- 1) Implemented mobile access for field workers
- 2) Continued virtualization of District Servers
- 3) Implemented centralized Storage Area Network
- 4) Replacement of desktops, laptops, and workstations
- 5) Implement Disaster Recovery plan for mission critical data and network equipment
- 6) Attended VMware vSphere and Cisco Certified Network Administrator training

2014 OBJECTIVES:

- 1) Implement Wi-Fi network for mobile workers and guests
- 2) Replace or Upgrade document management system
- 3) Replace existing security system at Main Office / NOB / Maintenance
- 4) Seek IT related federal and state grant sources
- 5) Continue replacement of desktops, laptops, and workstations

Palmdale Water District Budget 2014 Information Technology

Information Technology

PERSONNEL BUDGET:

	BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-09-4000-000 Salaries	226,000	211,500	204,000	218,357	196,681	-
1-09-4000-100 Salaries - Departmental Overtime	2,500	2,250	2,500	1,956	1,773	-
Subtotal (Salaries)	228,500	213,750	206,500	220,313	198,453	-
Employee Benefits						
1-09-4005-000 Payroll Taxes	16,000	17,000	16,000	15,942	14,034	-
1-09-4010-000 Health Insurance	38,400	41,750	41,250	39,804	38,554	-
1-09-4015-000 PERS	45,200	40,000	39,250	39,467	33,431	-
Subtotal (Benefits)	99,600	98,750	96,500	95,212	86,019	-
Personnel Expenses	328,100	312,500	303,000	315,525	284,472	-

OPERATING EXPENSES:

1-09-4050-000 Staff Travel	3,000	1,000	3,000	500	1,324	-
1-09-4060-000 Staff Conferences & Seminars	15,000	12,000	15,000	8,167	4,713	-
1-09-4120-100 Cogsdale Reimplementation and Templates	-	-	-	21,236	19,903	63,798
1-09-4155-200 Contracted Services - ACS	-	-	-	-	-	97,863
1-09-4155-300 Contracted Services - Computer Vendors	-	56,000	52,500	119,450	22,344	36,324
1-09-4155-905 Contracted Services - Offsite Storage Services	2,000	-	-	-	-	-
1-09-4155-910 Contracted Services - Printer Services	1,500	-	-	-	-	-
1-09-4155-915 Contracted Services - Website Design Services	45,000	-	-	-	-	-
1-09-4155-920 Contracted Services - Telephony Services	10,500	-	-	-	-	-
1-09-4155-925 Contracted Services - Cloud Services	25,000	-	-	-	-	-
1-09-4155-930 Contracted Services - Network Services	45,000	-	-	-	-	-
1-09-4165-000 Memberships/Subscriptions	500	-	500	240	340	-
1-09-4270-100 Telecommunication - Office Phone	16,500	16,500	16,500	-	-	-
1-09-4270-125 Telecommunication - Office Backbone	13,500	13,500	13,500	-	-	-
1-09-4270-150 Telecommunication - WTP Backbone	13,500	13,500	13,500	-	-	-
1-09-4270-300 Telecommunication - Cellular (Data)	12,000	11,750	12,000	-	-	-
1-09-8000-100 Computer Equipment - Computers	45,000	20,000	45,000	53,420	44,300	30,568
1-09-8000-200 Computer Equipment - Laptops	10,000	-	10,000	87	6,681	-
1-09-8000-300 Computer Equipment - Monitors	2,000	1,000	2,000	1,918	639	631
1-09-8000-400 Computer Equipment - Printers	15,000	250	2,500	1,905	1,911	3,525
1-09-8000-500 Computer Equipment - Toner Cartridges	3,000	1,500	3,000	5,503	13,330	11,683
1-09-4230-130 Computer Equipment - Telephony	2,500	-	-	-	-	-
1-09-8000-600 Computer Equipment - Other	35,000	25,000	35,000	35,723	9,267	25,205
1-09-8100-100 Computer Software - Maint. and Support	70,000	45,000	70,000	49,534	34,026	43,640
1-09-8100-140 Computer Software - Starnik Maint. & Support	95,000	95,000	86,000	39,500	-	-
1-09-8100-150 Computer Software - Dynamics GP Maint. & Support	30,000	30,000	30,000	43,124	109,439	43,135
1-09-8100-200 Computer Software - Software and Upgrades	15,000	7,000	15,000	25,339	9,486	49,500
Total Operating Expense	525,500	349,000	425,000	405,648	277,702	405,872
Total Departmental Expenses	853,600	661,500	728,000	721,173	562,174	405,872

SECTION IV SUMMARY BUDGET EXPENDITURE REQUESTS

STUDIES AND PLANNING DOCUMENTS

SAFETY AND REGULATORY COMPLIANCE

NEW EQUIPMENT

REPLACEMENT EQUIPMENT

GENERAL PROJECTS

REPLACEMENT CAPITAL PROJECTS

NEW CAPITAL PROJECTS

NEW CAPITAL PROJECTS (CIF)

SERIES 2013A WATER REVENUE BOND FUND

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**Palmdale Water District
Budget 2014
Studies and Planning Documents**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	CF	2014	2015	2016
Studies and Planning Documents							
PL01	Water System Master Plan & EIR	ENG	-	200,000	200,000	-	-
PL02	Water Rate Study	ENG	50,000	-	50,000	-	-
PL03	2015 Urban Water Management Plan Update	ENG	-	-	-	75,000	-
PL04	PWD Personnel Vulnerability Test & Training	IT	-	-	-	20,000	-
PL05	IT Grant Consultant	IT	-	-	-	25,000	-
			50,000	200,000	250,000	120,000	-
					Total Fund Source: 250,000		

Abbreviation Explanation	
O&M	= Capital Expensed
CF	= Water System Connection Fund
WS	= Source Water Supply Fund
AR	= Asset Replacement Fund
CON	= Conservation Program
WQ	= Water Quality Fund

**Palmdale Water District
Budget 2014
Safety and Regulatory Compliance**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT			
			O&M	AR	2014	2015	2016	
Safety and Regulatory Compliance								
No Safety and regulatory compliance items have been submitted for 2014								
						-	-	
						-	-	
						-	-	
Total Fund Source:								

**Palmdale Water District
Budget 2014
New Equipment**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2014	2015	2016
New Equipment							
NE01	Handheld GPS Data Collection Equipment	ENG	-	-	-	13,000	-
NE02	Project Management & Planning Softw are	ENG	-	-	-	40,000	-
NE03	New Utility Truck w /Crane & Air Compressor	FAC	-	-	-	100,000	-
NE04	Service Truck Tools (NE03)	FAC	-	-	-	20,000	-
NE05	Diesel Pow er ed Tamper (Qty. 2)	FAC	10,000	-	10,000	10,000	-
NE06	Tools for Fabrication Shop	FAC	-	-	-	10,000	-
NE07	Enclosed Trailer for Storage/Transport of Shoring Equipment	FAC	-	-	-	7,500	-
NE08	CMMS Softw are (FAC/OPS - CO)	FAC/OPS	8,000	-	8,000	8,000	-
NE09	Tig Welder	OPS	-	-	-	7,500	-
			18,000	-	18,000	216,000	-
Total Fund Source:			18,000				

**Palmdale Water District
Budget 2014
Replacement Equipment**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	AR	WQ	2014	2015	2016
Replacement Equipment								
RE01	FC300 Radio Read Equipment Replacement (FC200)	FIN	20,000	-	-	20,000	-	-
RE02	Replacement 1/2-Ton Truck (Replaces 281-26) (CO)	FAC	-	20,000	-	20,000	-	-
RE03	Replacement 3/4-Ton Truck (Replaces 281-31)	FAC	-	35,000	-	35,000	-	-
RE04	Replacement 3/4-Ton Truck (Replaces 281-33)	FAC	-	40,000	-	40,000	-	-
RE05	Replacement 3/4-Ton Truck (Replaces 281-10)	FAC	-	40,000	-	40,000	-	-
RE06	Replacement Air Compressor (Truck 60)	FAC	3,000	-	-	3,000	-	-
RE07	Replacement Rock Drill, Pavement Breaker & Clay Spade	FAC	7,000	-	-	7,000	8,000	-
RE08	Tw o-Way Radio Repeater - Remote (Tait Repeater Repl.)	FAC	-	10,000	-	10,000	-	-
RE09	Utility Bucket Truck (Truck Replacement - Operations SCADA)	FAC	-	-	-	-	-	-
RE10	Replacement 3/4-Ton Truck (Replaces 281-93)	FAC	-	-	-	-	40,000	-
RE11	Replacement 3/4-Ton Truck (Replaces 281-90)	FAC	-	-	-	-	40,000	-
RE12	Replacement 3/4-Ton Truck (Replaces 281-105)	FAC	-	-	-	-	40,000	-
RE13	Replacement Medium Duty Utility Truck (Replaces 281-115)	FAC	-	-	-	-	90,000	-
RE14	Replacement 3/4-Ton Truck (Replaces 281-91) (2016)	FAC	-	-	-	-	-	40,000
RE15	Replacement 3/4-Ton Truck (Replaces 281-98) (2016)	FAC	-	-	-	-	-	40,000
RE16	Replacement Medium Duty Flatbed Truck (Replaces 281-43) (2016)	FAC	-	-	-	-	-	70,000
RE17	Replacement Medium Duty Utility Truck (Replaces 281-116) (2016)	FAC	-	-	-	-	-	90,000
RE18	Replacement Crane (281-24) (2017)	FAC	-	-	-	-	-	500,000
RE19	Replacement Dump Truck (2017)	FAC	-	-	-	-	-	150,000
RE20	Replacement Sedan (281-23) (2017)	FAC	-	-	-	-	-	30,000

(Continued on next page)

Palmdale Water District
Budget 2014
Replacement Equipment (continued)

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	AR	WQ	2014	2015	2016
Replacement Equipment (continued)								
RE21	Replacement 3/4 Ton Utility Body Truck (281-35) (2017)	FAC	-	-	-	-	-	40,000
RE22	Replacement Turbidimeters (Qty. 4)	OPS	11,000	-	-	11,000	11,000	-
RE23	Replace VWWB Pump Internals (Stainless Steel)	OPS	15,000	-	-	15,000	-	-
RE24	Replace Failed Security Camera and Monitors	OPS	-	-	-	-	-	-
RE25	Analytical Balance (Lab Equipment)	OPS	-	-	5,500	5,500	-	-
RE26	Ion Chromatograph (Lab Equipment)	OPS	-	-	70,000	70,000	-	-
			145,000			276,500	229,000	960,000
			56,000					
			276,500					
Total Fund Source:								

**Palmdale Water District
Budget 2014
General Projects**

REQ. #	DESCRIPTION	Dept	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	AR	CON	2014	2015	2016
General Projects								
PRO01	Booster Pump Replacements (3M Tank Site - Qty. 2) (CO)	FAC	-	20,000	-	20,000	-	-
PRO02	Booster Pump Spare Parts (CO)	FAC	25,000	-	-	25,000	25,000	-
PRO03	Facilities Door/Gate Access Locks Replacement (Qty: 15)	FAC	-	-	-	-	25,000	-
PRO04	Security System Upgrades - Facilities Yard	FAC	-	-	-	-	-	-
PRO05	Entry Way Buildings - GAC & Filter Galleries (Safety Issue)	OPS	-	21,000	-	21,000	-	-
PRO06	Additional Brine Tank	OPS	-	-	-	-	60,000	-
PRO07	Distribution SCADA Radio Upgrade	OPS	140,000	-	-	140,000	-	-
PRO08	GAC Staging Area (2000 Sq. Ft.)	OPS	-	-	-	-	32,500	-
PRO09	WTP Flood Control (Backshop area)	OPS	-	-	-	-	15,000	-
PRO10	40' Storage Containers (Qty. 2)	OPS	-	-	-	-	8,000	-
PRO11	Chemical Pumps Low Flow Option	OPS	7,500	-	-	7,500	-	-
PRO12	WTP Security System Upgrade	OPS	-	-	-	-	20,000	-
PRO13	Sludge Level Indicators (CO)	OPS	-	-	-	-	7,500	-
PRO14	Sludge Pump Station Flow Meter	OPS	-	-	-	-	4,000	-
PRO15	Sed Basin Loading Docks	OPS	-	-	-	-	9,000	-
PRO16	WTP Backshop Office Expansion	OPS	-	-	-	-	-	-
PRO17	Epoxy Recoating Containment Area - South Chemical Building	OPS	-	-	-	-	35,000	-
PRO18	Distribution System - Hypo Generator Replacements	OPS	-	-	-	-	90,000	180,000
PRO19	2014 Water Rebate Program - Controllers, Turf Replacement, etc.	WC	-	-	150,000	150,000	250,000	250,000
PRO20	Landscape Design Booklet	WC	-	-	-	-	10,000	-

**Palmdale Water District
Budget 2014
General Projects (continued)**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	AR	CON	2014	2015	2016
General Projects (continued)								
PRO21	Bottled Water	WC	-	-	-	-	25,000	-
PRO22	Agenda Management System (\$7,000 Annual Support - Yr. 2)	IT	-	-	-	-	25,000	-
PRO23	Document Management System Upgrade	IT	105,000	-	-	105,000	-	-
PRO24	Wi-Fi Network Integration (Main Office, NOB & Maintenance Yard)	IT	25,000	-	-	25,000	-	-
			302,500	41,000	150,000	493,500	641,000	430,000
Total Fund Source:			493,500					

**Palmdale Water District
Budget 2014
Replacement Capital Projects**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2014	2015	2016
Replacement Capital Projects								
RCP01	Radio-Read Meters	FIN	725,000	-	-	725,000	785,000	1,570,000
RCP02	Installation of Radio-Read Meters	FIN	152,000	-	-	152,000	165,000	330,000
RCP03	Storage Tank Re-Coatings - Annual Maint. Contract (Year 1 of 6) (CO)	ENG	320,000	-	-	320,000	330,000	900,000
RCP04	PWD 1 - 15th ST E (Ave P4-P8) Waterline Replacement	ENG	-	-	-	-	153,000	-
RCP05	PWD 2 - Avenue P8 Waterline Replacement	ENG	-	-	-	-	42,000	-
RCP06	PWD 4 - Ave Q1, Q2, & Q3 (15th ST) Waterline Replacement	ENG	-	-	-	-	43,000	-
RCP07	PWD 5 - 5th PL, Ave Q1, Q2, Q4, & Q5 (5th ST) Waterline Repl.	ENG	-	-	-	-	31,000	-
RCP08	Contract 1 - Camares Dr Waterline Repl. (Barrel Spgs & Lakeview)	ENG	-	-	-	-	200,000	-
RCP09	Contract 2 - Division, 2nd ST & 3rd ST Vicinity Waterline Repl.	ENG	-	-	-	-	928,000	-
RCP10	Well No. 24A - Design & Const. (Rep. Lanc. Subbasin)	ENG	-	-	-	-	500,000	-
RCP11	Dredging at WTP Inlet/Outlet Structure - Construction	ENG	300,000	-	-	300,000	-	-
RCP12	Well 20 Abandonment	FAC	20,000	-	-	20,000	-	-
RCP13	Well 20A - Design & Const.	FAC	-	-	-	-	600,000	-
RCP14	Well 4 Rehabilitation	FAC	-	-	-	-	250,000	-
RCP15	Well 14 Rehabilitation	FAC	-	-	300,000	300,000	-	-
RCP16	Well 19 Rehabilitation	FAC	-	-	-	-	50,000	-
RCP17	Well 25 Rehabilitation	FAC	-	-	-	-	50,000	-
RCP18	Well 30 Rehabilitation	FAC	-	-	-	-	50,000	-
RCP19	Well 15 Rehabilitation	FAC	-	-	-	-	300,000	-
RCP20	Well 22 Rehabilitation	FAC	-	-	-	-	150,000	-

Palmdale Water District
Budget 2014
Replacement Capital Projects (continued)

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2014	2015	2016
Replacement Capital Projects (continued)								
RCP21	Well 26 Rehabilitation	FAC	-	-	-	-	150,000	-
RCP22	Well 29 Rehabilitation	FAC	-	-	-	-	150,000	-
RCP23	Well 6 Rehabilitation	FAC	-	-	-	-	-	175,000
RCP24	Well 35 Rehabilitation	FAC	-	-	-	-	-	175,000
RCP25	Plate Settlers - Beam Replacement Project	OPS	-	-	-	-	370,000	-
RCP26	Security Access System - Main Office/N.O.B./Back Gates (CO)	IT	200,000	-	-	200,000	-	-
			1,717,000	-	300,000	2,017,000	5,297,000	3,150,000
Total Fund Source:			2,017,000					

**Palmdale Water District
Budget 2014
New Capital Projects**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2014	2015	2016
	New Capital Projects							
	No New Capital Project Items have been submitted for 2014							
						</		

**Palmdale Water District
Budget 2014
New Capital Projects (CIF)**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			OM	CF	2014	2015	2016
New Capital Projects (CIF)							
NCC01	Well No. 34A - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	-	1,500,000
NCC02	Acquisition of Tax Defaulted Properties	ENG	-	50,000	50,000	-	-
Total Fund Source:			-	50,000	50,000	-	1,500,000

**Palmdale Water District
Budget 2014
Series 2013A Water Revenue Bond Fund**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN	BUDGETING YEAR AMOUNT		
				2014	2015	Uncommitted
WRB						
Series 2013A Water Revenue Bond Fund						
WB01	Spec 1204 - Ave Q3/Division - North Half		324,000	324,000	-	-
WB02	Spec 1201 - 20th ST, 22nd ST & Ave Q5 Vicinity Waterline Repl.		1,388,000	1,388,000	-	-
WB03	Spec 1205 - Ave Q, 31st ST, & 32nd ST Vicinity Waterline Repl.		1,200,000	1,200,000	-	-
WB04	Spec 1207 - 10th ST, Ave P5, & Ave P4 Vicinity Mainline Repl.		1,376,500	1,376,500	-	-
WB05	Littlerock Dam Sediment Removal - EIR/EIS/Permits		440,000	440,000	-	459,000
WB06	Littlerock Creek Groundwater Recharge & Recovery - Feasibility Study		700,000	700,000	200,000	600,000
WB07	Upper Amargosa Recharge (Project Capacity)		250,000	250,000	1,000,000	-
			5,678,500	5,678,500	1,200,000	1,059,000
Total Fund Source:			5,678,500			

Note: This page is shown strictly for the projects that are covered under the Series 2013A Water Revenue Bond and ties out to the 2014 Fund Analysis summary.

APPENDIXES

APPENDIX A BUDGET CONTROL GUIDELINES

APPENDIX B DISTRICT INFORMATION

APPENDIX C RESOLUTION No. 13-13 – RESERVE POLICY

APPENDIX D CALIFORNIA WATER CODE – SECTION 370-374 ALLOCATION-BASED CONSERVATION WATER PRICING

APPENDIX E GLOSSARY

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APPENDIX A

BUDGET CONTROL GUIDELINES

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BUDGET CONTROL GUIDELINES

The 2014 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes a number of individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in recent years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2013 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the summary.

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APPENDIX B

DISTRICT INFORMATION

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**PALMDALE WATER DISTRICT
2013 Water Rate Schedule**

Meter Fee Charge (Effective 01/01/2013)	
5/8"	26.97
1"	51.24
1-1/2"	91.68
2"	140.23
3"	253.50
4"	415.31
6"	819.84
8"	1305.27
10"	1871.62

Commodity Rates (\$/ccf)	
Tiers	
Tier 1	0.72
Tier 2	2.84
Tier 3	3.63
Tier 4	4.72
Tier 5	5.70
Water Quality Fee (\$/ccf)	
0.20	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.15
A2	0.40
A3	0.83

PALMDALE WATER DISTRICT
2014 Proposed Water Rate Schedule – 3% Increase

Meter Fee Charge (Effective 01/01/2014)	
5/8"	27.78
1"	52.78
1-1/2"	94.43
2"	144.44
3"	261.11
4"	427.77
6"	844.44
8"	1344.43
10"	1927.77

Commodity Rates (\$/ccf)	
Tiers	
Tier 1	0.74
Tier 2	2.93
Tier 3	3.74
Tier 4	4.86
Tier 5	5.87
Water Quality Fee (\$/ccf)	
0.20	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.13
A2	0.41
A3	0.89

PALMDALE WATER DISTRICT

2014 Holiday Observance Calendar

January						
	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May						
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August						
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September						
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December						
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	

- PWD Observed Holiday
- PWD Observed Holiday (Dates Subject to Change)
- PWD Scheduled Office Closure (Dates Subject to Change)

February 18 – Presidents Day

July 4 - Independence Day

November 28 & 29 – Thanksgiving

March 29 – Good Friday

September 2 – Labor Day

December 24 & 25 - Christmas

May 27 – Memorial Day

November 11 – Veterans Day

December 27 & January 1 – New Years

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PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions
2014

Memberships:

1. A.C.W.A.
2. A.W.W.A.
3. Antelope Valley Board of Trade
4. Antelope Valley State Water Contractors Association
5. California Chamber of Commerce
6. California Society of Municipal Finance Officers
7. California Special Districts Association
8. California Urban Water Conservation Council
9. California Utilities Emergency Association
10. Foundation for Cross-Connection Control & Hydraulic Research
11. Greater Antelope Valley Economic Alliance
12. Local Agency Formation Commissions (LAFCO)
13. Municipal Information Systems Association of California
14. National Notary Association
15. Palmdale Chamber of Commerce
16. Palmdale Recycled Water Authority (City of Palmdale)
17. State Water Contractors
18. SWC – Bay Delta Fund
19. Underground Service Alert
20. Water Education Foundation
21. Water Research Foundation
22. WateReuse Association

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions (Continued)
2014

Subscriptions:

1. A.W.W.A. magazine
2. A.W.W.A. Safe Drinking Water updates
3. Antelope Valley Press
4. B.N.I. Building News (Standard Spec. Books)
5. Bentley Systems - Software subscription/updates
6. Blue Book software updates
7. Engineering News Record
8. Environmental Compliance Alert
9. Micro-Station Manager
10. Regional Planning Agenda subscription
11. U.S. Water News
12. West Publishing – Calif. Water Codes update
13. Expert Exchange (Information Technology)

PALMDALE WATER DISTRICT
Contracted Services
2014

- | | |
|--|---|
| 1. AA Antivirus | (Antivirus Software - IT) |
| 2. AES Water, Inc. | (Seismic Valve Maintenance - OPS) |
| 3. AirGas USA, LLC | (Compressed Gases - FAC) |
| 4. Allmax Software Inc. | (Water Data Management - OPS) |
| 5. AV Garden & Turf | (Landscaping – ADM/FAC/OPS) |
| 6. Axes Fire Inc. | (Fire Extinguishers – FAC) |
| 7. Black & Veatch Corporation | (Wind Turbine – IT) |
| 8. Blue Claw Database Design LLC | (Backflow Management Software - ENG) |
| 9. Clark Pest Control | (Pest Control – ADM/FAC/OPS) |
| 10. CoreLogic Solutions, LLC | (Property Data Information – IT) |
| 11. Credit Bureau Of Lancaster | (Credit Reports/Collections - FIN) |
| 12. DCSE | (GIS Data Updates - ENG) |
| 13. Dell Marketing L.P. | (Computer Maint. – IT) |
| 14. DocStar Corporation | (Document Management System – IT) |
| 15. Elite Carpet Care | (Carpet Care – ADM/FAC) |
| 16. Fastenal Company | (Fast Program – FAC) |
| 17. Four Winds Interactive, LLC | (Lobby Presentation Software - IT) |
| 18. Infosend Inc. | (Mailing/Web Services - FIN) |
| 19. Ipswitch Inc. | (Computer Site Monitoring Software - IT) |
| 20. Iron Mountain | (Off-site Data Storage Service - IT) |
| 21. Itron Inc. | (Meter Reading Equipment & Software - IT) |
| 22. Kyocera | (District-wide Printers – IT) |
| 23. Lexisnexis Risk Data Mgmt. | (Instant ID Check Service - FIN) |
| 24. Mayflower Interactive Inc. | (Web Site Updates - IT) |
| 25. McAfee, Inc. | (Site Advisor Monitoring (Web) – IT) |
| 26. Milliman Inc | (GASB45 Actuarial – FIN) |
| 27. Nemo-Q, L.P. | (Lobby Management System - IT) |
| 28. NeoGov | (Employee Appraisal System – IT/HR) |
| 29. Network Solutions | (Domain Name Renewals - IT) |
| 30. Nobel Systems | (GIS Updates & Mobile App – ENG) |
| 31. Opex Corporation | (Mail Opener Remittance Hardware - FIN) |
| 32. Protection One | (Alarm Services – OPS) |
| 33. QCS Building Services Inc. | (Janitorial Services – ADM/FAC/OPS) |
| 34. Rose Business Solutions, Inc. | (Dynamics GP Financial Software – IT) |
| 35. Sartorius Mechatronics Corp | (Lab Equipment Calibration Service – OPS) |
| 36. Schneider Electric USA, Inc. | (ClearSCADA Software - OPS) |
| 37. SEMS Technologies, LLC | (CMMS Software – FAC/OPS) |
| 38. Shimadzu Scientific Instruments Inc. | (Lab Equipment Maintenance – OPS) |

PALMDALE WATER DISTRICT

Contracted Services (Continued)

2014

- | | | |
|-----|----------------------------------|---|
| 39. | Source Graphics | (Engineering Plotter Svc Contract – ENG) |
| 40. | Solar Bee Inc. | (Lake Management Service Contract – OPS) |
| 41. | Southern California Edison | (Arc Flash Study (Wells) – OPS) |
| 42. | Starnik Systems Inc. | (UtilityTrakR – CSM Software – FIN) |
| 43. | Strategy 7 Corporation | (Legacy Database Support – IT) |
| 44. | S.S.&C. Technologies, Inc. | (Consumer Credit Reporting Service – FIN) |
| 45. | Thyssenkrupp Elevator Corp. | (Elevator Maintenance – FAC) |
| 46. | Time Warner Cable | (Internet Backbone/Telephone – IT) |
| 47. | Tredent Data Systems | (Network Management – IT) |
| 48. | Universal Electronic Alarms Inc. | (Alarm System Monitoring – ADM/FAC) |
| 49. | Verizon Wireless | (Wireless Data Services – IT) |
| 50. | World Wind Services | (Wind Turbine Inspection – OPS) |
| 51. | Xtelesis Corporation | (Shoretel Telephone System – IT) |

Consultants

- | | | |
|----|-----------------------------|----------------------------------|
| 1. | Mathis Consulting Group | (Employee Workforce Consulting) |
| 2. | Metropolitan Water District | (Consulting Services |
| 3. | Robert M. Egan | (Financial Advisor) |
| 4. | Sierra Water Group, Inc. | (Water Resource Consulting) |
| 5. | Thomas A. Rinn | (State Water Project Consulting) |

PALMDALE WATER DISTRICT
District-wide Training
2014

Training		Action	Requirement	Last	Next	Notes
AED	✱	Training	Bi-annually	2013	2014	Required: for all personnel
ARC Flash and Electrical Safety		Training	Annual	2012	2013	Required: for all electrical and maintenance personnel. 8 CCR § 2320.2; 2320.3 Required by: OSHA; NFPA and JPIA
Asbestos Concrete Pipe (ACP)	✱	Training	Bi-annually	2013	2015	Required: for all service workers and Facilities personnel at PWD. 8 CCR § 5208(i)(7)(C)
Backhoe Safety and Certification		Training	Annually	2013	2014	Required: required for all facilities personnel.
Blood Borne Pathogens	✱	Training	Annually	2013	2014	Required: for all personnel. 8 CCR § 5193.
Chemical Safety: Ammonia/Alum Sulfuric Acid Sodium Hypo (Bleach) Caustic Soda		Training	Annually	2013	2014	Required: for all treatment plant operators and facilities personnel.
Cold Stress	✱	Training	As necessary			Required: for all facilities personnel. Cal Labor Code §§ 6400-6406
Confined Space Entry	✱	Training	Annually	2013	2014	Required: Or whenever permit space operations change, there are deviations from the permit space entry procedures, or inadequacies in employee knowledge or use of procedures. 8 CCR § 5157 (h) and (i) Required: for all electrical and facilities personnel.
Construction Safety 10-hour (OSHA)	✱	Training		2012	2015	Required: for all facilities and treatment plant personnel. Required by: OSHA and JPIA
CPR/First Aid	✱	Training	Bi-annually	2013	2015	Required: for all personnel. 8 CCR § 3400

Crane Safety		Training	Tri-annually	2010-2013	2013-2015	Required: for all treatment plant operations and facilities personnel. 8 CCR § 5031 Compliance requirements 0 2014; then every 5 years thereafter
Signal Person/Rigging Small, Large & Overhead	✦ ✦ ✦			2013 2013	2016 2014	
Defensive Driver	✦ ✦ ✦	Training	Quadrennial	2010	2014	New employees in 2012 and Employees who did not attend the 2010 training. Also required following an incident. Required: for all personnel.
Drug and Alcohol	✦ ✦ ✦	Training	Tri -annually	2012	2015	
Emergency Response	✦ ✦ ✦	Training	Annually	2012	March 2012	Required: for all personnel whenever plan is updated. 8 CCR § 3222
Fall Protection		Training	No Requirement	As Necessary		Required: OSHA
Field / Office Ergonomics	✦ ✦ ✦	Training	Tri-annually	As Necessary		Required: office ergonomics for all personnel; field for all operations and facilities personnel. 8 CCR § 5110
Fire Dept. Business Plans	✦		Annually	2013	2014	Safety Sub-Committee coordinates process. LA County Fire Department requirement
Fire / Evacuation & Safety	✦ ✦ ✦	Training	Bi-Annually	2013	2014	Required: for all personnel. 8 CCR § 6151 (Inhouse)
Forklift Safety	✦ ✦ ✦	Certification	Tri -annually	2013	2016	Required: for all treatment plant operations and facilities personnel. 8 CCR § 3664 (Inhouse)
HAZWOPER	✦ ✦ ✦	Certification	Annually	2013	2014	JPIA offers First Responder Awareness level only. Required: First Responder Awareness for all treatment plant operations and facilities personnel. 8 CCR § 5192
Hearing Conservation	✦	Certification	Annually	2013	2014	Required: all operations and facilities personnel. 8 CCR §§ 5098(a)(4); 5099
Heat Illness Prevention	✦	Training	Annually	2013	2014	Required: all field personnel (facilities and customer service) 8 CCR § 3395
Injury and Illness Prevention Plan	✦		As necessary			Required: for all personnel during new hire orientation and when plan is updated. 8 CCR § 3203
Lockout / Tag out (LOTO)	✦ ✦ ✦	Training	Bi-Annually	2013	2015	Required : for authorized and affected personnel. 8 CCR § 3341

Personal Protective Equipment (PPE)	♦ ♥ ♣	Training	Tri-annually	2011	2014	Required: for all field personnel. 8 CCR §3380
Reasonable Suspicion	♥ ♣	Training	Tri-annually	2013	2016	Required: for DOT supervisors.
Respirator Fit Testing	♦ ♥ ♣	Training	Annually	2013	2014	Pulmonary exam must be completed prior to fit testing. Required: for all operations and facilities personnel. 8 CCR § 5144; 5147
Sexual Harassment Prevention for Supervisors	♥ ♣	Training	Bi-annually	2012	2014	Required: by California for supervisors.
Sexual Harassment Prevention for Staff		Training	Bi-annually	2013	2015	Required: for all non-supervisory personnel.
Slip, Trip and Fall Prevention		Training		2013	2014	Required: for all personnel. 8 CCR § 3210
Spill Response Plan	♣	Training	Tri-annually		2013	Required: for all operations and facilities personnel.
Safety Tailgate/Toolbox	♦	Training	Bi-weekly	Dept. logs	2013 to Safety Committee	Required; for all operations and facilities personnel. 8 CCR §§ 1509; 8406
Traffic Control and Flagger	♥ ♣	Training	Tri-annually	2012	2015	Required: for all facilities personnel that work or park on the street.
Trench/Shoring/Competent Person	♥ ♣	Training	Tri-annually	2012	2015	Required: for all facilities personnel.
Underground Utility Locator	♥ ♣	Training	Annually	2013	2014	Required: for all facilities personnel.

♦ OSHA required
♥ Training provided by ACWA/JPIA
♣ Recommended by ACWA/JPIA

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PALMDALE WATER DISTRICT Installed Pipeline Chart – Detail Breakdown

		Length of Pipe (ft) by Year Constructed																\$/in-dia 17.50	
		Source: GIS Mainline feature class data as of Aug 28, 2013 (Year Constructed has been corrected or estimated for 29.4 miles of pipe previously classified as Unknown)																Replacement Cost (\$)	
Pipe Diameter (in)		1945-1949 (68 - 64)	1950-1954 (63 - 59)	1955-1959 (58 - 54)	1960-1964 (53 - 49)	1965-1969 (48 - 44)	1970-1974 (43 - 39)	1975-1979 (38 - 34)	1980-1984 (33 - 29)	1985-1989 (28 - 24)	1990-1994 (23 - 19)	1995-1999 (18 - 14)	2000-2004 (13 - 9)	2005-2009 (8 - 4)	2010-2013 (3 - Current)	Unknown N/A	Total Length (ft)		
4		-	855	2,718	1,851	188	3,291	3,024	5,231	6,277	2,550	1,556	562	7	-	2,662	30,772	\$	2,154,040
5		-	850	-	-	-	-	-	-	-	-	-	-	-	-	-	850		74,375
6		1,148	7,997	23,627	3,824	29,769	9,022	18,721	25,448	75,325	82,933	4,479	32,744	26,668	19,172	1,326	362,203		38,031,315
8		-	3,184	479	3,225	13,083	16,078	14,114	70,200	307,809	222,103	40,038	72,315	74,113	19,347	2,378	858,466		120,185,240
10		-	10	-	99	697	3,572	-	20,082	60,276	24,613	20	46	69	-	490	109,974		19,245,450
12		-	2,985	23,438	25,559	35,955	11,321	2,425	25,504	97,537	90,628	34,268	37,110	35,276	11,801	1,683	435,490		91,452,900
14		-	-	-	425	-	123	-	3,165	11,595	3,395	-	3	-	-	35	18,741		4,591,545
16		-	-	1,366	746	2,986	4,889	-	33,299	52,166	46,699	7,683	9,767	10,580	39	3,012	173,232		48,504,960
18		-	1,234	-	-	-	-	-	5,480	4,331	-	24	241	-	-	873	12,203		3,843,945
20		-	-	-	-	5,257	-	-	-	48,174	35,300	-	-	2,920	3,127	2,199	96,977		33,941,950
24		-	-	-	91	9,882	-	2,659	-	29,235	383	-	-	14,248	-	355	56,853		23,878,260
30		-	-	-	-	-	-	-	-	1,650	-	625	-	304	-	-	2,579		1,353,975
36		-	-	-	-	-	-	-	-	-	-	1,073	-	-	-	-	1,073		675,990
42		-	-	-	-	-	-	-	-	1,452	-	639	-	-	-	115	2,206		1,621,410
48		-	-	-	-	-	-	-	-	-	-	441	-	-	-	-	441		370,440
Totals (LF)		1,148	17,115	51,628	35,830	97,827	48,296	40,943	188,409	695,827	508,604	90,846	152,788	164,185	53,486	15,128	2,162,060		\$ 389,925,795
Totals (Miles)		0.2	3.2	9.8	6.8	18.5	9.1	7.8	35.7	131.8	96.3	17.2	28.9	31.1	10.1	2.9	409.5		
Cumulative (LF)		1,148	18,263	69,891	105,721	203,548	251,844	292,787	481,196	1,177,023	1,685,627	1,776,473	1,929,261	2,093,446	2,146,932	2,162,060			
Cumulative (Miles)		0	3	13	20	39	48	55	91	223	319	336	365	396	407	409			
Replacement Cost (\$)		\$ 120,540	\$ 2,436,980	\$ 8,042,615	\$ 6,721,680	\$ 19,472,670	\$ 7,830,165	\$ 5,779,375	\$ 33,561,745	\$ 132,357,435	\$ 89,743,395	\$ 17,387,335	\$ 24,214,120	\$ 30,724,645	\$ 8,305,220	\$ 3,227,875	\$ 389,925,795		
Cumulative Replacement cost (\$)		\$ 120,540	\$ 2,557,520	\$ 10,600,135	\$ 17,321,815	\$ 36,794,485	\$ 44,624,650	\$ 50,404,025	\$ 83,965,770	\$ 216,323,205	\$ 306,066,600	\$ 323,453,935	\$ 347,668,055	\$ 378,392,700	\$ 386,697,920	\$ 389,925,795			

Note: Totals include +/- 19,400 LF of vintage 1950's steel DDW pipe that was cleaned and lined "in place" with cement mortar lining in 1992 and 1994.

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APPENDIX C
RESOLUTION No. 13-13 –RESERVE POLICY

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RESOLUTION NO. 13-13

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors recognizes the need to ensure that the District will have sufficient funding available to meet its operating, emergency capital, and debt service obligations.

WHEREAS, the Board of Directors recognizes the need for sound financial policies as stewards of our customers' funds.

WHEREAS, the Board of Directors recognizes the need for funds to be held in reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors recognizes the need to avoid significant water rate fluctuations.

WHEREAS, the Board of Directors recognizes a need for long term strategic financial policies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 09-03) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12 to consist of fee components allocated for infrastructure and for water supply and Water Supply Connection Fees, are subject to the requirements of the Mitigation Fee Act (AB 1600). The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded.

1. Capital Improvement Fund:

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. *Bond Proceeds Fund(s):*

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue. Typically they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders.

3. *Debt Service Reserve Funds:*

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds and are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments.

A Reserve Fund for the 2013A Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has committed to issue, simultaneously with the execution and delivery of the 2013A Bonds, a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund.

4. *Rate Stabilization Fund:*

This fund is governed by legal bond covenants for the District's revenue bonds. The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Water Revenue Fund for application in accordance with an Installment Purchase Agreement.

Board Designated Funds:

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self-adopted funds. Such funds can be modified, transferred, or altered by Board action.

1. *Dam Self Insurance:*

The District shall make available \$5 million for self-insurance of the Littlerock Dam as seed money for reconstruction under the terms of the agreement between Palmdale Water District, Littlerock Creek Irrigation District and Palmdale Water District Public Facilities Corporation. The money will be used to begin the reconstruction following the event as applications for FEMA reimbursement are in process.

2. *O&M Operating Reserve:*

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a

working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. *O&M Emergency Reserve:*

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. *Unrestricted Reserves:*

Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Water District as follows:

Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 13th day of November, 2013 by the following vote:

Ayes: Director Robert Alvarado, Director Gordon Dexter, Director Gloria Dizmang,
Director Steve Cordova

Noes: None

Absent: President Kathy Mac Laren

Abstain: None

**SIGNED AND ATTESTED COPY CAN BE FOUND ON THE DISTRICT WEB SITE
OR CONTACT THE EXECUTIVE ASSISTANT TO RECEIVE A PHOTO COPY BY
MAIL.**

APPENDIX D
CALIFORNIA WATER CODE – SECTION 370-374

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CALIFORNIA WATER CODE
SECTION 370-374
ALLOCATION-BASED CONSERVATION WATER PRICING
(Copied from original posted at <http://www.leginfo.ca.gov/calaw.html>)

370. The Legislature hereby finds and declares all of the following:

- (a) The use of allocation-based conservation water pricing by public entities that sell and distribute water is one effective means by which waste or unreasonable use of water can be prevented and water can be saved in the interest of the people and for the public welfare, within the contemplation of Section 2 of Article X of the California Constitution.
- (b) It is in the best interest of the people of California to encourage public entities to voluntarily use allocation-based conservation water pricing, tailored to local needs and conditions, as a means of increasing efficient uses of water, and further discouraging wasteful or unreasonable use of water under both normal and dry-year hydrologic conditions.
- (c) The Legislature intends that allocation-based conservation water pricing is an alternative method that can be used by public entities to encourage water users to conserve water, increase efficient uses of water, and further discourage waste of water. The Legislature does not intend to limit the discretion of public entities to evaluate and select among different methods for conserving water or to create a presumption that the election to not use a particular method is a waste or unreasonable use of water by the public entity.
- (d) Nothing in this chapter is intended to limit, or dictate, the design of rate structures that public entities may use to promote conservation by water users.
- (e) Nothing in this chapter directs, or otherwise compels, a public entity to use allocation-based conservation water pricing.

371. For purposes of this chapter, the following terms have the following meanings:

- (a) "Allocation-based conservation water pricing" means a retail water rate structure that meets all of the criteria in Section 372.
- (b) "Basic charge" means a volumetric unit charge for the cost of water service other than any fixed costs that are recovered through meter charges or other fixed charges other than incremental costs that are recovered through conservation charges. A basic charge may include the cost of generally applicable conservation measures assumed in establishing basic use allocations.
- (c) "Conservation charge" means a volumetric unit charge for incremental costs.
- (d) "Incremental costs" means the costs of water service, including capital costs, that the public entity incurs directly, or by contract, as a result of the use of water in excess of the basic use allocation or to implement water conservation or demand management measures employed to increase efficient uses of water, and further discourage the wasteful or unreasonable use of water, and may include any of the following:
 - (1) Conservation best management practices, conservation education, irrigation controls and other conservation devices, and other demand management measures.

- (2) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled water and other alternative water supplies.
- (3) Projects and programs for prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses. Incremental costs shall not include the costs of stormwater management systems and programs.
- (4) Securing dry-year water supply arrangements.
- (5) Procuring water supplies to satisfy increments of water use in excess of the basic use allocations for the customers of the public entity, including supply or capacity contracts for water supply rights or entitlements and related energy costs for water delivery.

(e) "Public entity" means a city, whether general law or chartered, county, city and county, special district, agency, authority, any other municipal public corporation or district, or any other political subdivision of the state that provides retail water service and that is an urban water supplier, as defined in Section 10617.

372. (a) A public entity may employ allocation-based conservation water pricing that meets all of the following criteria:

- (1) Billing is based on metered water use.
- (2) A basic use allocation is established for each customer account that provides a reasonable amount of water for the customer's needs and property characteristics. Factors used to determine the basic use allocation may include, but are not limited to, the number of occupants, the type or classification of use, the size of lot or irrigated area, and the local climate data for the billing period. Nothing in this chapter prohibits a customer of the public entity from challenging whether the basic use allocation established for that customer's account is reasonable under the circumstances. Nothing in this chapter is intended to permit public entities to limit the use of property through the establishment of a basic use allocation.
- (3) A basic charge is imposed for all water used within the customer's basic use allocation, except that at the option of the public entity, a lower rate may be applied to any portion of the basic use allocation that the public entity has determined to represent superior or more than reasonable conservation efforts.
- (4) A conservation charge shall be imposed on all increments of water use in excess of the basic use allocation. The increments may be fixed or may be determined on a percentage or any other basis, without limitation on the number of increments, or any requirement that the increments or conservation charges be sized, or ascend uniformly, or in a specified relationship. The volumetric prices for the lowest through the highest priced increments shall be established in an ascending relationship that is economically structured to encourage conservation and reduce the inefficient use of water, consistent with Section 2 of Article X of the California Constitution.

(b) (1) Except as specified in subdivision (a), the design of an allocation-based conservation pricing rate structure shall be determined in the discretion of the public entity.

- (2) The public entity may impose meter charges or other fixed charges to recover fixed costs of water service in addition to the allocation-based conservation pricing rate structure.
 - (c) A public entity may use one or more allocation-based conservation water pricing structures for any class of municipal or other service that the public entity provides.
- 373.
 - (a) Revenues derived from allocation-based conservation water pricing shall not exceed the reasonable cost of water service including basic costs and incremental costs. This chapter does not limit the sources of funding for incremental costs to charges for water use.
 - (b) Revenues derived from allocation-based conservation water pricing shall not exceed the proportional cost of service attributable to the customer's parcel, as determined by giving consideration to all of the following:
 - (1) Customer classes established in consideration of service characteristics, demand patterns, and other factors.
 - (2) Basic use allocations.
 - (3) Meter size.
 - (4) Metered volume of water consumed.
 - (5) The public entity's discretionary allocation of incremental costs between and among the increments of water use subject to conservation charges, as permitted by paragraph (4) of subdivision (a) of Section 372 to meet the requirement of that section.
 - (c) In establishing the schedule of charges and metered volumes for the increments of water use subject to conservation charges, the public entity may also consider both of the following:
 - (1) Customer overuse characteristics, including ratios between overuse volumes and basic use allocations, variations in demand and consumption patterns, or other characteristics of overuse experienced by the public entity.
 - (2) The extent to which the pricing structure of the increments will be effective in minimizing or eliminating the need for other measures to curtail potential overuse.
- 374.
 - (a) Allocation-based conservation water pricing under this chapter may be used on an ongoing basis and shall not require any finding of emergency or other water shortage conditions.
 - (b) The authority granted in this chapter is in addition to any other authority that a public entity has to use rate structure design to foster the conservation of water.
 - (c) The imposition and revision of rates and charges by a public entity under this chapter shall be subject to the procedures otherwise required by law for the public entity's water rates.

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APPENDIX E

GLOSSARY

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Palmdale Water District
Budget 2014
Glossary

ACH Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. At the District, we are receiving bill payments for customers through Metavante.

ACWA Association of California Water Agencies – Association of California Water Agencies represents and provides key services to its members. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California’s public water agencies. ACWA’s involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their customers. (<http://www.acwa.com>)

AWWA American Water Works Association – American Water Works Association is the authoritative resource on safe water, sharing knowledge on water resource development, water and wastewater treatment technology, water storage and distribution, and utility management and operations. AWWA provides knowledge, information and advocacy to improve the quality and supply of water in North America and beyond and advances public health, safety and welfare by uniting the efforts of the full spectrum of the water community.
(<http://www.awwa.org>)

BMP A Best Management Practice (BMP) is a practice or combination of practices determined to be the most effective, practicable means for protecting natural resources.

CalPERS See PERS

CDPH California Department of Public Health – State agency that oversees and regulates the public drinking water systems. This includes the certification and licensing of water treatment and distribution system operators. (<http://www.cdph.ca.gov>)

CEQA California Environmental Quality Act - The California Environmental Quality Act is a California law (California Public Resources Code section 21000 et seq.) passed in 1970, shortly after the Federal Government passed the National Environmental Policy Act. CEQA does not directly regulate land uses, but instead requires development projects submit documentation of their potential environmental impact. (<http://ceres.ca.gov/ceqa>)

CIF Capital Improvement Fee – Capital improvement fees were established to provide funds for the construction of District facilities to meet water demands. These fees are collected from developers so they can contribute toward the cost of construction of these future facilities as specified by the District’s Master Plan.

CMMS Computerized maintenance management system is a software package that maintains a computer database of information about an organization’s maintenance operations related to equipment, assets and property.

Palmdale Water District
Budget 2014
Glossary (continued)

CSDA California Special Districts Association – California Special Districts Association is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policy makers and the public on the vital importance of local services provided by special districts in California. (<http://www.csda.net>)

CUWCC The California Urban Water Conservation Council was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

DWR California Department of Water Resources – State agency that oversees the operation of the State Water Project (SWP). (<http://www.water.ca.gov>)

DBP Disinfection By-Products are potentially toxic chemical compounds that are formed in extremely low concentrations during the disinfection of water supplies.

EIR Environmental Impact Report – An EIR is a public document used by a government agency to analyze environmental effects of a proposed project. It also allows for the identification of alternatives and to disclose possible ways to reduce or avoid possible environmental damage.

EIS Environmental Impact Study – See EIR

EPA Environmental Protection Agency – The federal agency responsible for setting and enforcing water quality standards.

ET Evapotranspiration, or "ET," is the combination of water that is lost from the soil through evaporation and through transpiration from plants as a part of their metabolic processes. "ET" is simply the amount of water needed by a particular plant, tree, or turf grass.

GAC Granular Activated Carbon – Granular activated carbon is a form of carbon that has been processed to make it extremely porous and thus to have a very large surface area available for adsorption or chemical reactions. These carbons are therefore preferred for all adsorption of gases and vapors as their rate of diffusion are faster. Granulated carbons are used for water treatment, deodourisation and separation of components of flow system.

GASB Governmental Accounting Standards Board – The Governmental Accounting Standards Board exists to establish and improve standards of state and local governmental accounting and financial reporting. By doing this, the result is useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. (<http://www.gasb.org>)

Palmdale Water District
Budget 2014
Glossary (continued)

GIS Geographical Information System – Geographical information system captures, stores, analyzes, manages, and presents data that is linked to location. Technically, a GIS is a system, which includes mapping software and its application to remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.

MOU Memorandum of Understanding is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.

MTBE Methyl tertiary-butyl ether (MTBE) is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is produced is almost exclusively used as a fuel additive in motor gasoline.

O&M Operations and Maintenance – Operations and Maintenance are the activities related to the performance of routine, preventive, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.

OPEB Other Post-Employment Benefits – Other Post-Employment Benefits obligations are primarily for retiree health care costs but also can include other benefits such as insurance.

PEPRA California Public Employees' Pension Reform Act Of 2013. The District has adopted PEPRA provisions on January 1, 2013. For a better understanding of this act refer to the CalPERS employers' circular located at the following URL.

<http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-055-12.pdf>

PERS or CalPERS California Public Employees' Retirement System – The State retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.

SCADA Supervisory Control and Data Acquisition is a system that collects data from various sensors at a factory, plant or in other remote locations and then sends this data to a central computer, which then manages and controls the data.

SWC The State Water Contractors is a non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. (<http://www.swc.org>)

Palmdale Water District
Budget 2014
Glossary (continued)

SWP Resources California State Water Project – Administered by the Department of Water (DWR), the State Water Project is the nation's largest state-built water and power development and conveyance system. Its purpose is to deliver water, control flooding, generate power, provide recreational opportunities, and enhance habitats for fish and wildlife.

TTHM Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection byproducts when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water. The EPA is in charge of regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.

VOC Volatile Organic Compounds are ground-water contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with ground-water to drinking-water supply wells

WI-FI A popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.